

# Journal

OF THE

## ASSEMBLY OF THE STATE OF NEVADA

---

TWENTY-SIXTH SPECIAL SESSION

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### **THE FIRST DAY**

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CARSON CITY (Tuesday), February 23, 2010

Pursuant to the provisions of the Constitution and Statutes, the Assembly was called to order by Speaker of the Assembly Barbara E. Buckley at 9:08 a.m.

Madam Speaker requested that the Chief Clerk of the Assembly call the roll.

Roll called.

All present.

Prayer by the Chaplain, Terry Sullivan.

Let us pray. Dear Lord, we thank You once again for bringing us all here safely and ask that You send us all home the same way at the conclusion of this Special Session of the Legislature. This august body faces an enormous task in solving the problems facing the citizens of this great state. We pray for Your guidance, wisdom, and blessing in these important matters. Please also bless our departed colleague Kyle McAfee and all of his family and friends.

AMEN.

Pledge of allegiance to the Flag.

## MOTIONS, RESOLUTIONS AND NOTICES

Madam Speaker appointed Assemblymen Oceguela, Atkinson, and Gansert as a committee to inform the Governor that the Assembly was organized and ready for business.

Madam Speaker appointed Assemblymen Horne, Conklin, and Stewart as a committee to inform the Senate that the Assembly was organized and ready for business.

Madam Speaker announced if there were no objections, the Assembly would recess subject to the call of the Chair.

Assembly in recess at 9:11 a.m.

## ASSEMBLY IN SESSION

At 9:21 a.m.

Madam Speaker presiding.

Quorum present.

Assemblyman Oceguela reported that his committee had informed the Governor that the Assembly was organized and ready for business.

Madam Speaker announced if there were no objections, the Assembly would recess subject to the call of the Chair.

Assembly in recess at 9:22 a.m.

## ASSEMBLY IN SESSION

At 9:34 a.m.

Madam Speaker presiding.

Quorum present.

A committee from the Senate composed of Senators Weiner, Carlton, and Olsen appeared before the bar of the Assembly and announced that the Senate was organized and ready for business.

Assemblyman Conklin reported that his committee had informed the Senate that the Assembly was organized and ready for business.

COMMUNICATIONS  
MESSAGES FROM THE GOVERNOR

OFFICE OF THE GOVERNOR  
JIM GIBBONS  
GOVERNOR

February 16, 2010

The Honorable Barbara Buckley, *SPEAKER OF THE ASSEMBLY*, NEVADA STATE ASSEMBLY,  
401 SOUTH CARSON STREET, CARSON CITY, NEVADA 89701  
TO THE HONORABLE MEMBERS OF THE NEVADA STATE ASSEMBLY:

The Nevada State Constitution, in Article 5, Section 9, provides that the Governor may on extraordinary occasions convene a Special Session of the Legislature by proclamation.

As we all know, general fund revenues for the current biennium continue to come in at a significantly lower amounts than the general funds appropriated by the Legislature in its Seventy-Fifth Regular Session.

On January 22, 2010, the Economic Forum convened and determined that the general fund will be at least another \$580 million short in the current fiscal year. Adding in other revenue sources, the total shortfall comes to \$887 million.

Working together, we have already identified and implemented some spending reductions to address our fiscal crisis. However, as the amount of the budget deficit continues to grow, it has become necessary to convene a Special Session of the Legislature to help find appropriate and responsible solutions.

I have therefore issued a proclamation calling the Legislature into a Special Session. In that proclamation, I identify numerous options that will not only solve the current revenue shortfall, but will show our citizens that their elected officials are willing to make the tough decisions necessary to maintain a balanced budget in difficult economic times.

My staff and I remain committed to working with you during this session.

Sincerely,  
JIM GIBBONS  
*Governor*

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Ocegüera moved that the reading of the Proclamation by the Governor convening the Legislature into a Special Session be dispensed with and that the Proclamation be entered into the Journal.

Motion carried.

COMMUNICATIONS  
STATE OF NEVADA  
OFFICE OF THE GOVERNOR  
EXECUTIVE ORDER

A PROCLAMATION BY THE GOVERNOR:

WHEREAS, Section 9 of Article V of the Constitution of the State of Nevada provides that, “The Governor may on extraordinary occasions, convene the Legislature by Proclamation and shall state to both houses when organized, the purpose for which they have been convened, and the Legislature shall transact no legislative business, except that for which they were specifically convened, or such other legislative business as the Governor may call to the attention of the Legislature while in Session”; and

WHEREAS, the general fund revenue shortfall for the current biennium far exceeds any other revenue shortfall in the State’s history; and

WHEREAS, general fund revenues for the current biennium are projected to come in less than the amounts appropriated by the Legislature at its Seventy-Fifth Session; and

WHEREAS, the Economic Forum was convened on January 22, 2010, and the economic projections from that body, in addition to decreases in other general fund revenues and increased caseload requirements, establish that the total general fund revenues for the current biennium will continue to decrease, and will be at least \$887 million less than the total general funds appropriated by the Legislature for this biennium; and

WHEREAS, believing that fiscally responsible reductions to the State's spending can be made so that spending does not exceed projected revenues; and

WHEREAS, Nevada is now facing the worst economic crisis in the State's history; and

WHEREAS, believing that an extraordinary occasion exists which requires immediate action by the Legislature;

NOW THEREFORE, I, JIM GIBBONS, GOVERNOR OF THE STATE OF NEVADA, by virtue of the authority vested in me by the Constitution of the State of Nevada, do hereby convene the Legislature into a Special Session to begin at 9:00 am, on February 23, 2010.

During this Special Session, I ask the Legislature to consider the following:

1. Reducing the general fund appropriations made to fund the State's government operations from the Seventy-Fifth Session of the Legislature;
2. Transferring to the general fund certain amounts in non-general fund accounts, including but not limited to:
  - a. Healthy Nevada Fund;
  - b. Public Health Trust Fund;
  - c. Millennium Scholarship Fund;
  - d. Special Capital Construction Fund for Higher Education;
  - e. Interim Finance Committee Contingency Fund;
  - f. Commission on Minerals Bond Reclamation Account;
  - g. Commission on Minerals Cash Pooled Bond Investments;
  - h. Insurance Insolvency Fund;
  - i. Disaster Relief Account;
  - j. Self-Insured Association Insolvency;
  - k. Common Interest Communities;
  - l. Rainy Day Fund;
  - m. Bond Interest and Redemption Account;
  - n. Public Utilities Commission;
  - o. Home Owners Disaster Relief Account;
  - p. Insurance Education and Research;
  - q. Pollution Control Account;
  - r. Emergency Assistance Subaccount;
  - s. Tort Claims Fund;
  - t. Dairy Commission;
  - u. Employment Security Special Fund;
  - v. Financial Institutions Audit;
  - w. Prison Industries Capital Projects;
  - x. Department of Taxation Bonds; and
  - y. Nevada Department of Wildlife Heritage Account;
3. Increasing the number of furlough hours to 10 per month, providing for 10-hour work days and closing State offices 1 day a week where applicable;
4. Revising sections of NRS which require State and local governments to provide certain hours of operation to allow for flexibility without sacrificing vital services to the public;

5. Revising provisions of NRS to allow issuance of administrative assessments to owners of automobiles operating in the State without valid insurance and registration capture through license plate readers and confirmed by an insurance and registration verification system;
6. Providing flexibility for the Department of Health and Human Services to transfer funds among various accounts in the same manner and limits as allowed for work programs under NRS 353.220;
7. Revising NRS 31A.090 to require that employers with 25 or more employees make payments of child support orders to the State Collection and Disbursement Unit by electronic transfer of money;
8. Revising NRS 422.4025 governing the list of preferred prescription drugs to be used by the Medicaid program and thus, allowing Medicaid to receive supplemental rebates from pharmaceutical manufacturers;
9. Revising NRS 422.3785 so as not to restrict the State's ability to adjust rates paid to its nursing facilities pursuant to the Medicaid Program;
10. Adopting a nexus law that provides that certain online vendors of taxable tangible personal property are subject to the existing Nevada use tax;
11. Eliminating Chapter 288 of NRS to provide for flexibility to local government entities;
12. Removing all spending earmarks in K-12 education except for Special Education and Federal School Lunch Program State Match, and provide for a statewide block grant to allow school districts the flexibility to choose which programs to offer to their students (e.g. class size reduction, full-day kindergarten, etc.).

During the Special Session, the Legislature shall consider solutions to reduce state government spending. The Legislature may also consider any other legislative business as I may call to the attention of the Legislature while in session.

The Legislature may consider an appropriation to pay for the cost of the Special Session or may cover said cost from the Legislative Fund.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol in Carson City this 16th day of February, in the year two thousand ten.

Jim Gibbons  
*Governor*

Ross Miller  
*Secretary of State of Nevada*

#### MOTIONS, RESOLUTIONS AND NOTICES

By the Committee of the Whole:

Assembly Resolution No. 1—Adopting the Rules of the Assembly for the 26th Special Session of the Nevada Legislature.

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, That the following Rules of the Assembly for the 26th Special Session of the Legislature are hereby adopted:

## I. APPLICABILITY

### Rule No. 1. Generally.

*The Rules of the Assembly for the 26th Special Session of the Legislature are applicable only during the 26th Special Session of the Legislature.*

## II. OFFICERS AND EMPLOYEES

### Rule No. 2. Speaker of the Assembly.

1. *All officers of the Assembly are subordinate to the Speaker in all that relates to the prompt, efficient and correct discharge of their official duties under the Speaker's supervision.*

2. *Possessing the powers and performing the duties described in this rule, the Speaker shall:*

(a) *Take the chair at the hour to which the Assembly will be meeting, call the members to order and, upon the appearance of a quorum, proceed to business.*

(b) *Preserve order and decorum and have general direction of the Chamber of the Assembly and the approaches thereto. In the event of any disturbance or disorderly conduct therein, order the same to be cleared.*

(c) *Decide all questions of order, subject to a member's right to appeal to the Assembly. On appeal from such decisions, the Speaker has the right, in the Speaker's place, to assign the reason for the decision.*

(d) *Have the right to name any member to perform the duties of the chair, but such substitution must not extend beyond one legislative day.*

(e) *Have the power to accredit the persons who act as representatives of the news media and assign them seats.*

(f) *Sign all bills and resolutions passed by the Legislature as provided by law.*

(g) *Sign all subpoenas issued by the Assembly.*

(h) *Receive all messages and communications from other departments of the government and announce them to the Assembly.*

(i) *Represent the Assembly, declare its will and in all things obey its commands.*

(j) *Vote on final passage of a bill or resolution, but the Speaker shall not be required to vote in ordinary legislative proceedings except where the Speaker's vote would be decisive. In all yea and nay votes, the Speaker's name must be called last.*

3. *If a vacancy occurs in the Office of Speaker, through death, resignation or disability of the Speaker, the Speaker pro Tempore shall temporarily and for the period of vacancy or disability conduct the necessary business of the Assembly.*

4. *If a permanent vacancy occurs in the Office of Speaker, the Assembly shall select a new Speaker.*

### Rule No. 3. Chief Clerk.

1. *The Chief Clerk is elected by the Assembly and is responsible to the Speaker.*

2. *The Chief Clerk shall recruit, select, train and supervise all attaches employed to assist with the work of the Assembly.*

3. *The Chief Clerk shall administer the daily business of the Assembly.*

4. *The Chief Clerk shall adopt such administrative policies as she deems necessary to carry out the business of the Assembly.*

### Rule No. 4. Reserved.

### Rule No. 5. Reserved.

### Rule No. 6. Reserved.

*The next rule is 10.*

### III. MEETINGS

*Rule No. 10. Reserved.*

*Rule No. 11. Open Meetings.*

*All meetings of the Assembly and its committees must be open to the public.*

*Rule No. 12. Reserved.*

*The next rule is 20.*

### IV. DECORUM AND DEBATE

*Rule No. 20. Points of Order.*

*If any member, in speaking or otherwise, transgresses the rules of the Assembly, the Speaker shall, or any member may, call to order, in which case the member so called to order shall immediately sit down, unless permitted to explain; and if called to order by a member, such member shall immediately state the point of order. If the point of order be sustained by the presiding officer, the member shall not be allowed to proceed; but if it be not sustained, then he shall be permitted to go on. Every such decision from the presiding officer shall be subject to an appeal to the House; but no discussion of the question of order shall be allowed unless an appeal be taken from the decision of the presiding officer.*

*Rule No. 21. Portable electronic communication devices.*

*1. A person who is within the Assembly Chambers shall not engage in a telephone conversation via the use of a portable telephone.*

*2. Before entering the Assembly Chambers, any person who possesses a portable electronic communication device, such as a pager or telephone, that emits an audible alert, such as a ringing or beeping sound, to signal an incoming message or call shall turn the audible alert off. A device that contains a nonaudible alert, such as a silent vibration, may be operated in a nonaudible manner within the Assembly Chambers.*

*Rule No. 22. Reserved.*

*Rule No. 23. Legislative Ethics.*

*1. In determining whether a Legislator has a conflict of interest, the Legislator should consider whether the independence of judgment of a reasonable person in his position upon the matter in question would be materially affected by:*

- (a) His acceptance of a gift or loan;*
- (b) His private economic interest; or*
- (c) His commitment to a member of his household or his immediate family.*

*2. Except as otherwise provided in subsection 3, if a Legislator knows he has a conflict of interest pursuant to subsection 1, the Legislator shall make a general disclosure of the conflict of interest on the record in a meeting of a committee or on the floor of the Assembly, as applicable. Such a disclosure must be entered:*

*(a) If the Legislator makes the disclosure in a meeting of a committee, in the minutes for that meeting.*

*(b) If the Legislator makes the disclosure on the floor of the Assembly, in the Journal.*

*3. If, on one or more prior occasions during the current session of the Legislature, a Legislator has made a general disclosure of a conflict of interest on the record in a meeting of a committee or on the floor of the Assembly, the Legislator is not required to make that general disclosure at length again regarding the same conflict of interest if, when the matter in question arises on subsequent occasions, the Legislator makes a reference on the record to the previous disclosure.*

4. *In determining whether to abstain from voting upon, advocating or opposing a matter concerning which a Legislator has a conflict of interest pursuant to subsection 1, the Legislator should consider whether:*

- (a) *The conflict impedes his independence of judgment; and*
- (b) *His interest is greater than the interests of an entire class of persons similarly situated.*

5. *The provisions of this rule do not under any circumstances and regardless of any conflict of interest:*

- (a) *Prohibit a Legislator from requesting or introducing a legislative measure; or*
- (b) *Require a Legislator to take any particular action before or while requesting or introducing a legislative measure.*

6. *If a Legislator who is a member of a committee declares on the record when a vote is to be taken by the committee that he will abstain from voting because of the requirements of this rule, the necessary quorum to act upon and the number of votes necessary to act upon the matter is reduced as though the Legislator abstaining were not a member of the committee.*

7. *Except as otherwise provided in the Joint Rules of the 26th Special Session, the standards and procedures set forth in this rule which govern whether and to what extent a member of the Assembly has a conflict of interest, should disclose a conflict of interest or should abstain from voting upon, advocating or opposing a matter concerning which the member has a conflict of interest pursuant to subsection 1:*

- (a) *Are exclusive and are the only standards and procedures that apply to members of the Assembly with regard to such matters; and*
- (b) *Supersede and preempt all other standards and procedures with regard to such matters.*

*The next rule is 30.*

#### V. QUORUM, VOTING, ELECTIONS

*Rule No. 30. Manner of Voting.*

1. *The presiding officer shall declare all votes, but the yeas and nays must be taken when called for by three members present, and the names of those calling for the yeas and nays must be entered in the Journal by the Chief Clerk.*

2. *The presiding officer shall call for yeas and nays by a division or by a roll call, either electronic or oral.*

3. *When taking the yeas and nays on any question, the electronic roll call system may be used, and when so used shall have the force and effect of any roll call under these rules.*

4. *When taking the yeas and nays by oral roll call, the Chief Clerk shall take the names of members alphabetically, except that the Speaker's name must be called last.*

5. *The electronic roll call system may be used to determine the presence of a quorum.*

6. *The yeas and nays must not be taken with the electronic roll call system until all members present are at their desks. The presiding officer may vote at the rostrum.*

7. *Only a member who is physically present within the Assembly Chambers may cast a vote in the Assembly.*

8. *A member shall not vote for another member on any roll call, either electronic or oral. Any member who votes for another member may be punished in any manner deemed appropriate by the Assembly.*

*Rule No. 31. Reserved.*

*Rule No. 32. Announcement of the Vote.*

1. *A member may change his vote at any time before the announcement of the vote if the voting is by voice, or at any time before the votes are electronically recorded if the voting is conducted electronically.*

2. *The announcement of the result of any vote shall not be postponed.*

*Rule No. 33. Voting by Division.*



*Upon a division and count of the Assembly on any question, no person without the bar shall be counted.*

*The next rule is 40.*

#### VI. LEGISLATIVE BODIES

##### *Rule No. 40. Committee of the Whole.*

*1. All bills and resolutions may be referred only to the Committee of the Whole or to such committees as may be appointed by the Speaker pursuant to Rule 41.*

*2. The Speaker shall preside as Chair of the Committee of the Whole or name a Chair to preside.*

*3. A member of the Committee of the Whole may speak not more than twice during the consideration of any one question, on the same day, and at the same stage of proceedings, without leave. Members who have once spoken shall not again be entitled to the floor (except for explanation) to the exclusion of others who have not spoken.*

*4. The Chair may require any vote of the Committee of the Whole to be recorded in the manner designated by the Chair.*

*5. All amendments proposed by the Committee of the Whole:*

*(a) Must first be approved by the Committee of the Whole.*

*(b) Must be reported by the Chair to the Assembly.*

*6. The minutes of the meetings of the Committee of the Whole must be entered in the Assembly's final journal.*

##### *Rule No. 40.5. Committees.*

*In addition to the Committee of the Whole, the Speaker may appoint such other committees of the Assembly as she determines is necessary.*

##### *Rule No. 41. Appointment of Committees.*

*All committees must be appointed by the Speaker, unless otherwise directed by the Assembly. The Speaker shall determine the appropriate number of members for each committee and shall designate the chair and vice chair of each committee.*

##### *Rule No. 42. Committee Action.*

*1. A committee shall have meetings in accordance with the direction of the Assembly leadership. A quorum of the committee is a majority of its appointed members and may transact business except as limited by this rule.*

*2. Except as limited by this rule, a simple majority of those present may move, second and pass a motion by voice vote.*

*3. Definite action on a bill or resolution will require a majority of the entire committee.*

*4. A motion to reconsider action on a bill or resolution is not in order.*

*5. Committee introduction of legislative measures requires concurrence of a majority of the members of the entire committee and requires a commitment from each such concurring member to support final passage. A decision by a committee to request the drafting of an amendment for a bill requires concurrence of a majority of the members of the entire committee and requires a commitment from each such concurring member to support the amendment when it is considered on the floor of the Assembly.*

*6. The chair must be present when the committee votes to take any final action regarding bills or resolutions, but the chair is not required to vote.*

*7. No member of the committee may vote by proxy under any circumstances.*

*8. A committee shall not take a vote on the question of whether to exercise its statutory authority to issue a legislative subpoena unless the chair has informed the Speaker of the intention of the committee to consider such a question.*

##### *Rule No. 43. Subcommittees.*

*Subcommittees made up of committee members may be appointed by the chair to consider and report back on specific subjects or bills.*

**Rule No. 44. Reserved.**

**Rule No. 45. Request for Drafting of Bill, Resolution or Amendment.**

*Except as otherwise provided in this Rule, the Legislative Counsel shall not honor a request for the drafting of a bill, resolution or amendment to be introduced in the Assembly, unless it is submitted by the Committee of the Whole, such other committees as the Speaker may appoint or a conference committee. The Speaker may request the drafting of five bills for the 26th Special Session without seeking the approval of the Committee of the Whole or any other committee that the Speaker may appoint.*

**Rule No. 46. Committee Action.**

*Every committee vote on a matter pertaining to a bill or resolution must be recorded. The vote may be taken by roll call at the discretion of the chair.*

**Rule No. 47. Committee Records.**

*The chair of each committee shall keep, or cause to be kept, a complete record of the committee proceedings in which there must be entered:*

- 1. The time and place of each meeting;*
- 2. The attendance and absence of members;*
- 3. The names of all persons appearing before the committee, with the names of persons, firms, corporations or associations in whose behalf such appearance is made; and*
- 4. The subjects or measures considered and action taken.*

**Rule No. 48. Disposition of Committee Records.**

*All minutes, records and documents in the possession of committees and their chairmen must be filed in the offices of the Legislative Counsel Bureau upon their completion.*

**Rule No. 49. Committee Hearings.**

*1. The presence of a quorum of the committee is desirable but not required to conduct a public hearing. At the discretion of the chair, members of the committee may attend, participate in and, if applicable, vote during the hearing via simultaneous telephone or video conference.*

*2. Public hearings are opened by the chair, who announces the subject under consideration and provides for those wishing to address the committee to be heard. These persons shall rise in an order determined by the chair, address the chair and furnish their names, addresses and firms or other organizations represented. Committee members may address the chair for permission to question the witness.*

**Rule No. 50. Reserved.**

**Rule No. 51. Reserved.**

**Rule No. 52. Reserved.**

*The next rule is 60.*

## VII. RULES GOVERNING MOTIONS

### A. PROCEDURE

**Rule No. 60. Entertaining.**

*No motion may be debated until it is distinctly announced by the presiding officer. The presiding officer upon his own motion, or at the request of any member, may direct that the*

*motion be reduced to writing and be read by the Chief Clerk before the motion is debated. A motion may be withdrawn by the maker at any time before amendment or before the motion is put to vote.*

*Rule No. 61. Reserved.*

*Rule No. 62. Reserved.*

#### **B. PARTICULAR MOTIONS**

*Rule No. 63. Reserved.*

*Rule No. 64. Reserved.*

*Rule No. 65. Indefinite Postponement.*

*When a question is postponed indefinitely, the same question must not be considered again during the 26th Special Session of the Legislature and the question is not subject to a motion for reconsideration.*

*Rule No. 66. To Strike Enacting Clause.*

*A motion to strike out the enacting clause of a bill or resolution does not take precedence over any other subsidiary motion. If the motion is carried, it shall be considered equivalent to the rejection of such bill or resolution.*

*Rule No. 67. Division of Question.*

*Any member may call for a division of the question, which shall be divided, if it comprehends propositions in substance so distinct that, one being taken away, a substantive proposition shall remain for the decision of the Assembly. A motion to strike out being lost shall preclude neither amendment nor a motion to strike out and insert. A motion to strike out and insert shall be deemed indivisible.*

*Rule No. 68. To Reconsider.*

*No motion to reconsider a vote is in order.*

*The next rule is 80.*

#### **VIII. DEBATE**

*Rule No. 80. Speaking on Question.*

*No member shall speak more than twice during the consideration of any one question, on the same day, and at the same stage of proceedings, without leave. Members who have once spoken shall not again be entitled to the floor (except for explanation) to the exclusion of others who have not spoken.*

*Rule No. 81. Previous Question.*

*The previous question shall be put only when demanded by three members. The previous question shall not be moved by the member last speaking on the question.*

*Rule No. 82. Privilege of Closing Debate.*

*The author of a bill, a resolution or a main question shall have the privilege of closing the debate, unless the previous question has been sustained.*

*The next rule is 91.*

#### **IX. CONDUCT OF BUSINESS**

##### **A. RULES AND PROCEDURE**

**Rule No. 91. Rescission, Change or Suspension of Rule.**

*No rule or order of the Assembly for the 26th Special Session of the Legislature may be rescinded or changed without a majority vote of the members elected; but a rule or order may be suspended temporarily by a majority vote of the members present.*

**Rule No. 92. Notices of Bills, Topics and Public Hearings.**

1. *Except as otherwise provided in subsection 3, all committees shall provide adequate notice of public hearings on bills, resolutions or other topics which are to come before the committees. The notice must include the date, time, place and agenda to be covered. The notice must be posted conspicuously in the legislative building, appear in the daily history and be made available to the news media. The daily history must include the most current version of the notice that is available at the time the daily history is created and an informational statement informing the public where more current information, if any, regarding such notices may be found.*

2. *The noticing requirements of this rule may be suspended for emergency situations but only after approval by a majority vote of a committee.*

3. *Subsection 1 does not apply to:*

- (a) Meetings of the Committee of the Whole held on the floor of the Assembly;*
- (b) Other committee meetings held on the floor of the Assembly during a recess; or*
- (c) Conference committee meetings.*

**Rule No. 93. Reserved.**

**Rule No. 94. Privilege of the Floor and Lobbying.**

*No person, except Senators, former Assemblymen and state officers, may be admitted at the bar of the Assembly, except by special invitation on the part of some member; but a majority may authorize the Speaker to have the Assembly cleared of all such persons. No person may do any lobbying upon the floor of the Assembly at any time, and it is the duty of the Sergeant at Arms to remove any person violating any of the provisions of this rule.*

**Rule No. 95. Material Placed on Legislators' Desks.**

*All papers, letters, notes, pamphlets and other written material placed upon an Assemblyman's desk shall contain the signature of the Legislator requesting the placement of such material on the desk or shall contain a designation of the origin of such material. This rule does not apply to books containing the legislative bills and resolutions, the legislative daily histories, the legislative daily journals or Legislative Counsel Bureau material.*

**Rule No. 96. Peddling, Begging and Soliciting.**

1. *Peddling, begging and soliciting are strictly forbidden in the Assembly Chamber, and in the lobby, gallery and halls adjacent thereto.*

2. *No part of the Assembly Chamber may be used for or occupied by signs or other devices for any kind of advertising.*

3. *No part of the hallways adjacent to the Assembly Chambers may be used for or occupied by signs or other devices for any kind of advertising for commercial or personal gain. Notices for nonprofit, nonpartisan, civic or special legislative events may be posted in a designated area of the hallways adjacent to the Assembly Chambers with the approval of the Chief Clerk.*

**Rule No. 97. Petitions and Memorials.**

*Petitions, memorials and other papers addressed to the Assembly shall be presented by the Speaker, or by a member in the Speaker's place. A brief statement of the contents thereof shall be made by the introducer. They shall not be debated on the day of their being presented, but shall be on the table, or be referred, as the Assembly shall determine.*

**Rule No. 98. Request of Purpose.**

*A member may request the purpose of a bill or joint resolution upon its introduction.*

**Rule No. 99. Remarks.**

*It shall be in order for members to make remarks and, subject to the approval of the majority of members present, request that such remarks be entered in the Journal.*

**Rule No. 100. Precedence of Parliamentary Authority.**

*The precedence of parliamentary authority in the Assembly is:*

- 1. The Constitution of the State of Nevada and judicial decisions thereon.*
- 2. The Rules of the Assembly for the 26th Special Session of the Legislature and the Joint Rules of the Senate and Assembly for the 26th Special Session of the Legislature.*
- 3. Custom, usage and precedence.*
- 4. The Statutes of the State of Nevada.*
- 5. Mason's Manual of Legislative Procedure.*

**Rule No. 101. Reserved.****Rule No. 102. Privileged Questions.**

*Privileged questions have precedence of all others in the following order:*

- 1. A call of the House.*
- 2. Motions to adjourn.*
- 3. Recess.*
- 4. Questions relating to the rights and privileges of the Assembly or any of its members.*

**Rule No. 103. Reserved.****B. BILLS****Rule No. 104. Reserved.**

*The next rule is 106.*

**Rule No. 106. Skeleton Bills.**

*The introduction of skeleton bills is not authorized.*

**Rule No. 107. Reserved.****Rule No. 108. Reserved.****Rule No. 109. Reading of Bills.**

*The presiding officer shall announce at each reading of a bill whether it be the first, second or third reading. The first reading of a bill shall be for information. If there is objection, the question shall be, "Shall the bill be rejected?" If the question to reject fails to receive a majority vote by the members present, or if there is no objection, the bill shall take the proper course. No bill shall be referred to a committee until after the first reading, nor amended until after the second reading.*

**Rule No. 110. Second Reading and Amendment of Bills.**

*1. All bills must be read the second time after which they are reported by committee. Upon second reading, Assembly bills reported without amendments shall be placed on the General File and Senate bills reported without amendments shall be placed on the General File. Committee amendments reported with bills shall be considered upon their second reading or third reading, as appropriate, and such amendments may be adopted by a majority vote of the members present. Any amendment which is numbered, copied and made available to all members must be moved and voted upon by number. Assembly bills so amended must be*

*reprinted, engrossed and placed on the General File. Senate bills so amended must be reprinted, then engrossed or reengrossed, as applicable, and placed on the General File.*

*2. Only amendments proposed by the Committee of the Whole, such committee as the Speaker may appoint or a conference committee may be considered on the floor of the Assembly. Such a motion to amend may be adopted on the floor of the Assembly by a majority vote of the members present. Any bill so amended upon the General File must be reprinted and then engrossed or reengrossed, as applicable.*

*3. The reprinting of amended bills may be dispensed with by a majority vote of the members present.*

**Rule No. 111. Consent Calendar.**

*1. A committee may by unanimous vote of the members present report a bill with the recommendation that it be placed on the consent calendar. The question of recommending a bill for the consent calendar may be voted upon in committee only after the bill has been recommended for passage and only if no amendment is recommended.*

*2. The Chief Clerk shall maintain a list of bills recommended for the consent calendar. The list must be printed in the daily history and must include the summary of each bill and the date the bill is scheduled for consideration on final passage.*

*3. At any time before the presiding officer calls for a vote on the passage of the consent calendar, a member may give written notice to the Chief Clerk or state orally from the floor of the Assembly in session that he requests the removal of a particular bill from the consent calendar. If a member so requests, the Chief Clerk shall remove the bill from the consent calendar and transfer it to the second reading file. A bill removed from the consent calendar may not be restored to that calendar.*

*4. During floor consideration of the consent calendar, members may ask questions and offer explanations relating to the respective bills.*

*5. When the consent calendar is brought to a vote, the bills remaining on the consent calendar must be read by number and title and the vote must be taken on their final passage as a group.*

**Rule No. 112. Reserved.**

**Rule No. 113. General File.**

*All bills reported to the Assembly, by either the Committee of the Whole, conference committee or other committee appointed by the Speaker, after receiving their second readings, must be placed upon a General File, to be kept by the Chief Clerk. The Chief Clerk shall post a daily statement of the bills on General File. The Chief Clerk shall likewise post notices of special orders as made.*

**Rule No. 114. Reserved.**

**Rule No. 115. Reserved.**

**Rule No. 116. Vetoed Bills.**

*1. Bills that have passed both Houses of the Legislature and are transmitted to the Assembly accompanied by a message or statement of the Governor's disapproval or veto of the same must:*

*(a) Be taken up and considered immediately upon the coming in of the message transmitting the same; or*

*(b) Become the subject of a special order.*

*2. When the message is received, or if made a special order, when the special order is called, the said message or statement must be read together with the bill or bills so disapproved or vetoed. The message and bill must be read by the Chief Clerk without interruption, consecutively, one following the other, and not upon separate occasions. No such bill or message may be referred to any committee, or otherwise acted upon save as provided by law and custom; that is to say, that immediately following such reading the only*

*question (except as hereinafter stated) which may be put by the Speaker is, "Shall the bill pass, notwithstanding the objections of the Governor?" It shall not be in order, at any time, to vote upon such a vetoed bill unless the same shall first have been read. No motion may be entertained after the Speaker has stated the question, save a motion to adjourn or a motion for the previous question, but the merits of the bill itself may be debated. The message or statement containing the objections of the Governor to the bill must be entered in the Journal of the Assembly. The consideration of a vetoed bill, and the objections of the Governor thereto, shall be a privileged question, and shall take precedence over all others.*

*Rule No. 117. Reserved.*

#### C. RESOLUTIONS

*Rule No. 118. Treated as Bills—Joint Resolutions.*

*The procedure of enacting joint resolutions must be identical to that of enacting bills, except that:*

- 1. Joint resolutions, upon enrollment, must be delivered to the Secretary of State; and*
- 2. Joint resolutions proposing amendments to the Constitution must be entered in the Journal in their entirety.*

*Rule No. 119. Return from the Secretary of State.*

*An Assembly resolution may be used to request the return from the Secretary of State of an enrolled Assembly resolution for further consideration.*

#### D. ORDER OF BUSINESS

*Rule No. 120. Order of Business.*

*The Order of Business must be as follows:*

- 1. Call to Order.*
- 2. Reading and Approval of Journal.*
- 3. Presentation of Petitions.*
- 4. Reports of Committees.*
- 5. Reports of Select Committees.*
- 6. Communications.*
- 7. Messages from the Senate.*
- 8. Motions, Resolutions and Notices.*
- 9. Introduction, First Reading and Reference.*
- 10. Consent Calendar.*
- 11. Second Reading and Amendment.*
- 12. General File and Third Reading.*
- 13. Unfinished Business of Preceding Day.*
- 14. Special Orders of the Day.*
- 15. Remarks from the Floor, limited to 10 minutes.*

*Rule No. 121. Reserved.*

*Rule No. 122. Reserved.*

*Rule No. 123. Reserved.*

*Rule No. 124. Reserved.*

*Rule No. 125. Reserved.*

*Rule No. 126. Reserved.*

*Rule No. 127. Reserved.*

*Rule No. 128. Reserved.*

*The next rule is 140.*

**X. MISCELLANEOUS**

*Rule No. 140. Reserved.*

*Rule No. 141. Use of the Assembly Chamber.*

*The Assembly Chamber shall not be used for any public or private business other than legislative, except by permission of the Assembly.*

Assemblyman Oceguela moved the adoption of the resolution.

Remarks by Assemblyman Oceguela.

Resolution adopted.

By the Committee of the Whole:

Assembly Resolution No. 2—Providing that no allowances will be paid for the 26th Special Session of the Nevada Legislature for periodicals, stamps, stationery or communications.

Assemblyman Oceguela moved the adoption of the resolution.

Remarks by Assemblyman Oceguela.

Resolution adopted.

By the Committee of the Whole:

Assembly Resolution No. 3—Providing for the appointment of attachés.

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, That the following persons are elected as attaches of the Assembly for the 26th Special Session of the Legislature of the State of Nevada: Kathryn Alden, Matthew Baker, Robin Bates, Cindy Benjamin, Bonnie Borda Hoffecker, Jeanne Douglass, Mary Matheus, Toshiko McIntosh, Sharon Murphy, Christie Peters, Terry Sullivan, Steve Sweeney and Debra Williams.

Assemblyman Oceguela moved the adoption of the resolution.

Remarks by Assemblyman Oceguela.

Resolution adopted.

By the Committee of the Whole:

Assembly Concurrent Resolution No. 1—Adopting the Joint Rules of the Senate and Assembly for the 26th Special Session of the Legislature.

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE CONCURRING, That the following Joint Rules of the Senate and Assembly for the 26th Special Session of the Legislature are hereby adopted:

**APPLICABILITY OF JOINT RULES**

*Rule No. 1. Generally.*

*The Joint Rules for the 26th Special Session of the Legislature are applicable only during the 26th Special Session of the Legislature.*



## CONFERENCE COMMITTEES

*Rule No. 2. Procedure Concerning.*

1. In every case of an amendment of a bill, or joint or concurrent resolution, agreed to in one House, dissented from in the other, and not receded from by the one making the amendment, each House shall appoint a committee to confer with a like committee to be appointed by the other; and the committee so appointed shall meet publicly at a convenient hour to be agreed upon by their respective chairmen and announced publicly, and shall confer upon the differences between the two Houses as indicated by the amendments made in one and rejected in the other and report as early as convenient the result of their conference to their respective Houses. The report shall be made available to all members of both Houses. The whole subject matter embraced in the bill or resolution shall be considered by the committee, and it may recommend recession by either House, new amendments, new bills or resolutions, or other changes as it sees fit. New bills or resolutions so reported shall be treated as amendments unless the bills or resolutions are composed entirely of original matter, in which case they shall receive the treatment required in the respective Houses for original bills, or resolutions, as the case may be.

2. The report of a conference committee may be adopted by acclamation. The report is not subject to amendment.

3. There shall be but one conference committee on any bill or resolution. A majority of the members of a conference committee from each House must be members who voted for the passage of the bill or resolution.

## MESSAGES

*Rule No. 3. Procedure Concerning.*

1. Proclamations by the Governor convening the Legislature in special session must, by direction of the presiding officer of each House, be read immediately after the convening of the special session, and must be filed and entered in the Journal of proceedings.

2. Whenever a message from the Governor is received, it shall be read and entered in full in the Journal of proceedings.

3. Messages from the Senate to the Assembly shall be delivered by the Secretary or Assistant Secretary, and messages from the Assembly to the Senate shall be delivered by the Chief Clerk or a person designated by the Chief Clerk.

## NOTICE OF FINAL ACTION

*Rule No. 4. Communications.*

Each House shall communicate its final action on any bill or resolution, or matter in which the other may be interested, by written notice. Each such notice sent by the Senate must be signed by the Secretary of the Senate, or a person designated by the Secretary. Each such notice sent by the Assembly must be signed by the Chief Clerk of the Assembly, or a person designated by the Chief Clerk.

## BILLS AND JOINT RESOLUTIONS

*Rule No. 5. Signature.*

Each enrolled bill or joint resolution shall be presented to the presiding officers of both Houses for signature. They shall, after an announcement of their intention to do so is made in open session, sign the bill or joint resolution and their signatures shall be followed by those of the Secretary of the Senate and Chief Clerk of the Assembly.

*Rule No. 6. Joint Sponsorship.*

1. A bill or resolution introduced by a committee of the Senate or Assembly may, at the direction of the chairman of the committee, set forth the name of a committee of the other House as a joint sponsor, if a majority of all members appointed to the committee of the other

*House votes in favor of becoming a joint sponsor of the bill or resolution. The name of the committee joint sponsor must be set forth on the face of the bill or resolution immediately below the date on which the bill or resolution is introduced.*

*2. The Legislative Counsel shall not cause to be printed the name of a committee as a joint sponsor on the face of a bill or resolution unless the chairman of the committee has signed his name next to the name of the committee on the colored back of the introductory copy of the bill or resolution that was submitted to the front desk of the House of origin or the statement required by subsection 4.*

*3. Upon introduction, any bill or resolution that sets forth the names of primary joint sponsors must be numbered in the same numerical sequence as other bills and resolutions of the same House of origin are numbered.*

*4. Once a bill or resolution has been introduced, a primary joint sponsor or nonprimary joint sponsor may only be added or removed by amendment of the bill or resolution. An amendment which proposes to add or remove a primary joint sponsor must not be considered by the House of origin of the amendment unless a statement requesting the addition or removal is attached to the copy of the amendment submitted to the front desk of the House of origin of the amendment. If the amendment proposes to add or remove a committee as a primary joint sponsor, the statement must be signed by the chairman of the committee. A copy of the statement must be transmitted to the Legislative Counsel if the amendment is adopted.*

*5. An amendment that proposes to add or remove a primary joint sponsor may include additional proposals to change the substantive provisions of the bill or resolution or may be limited only to the proposal to add or remove a primary joint sponsor.*

#### PRINTING

##### *Rule No. 7. Ordering and Distribution.*

*Each House may order the printing of bills introduced, reports of its own committees, and other matter pertaining to that House only; but no other printing may be ordered except by a concurrent resolution passed by both Houses. Each Senator is entitled to the free distribution of four copies of each bill introduced in each House, and each Assemblyman to such a distribution of two copies. Additional copies of such bills may be distributed at a charge to the person to whom they are addressed. The amount charged for distribution of the additional copies must be determined by the Director of the Legislative Counsel Bureau to approximate the cost of handling and postage for the entire session.*

#### RESOLUTIONS

##### *Rule No. 8. Types, Usage and Approval.*

*1. A joint resolution must be used to:*

*(a) Propose an amendment to the Nevada Constitution.*

*(b) Ratify a proposed amendment to the United States Constitution.*

*(c) Address the President of the United States, Congress, either House or any committee or member of Congress, any department or agency of the Federal Government, or any other state of the Union.*

*2. A concurrent resolution must be used to:*

*(a) Amend these joint rules.*

*(b) Request the return from the Governor of an enrolled bill for further consideration.*

*(c) Request the return from the Secretary of State of an enrolled joint or concurrent resolution for further consideration.*

*(d) Resolve that the return of a bill from one House to the other House is necessary and appropriate.*

*(e) Express facts, principles, opinion and purposes of the Senate and Assembly.*

*(f) Establish a joint committee of the two Houses.*

*(g) Direct the Legislative Commission to conduct an interim study.*

*3. A concurrent resolution or a resolution of one House may be used to:*

(a) Memorialize a former member of the Legislature or other notable or distinguished person upon his death.

(b) Congratulate or commend any person or organization for a significant and meritorious accomplishment.

4. A resolution of one House may be used to request the return from the Secretary of State of an enrolled resolution of the same House for further consideration.

#### VETOES

##### *Rule No. 9. Special Order.*

1. Bills which have passed the Legislature, and which are transmitted to the Legislature accompanied by a message or statement of the Governor's disapproval, or veto of the same, shall:

(a) Be taken up and considered immediately upon the coming in of the message transmitting the same; or

(b) Become the subject of a special order.

2. When the message is received or, if made a special order, when the special order for their consideration is reached and called, the said message or statement shall be read, together with the bill or bills so disposed or vetoed; and the Secretary of the Senate and Chief Clerk of the Assembly shall, without interruption, read the message and the bill consecutively, the bill following the message, and the message and the bill must not be read upon separate occasions; and no such bill or message shall be referred to any committee, or otherwise acted upon, save as provided by law and custom; that is to say, that immediately following such reading the only question (except as hereinafter stated) which shall be put by the Chair is, "Shall the bill pass, notwithstanding the objections of the Governor?" It shall not be in order, at any time, to vote upon such vetoed bill without the same shall have first been read; and no motion shall be entertained after the Chair has stated the question save a motion for "The previous question," but the merits of the bill itself may be debated.

#### ADJOURNMENT

##### *Rule No. 10. Limitations and Calculation of Duration.*

1. In calculating the permissible duration of an adjournment for 3 days or less, the day of adjournment must not be counted but the day of the next meeting must be counted, and Sunday must not be counted.

2. The Legislature may adjourn for more than 3 days by motion based on mutual consent of the Houses or by concurrent resolution. One or more such adjournments may be taken to permit a committee or the Legislative Counsel Bureau to prepare the matters respectively entrusted to them for the consideration of the Legislature as a whole.

#### EXPENDITURES FROM THE LEGISLATIVE FUND

##### *Rule No. 11. Manner of authorization.*

Except for routine salary, travel, equipment and operating expenses, no expenditures shall be made from the Legislative Fund without the authority of a concurrent resolution regularly adopted by the Senate and Assembly.

#### RECORDS OF COMMITTEE PROCEEDINGS

##### *Rule No. 12. Duties of Secretary of Committees and Director.*

1. Each committee shall cause a record to be made of the proceedings of its meetings.

2. The secretary of a committee shall:

(a) Label each record with the date, time and place of the meeting and also indicate on the label the numerical sequence in which the record was made;

(b) Keep the records in chronological order; and

(c) *Deposit the records upon their completion with the Director of the Legislative Counsel Bureau.*

3. *The Director of the Legislative Counsel Bureau shall:*

(a) *Make the records available for accessing by any person during office hours under such reasonable conditions as he may deem necessary; and*

(b) *Retain the records for two bienniums and at the end of that period keep some form or copy of the record in any manner he deems reasonable to ensure access to the record in the foreseeable future.*

#### **LIMITATIONS ON REQUESTS FOR DRAFTING OF LEGISLATIVE MEASURES**

**Rule No. 13. Germaneness Required for Amendments.**

1. *The Legislative Counsel shall not honor a request for the drafting of an amendment to a bill or resolution if the subject matter of the amendment is independent of, and not specifically related and properly connected to, the subject that is expressed in the title of the bill or resolution.*

2. *For the purposes of this Rule, an amendment is independent of, and not specifically related and properly connected to, the subject that is expressed in the title of a bill or resolution if the amendment relates only to the general, single subject that is expressed in that title and not to the specific whole subject matter embraced in the bill or resolution.*

#### **CONTINUATION OF LEADERSHIP OF THE SENATE AND ASSEMBLY DURING THE INTERIM BETWEEN SESSIONS**

**Rule No. 14. Tenure and Performance of Statutory Duties.**

1. *Except as otherwise provided in subsections 2 and 3, the tenure of the President Pro Tem, Majority Leader and Minority Leader of the Senate and the Speaker, Speaker Pro Tem, Majority Floor Leader and Minority Floor Leader of the Assembly extends during the interim between regular sessions of the Legislature.*

2. *The Senators designated to be the President Pro Tem, Majority Leader and Minority Leader for the next succeeding regular session shall perform any statutory duty required in the period between the time of their designation after the general election and the organization of the next succeeding regular session of the Legislature if the Senator formerly holding the respective position is no longer a Legislator.*

3. *The Assemblymen designated to be the Speaker, Speaker Pro Tem, Majority Floor Leader and Minority Floor Leader for the next succeeding regular session shall perform any statutory duty required in the period between the time of their designation after the general election and the organization of the next succeeding regular session.*

#### **POLICY AND PROCEDURES REGARDING SEXUAL HARASSMENT**

**Rule No. 15. Maintenance of Working Environment; Procedure for Filing, Investigating and Taking Remedial Action on Complaints.**

1. *The Legislature hereby declares its intention to maintain a working environment which is free from sexual harassment. This policy applies to all Legislators and lobbyists. Each member and lobbyist is responsible to conduct himself or herself in a manner which will ensure that others are able to work in such an environment.*

2. *In accordance with Title VII of the Civil Rights Act, for the purposes of this Rule, "sexual harassment" means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:*

(a) *Submission to such conduct is made either explicitly or implicitly a term or condition of a person's employment;*

(b) *Submission to or rejection of such conduct by a person is used as the basis for employment decisions affecting the person; or*

(c) *Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive working environment.*

3. *Each person subject to these Rules must exercise his own good judgment to avoid engaging in conduct that may be perceived by others as sexual harassment. The following noninclusive list provides illustrations of conduct that the Legislature deems to be inappropriate:*

(a) *Verbal conduct such as epithets, derogatory comments, slurs or unwanted sexual advances, invitations or comments;*

(b) *Visual conduct such as derogatory posters, photography, cartoons, drawings or gestures;*

(c) *Physical conduct such as unwanted touching, blocking normal movement or interfering with the work directed at a person because of his sex;*

(d) *Threats and demands to submit to sexual requests to keep a person's job or avoid some other loss, and offers of employment benefits in return for sexual favors; and*

(e) *Retaliation for opposing, reporting or threatening to report sexual harassment, or for participating in an investigation, proceeding or hearing conducted by the Legislature or the Nevada Equal Rights Commission or the federal Equal Employment Opportunity Commission,*

↪ *when submission to such conduct is made either explicitly or implicitly a term or condition of a person's employment or submission to or rejection of such conduct by a person is used as the basis for employment decisions affecting the person or such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive working environment.*

4. *A person may have a claim of sexual harassment even if he has not lost a job or some other economic benefit. Conduct that impairs a person's ability to work or his emotional well-being at work constitutes sexual harassment.*

5. *If a Legislator believes he is being sexually harassed on the job, he may file a written complaint with:*

(a) *The Speaker of the Assembly;*

(b) *The Majority Leader of the Senate; or*

(c) *The Director of the Legislative Counsel Bureau, if the complaint involves the conduct of the Speaker of the Assembly or the Majority Leader of the Senate.*

↪ *The complaint must include the details of the incident or incidents, the names of the persons involved and the names of any witnesses.*

6. *Except as otherwise provided in subsection 7, the Speaker of the Assembly or the Majority Leader of the Senate, as appropriate, shall refer a complaint received pursuant to subsection 5 to a committee consisting of Legislators of the same House. A complaint against a lobbyist may be referred to a committee in either House.*

7. *If the complaint involves the conduct of the Speaker of the Assembly or the Majority Leader of the Senate, the Director of the Legislative Counsel Bureau shall refer the complaint to the Committee on Elections, Procedures, Ethics, and Constitutional Amendments of the Assembly or the Committee on Legislative Operations and Elections of the Senate, as appropriate. If the Speaker of the Assembly or the Majority Leader of the Senate is a member of one of these committees, the Speaker or the Majority Leader, as the case may be, shall not participate in the investigation and resolution of the complaint.*

8. *The committee to which the complaint is referred shall immediately conduct a confidential and discreet investigation of the complaint. As a part of the investigation, the committee shall notify the accused of the allegations. The committee shall facilitate a meeting between the complainant and the accused to allow a discussion of the matter, if both agree. If the parties do not agree to such a meeting, the committee shall request statements regarding the complaint from each of the parties. Either party may request a hearing before the committee. The committee shall make its determination and inform the complainant and the accused of its determination as soon as practicable after it has completed its investigation.*

9. *If the investigation reveals that sexual harassment has occurred, the Legislature will take appropriate disciplinary or remedial action, or both. The committee shall inform the complainant of any action taken. The Legislature will also take any action necessary to deter any future harassment.*

10. *The Legislature will not retaliate against a person who files a complaint and will not knowingly permit any retaliation by the person's supervisors or coworkers.*

11. *The Legislature encourages a person to report any incident of sexual harassment immediately so that the complaint can be quickly and fairly resolved.*

12. *Action taken by a complainant pursuant to this Rule does not prohibit the complainant from also filing a complaint of sexual harassment with the Nevada Equal Rights Commission or the federal Equal Employment Opportunity Commission.*

13. *All Legislators and lobbyists are responsible for adhering to the provisions of this policy. The prohibitions against engaging in sexual harassment and the protections against becoming a victim of sexual harassment set forth in this policy apply to employees, Legislators, lobbyists, vendors, contractors, customers and visitors to the Legislature.*

14. *This policy does not create any enforceable legal rights in any person.*

Assemblyman Ocegüera moved the adoption of the resolution.

Remarks by Assemblyman Ocegüera.

Resolution adopted.

Assemblyman Ocegüera moved that all rules be suspended and that Assembly Concurrent Resolution No. 1 be immediately transmitted to the Senate.

Motion carried.

Assemblyman Ocegüera moved that the reading of the histories on all bills and resolutions be dispensed with for the balance of the 26th Special Session.

Motion carried.

Assemblyman Ocegüera moved that the Assembly suspend all rules and dispense with the reprinting of all bills and resolutions for the balance of the 26th Special Session.

Motion carried.

Assemblyman Ocegüera moved that Rule No. 92 of the Rules of the Assembly for the 26th Special Session, which pertains to notices of bills, topics, and public hearing, be suspended for the balance of the 26th Special Session.

Motion carried.

Assemblyman Ocegüera moved that persons as set forth on the Nevada Legislature's Press Accreditation List of February 23, 2010, be accepted as accredited press representatives, that they be assigned space at the press table in the Assembly Chamber, that they be allowed use of appropriate broadcasting facilities, and the list be included in this day's Journal:

ASSOCIATED PRESS: Cathy Bussewitz, Sandra Chereb, Rachelle Gines, Brendan Riley; CITYLIFE: Stephen A. Sebelius; CNN/COX: Steve Schorr; COVEREDGE: Daniel Bryant, Randy Hunter, James L. Parker, William G. Pearce, Jr., Kevin Ross; DAILY SPARKS TRIBUNE/NEVADALABOR.COM: Andrew L. Barbano; KKOI RADIO/CITADEL BROADCASTING CORP.: Ian L. Perry; KLAS-TV: Rich Czarny, Mark Mutchler; KNPB-TV: Michael Hagerty, Tyler McPherron, Elizabeth Welti; KOLO-TV: Edward Barnett, Thomas

Goepner, Robert Ray Kinney, Kendra Kostelecky, Ed Pearce; KRNVT-TV: John Barrette, Robbie Beasom, Charles Benn, Jack Brown, Jack Bowe, Victoria Campbell, Ryan Coleman, Ford Ryan Corl, Jeff Deitch, Tad Dunbar, Roger Du Plessis, David Ernest Feher, John Finkbohner, Calli Fisher, Kirk Frosdick, Gem Gokmen, Joe Hart, Elizabeth Heywood, Kenny Holmes, Chuck King, Sherry Kudelka, Adam Randall, Meredith Richardson, Bryan Samudio, Lemor Shlomof, Kimberly Strow, Karen Todd, Lawrence Vosper; KTVN-TV: Bill Brown, Jeffrey Foss, Darrell McComb, Jay Nobles, Brandon Rittiman; KUNR PUBLIC RADIO: Pam Dupree; KVBC-TV: Steve Crupi, Ian Lash, Miles Smith; LAHONTAN VALLEY NEWS: Christiane Lattin; LAS VEGAS REVIEW JOURNAL: Jason Bean, Jane Ann Morrison, Laura Myers, Benjamin Spillman, Ed Vogel; LAS VEGAS SUN: J. Patrick Coolican, John (Sam) Morris, Cy Ryan, David Schwartz; LIBERTY AND JUSTICE FOR ALL TV: Daniel Joseph; MRJERZ.ORG: Ryan Jerz; NEVADA APPEAL: Geoff Dorman, Brian Duggan, David Frank, Niki Gladys, Peggy Santoro; NEVADA APPEAL/ASSOCIATED PRESS: Brad Horn; NEVADA BROADCASTERS ASSOCIATION: Adrienne Abbott-Gutierrez, Robert D. Fisher; NEVADA NEWS BUREAU: Phillip Moyer, Sean Whaley; THE NEVADA OBSERVER: Dennis M. Locke; NEVADA PRESS ASSOCIATION: Kevin Clifford; THE NEVADA SAGEBRUSH: James L. Balagna, Nick Coltrain, Jessica Fryman; NEWS CARSONCITY.COM/18 NEWS: CARSON CITY: David D. Morgan; NOW on PBS: Alexandra Dean, Yasmeen Qureshi; PROGRESS NOW NEVADA: Erin Neff; RENO GAZETTE-JOURNAL: Ray Hagar, Guy Clifton, Anjeanette Damon, Tammy Krikorian, Lisa Tolda; REVERED MOMENTS: Robert Jones; REYNOLDS SCHOOL OF JOURNALISM (UNR): Jessica Estepa, Jeff Mosier, Emily Stott; SENIOR SPECTRUM NEWSPAPER: Connie McMullen; SIERRA NEVADA MEDIA GROUP: Scott McElhaney; SUN PRODUCTIONS: Sunny Minedew; TASMAN PACIFIC MEDIA GROUP: Peter J. Hutchinson; TRUCKEE MEADOWS COMMUNITY COLLEGE (JOURNALISM): Timothy Carlton III; UNIVISION CHANNEL 41: Anya J. Arechiga, Martha Torres; THE VOICEBOX/THE COLLEGE RADIO SHOW: Donnell Pike-Anuken; WE THE PEOPLE: Shayne Del Cohen; WINNEMUCCA PUBLISHING - HUMBOLDT TIMES: David M. Gouger; YE OLDE MORGUE: Robert W. Mulvana.

Motion carried.

#### REMARKS FROM THE FLOOR

Assemblyman Ocegüera requested that the following remarks be entered in the Journal.

#### MADAM SPEAKER:

As we open the 26th Special Session of the Nevada Legislature, we are faced with a daunting challenge. The Economic Forum has projected an additional shortfall of revenue such that we now have an \$871 million deficit. We have received proposals and recommendations from the Governor, which we will review. It is our challenge to balance this budget responsibly, but to do so in a way that is not going to cause permanent damage to K-12 education, higher education, services for those most vulnerable, and the core functions of our state government. It is not going to be easy, but I am confident that by working together, we will come up with the best possible solutions. That is what we did last session. We had a similar challenge then—how to balance the budget in 120 days. We took apart the budget, we prioritized, and we made cuts of almost \$1 billion. We enacted revenue. We passed a tax break to our smallest businesses that nearly 72 percent took advantage of. Knowing we met that challenge before, I am confident we will be able to meet that challenge again.

What I think is most paramount for this body, is to do all we can to avoid the proposed cuts to education. Education is our future. Our kids will never recover if we cut their educational opportunities. You can't get back a fourth grade. You can't get back a year in college. And it only makes economic sense. How are we going to prepare for economic recovery if we decimate education funding? How will we prepare our graduates for the job of the future if they cannot get into a college course?

I think that by working together, we can do better than the proposed cuts to education. That is our task. That is our job. And I think we can do it, working together. It is not a day for long speeches. We are here to balance the budget in the most responsible way possible, to do the people's business in the shortest amount of time possible. Special sessions should not last more than a very short amount of time. So let's get to work.

#### MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, February 23, 2010

*To the Honorable the Assembly:*

I have the honor to inform your honorable body that the Senate on this day adopted Assembly Concurrent Resolution No. 1.

Also, I have the honor to inform your honorable body that the Senate on this day passed Senate Bill No. 1.

SHERRY L. RODRIGUEZ  
*Assistant Secretary of the Senate*

#### INTRODUCTION, FIRST READING AND REFERENCE

Senate Bill No. 1.

Read first time.

#### MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Ocegüera moved that for the balance of the special session, all rules be suspended, reading so far had considered first reading, rules further suspended, all bills and resolutions considered engrossed, declared emergency measures under the Constitution and placed on the appropriate reading file for final passage or adoption.

Motion carried.

#### GENERAL FILE AND THIRD READING

Senate Bill No. 1.

Bill read third time.

Remarks by Assemblyman Ocegüera.

Roll call on Senate Bill No. 1:

YEAS—42.

NAYS—None.

Senate Bill No. 1 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

#### MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Ocegüera moved that the Assembly resolve itself into a Committee of the Whole for the purpose of considering the Governor's recommended budget cuts.

Motion carried.



## IN COMMITTEE OF THE WHOLE

At 10:11 a.m.

Chair Buckley presiding.

Quorum present.

Governor's recommended budget cuts considered.

ANDREW CLINGER, DIRECTOR, DEPARTMENT OF ADMINISTRATION:

For the record, I am Andrew Clinger, Director of the Department of Administration. I brought three handouts today. One is titled, "State of Nevada Estimated General Fund Shortfall." That is a summary that I will start to go over first. I have also brought with me today another handout that is a 63-page handout titled, at the top, "10 Percent Reductions—Recommended and Governor Considering." In addition to that list, the third list I brought was a list titled, "Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions."

I will start my presentation this morning on the sheet that is titled, "State of Nevada Estimated General Fund Shortfall." That's the sheet that has the line numbers down the side; it's one page. Starting on the "State of Nevada Estimated General Fund Shortfall" sheet, I just wanted to brief everyone on the shortfall that we are facing. If you start on line 7, "General Fund Revenue," and look in column G, you can see, based on revenues projected not only by the Economic Forum but revenues projected by your legislative staff and my office, estimates that General Fund revenues will be short \$587.4 million for the current biennium. Line 8 is an estimated shortfall in our General Fund reversions. We usually anticipate 2 percent reversions from state appropriations. With the budget reductions, we are reducing our estimate for General Fund reversions. You can see that is the \$17.6 million shortfall.

Regarding the Distributive School Account (DSA)—we have an obligation within the Distributive School Account to make up for the school districts' portion of the sales tax that they collect. There are other revenue adjustment items in there, too, but most of this shortfall of \$206.7 million represents the Local School Support Tax portion the state is required to make up. So you can see a \$206.7 million shortfall in the DSA.

Line 10, which is the Medicaid shortfall, is based on case loads that have increased over the legislatively approved budget. We are projecting a \$60.8 million shortfall on the expenditure side in the Medicaid program as a result of those increased caseloads.

Line 11 has to do with the line of credit. I will remind this body that the Legislature approved a line of credit of \$30 million in the current Fiscal Year 2010 and \$130 million in the Fiscal Year 2011. What we are proposing to do here is to not utilize the line of credit in FY 2010. That is why you see the negative \$30 million and you utilize \$145 million of that line of credit in FY 2011. The reason we are utilizing \$145 million and not the full \$160 million is due to the balance in the local government investment pool. We are restricted on that line of credit to only be able to utilize 25 percent of what is in that local government investment pool and based on our current estimates we feel comfortable that we can draw down \$145 million on that line of credit.

Line 13 gives you the total shortfall when you add in the shift we are making in the line of credit of \$887.6 million. Line 18 is the 10 percent reductions that we have received from state agencies. You will also see in lines 19-24 that there are some other 10 percent reductions outside of the list. Line 18 is a summary of the 63-page document titled, "10 Percent Reductions—Recommended and Governor Considering." You can see the 10 percent reductions that are in that list total \$273.9 million. At this time I am going to shift from the 1 page document over to the "10 Percent Reductions Recommended—Governor Considering" list and just highlight a few of the major items in that list. Mike Willden will then highlight some of the major items in Health and Human Services on another list that he is going to use.

Starting on page 1 from "10 Percent Reductions Recommended and Governor Considering," the Department of Military is represented on that first page. We are recommending the elimination of the Project Challenge program in state FY 2009. That is \$163,000 in savings over the biennium. On page 2 of the document, under the Budgeted Planning Division, we are

eliminating six auditor positions, which will require four layoffs. Turning to page 5 of the document, in the Department of Agriculture there are a couple of position eliminations that I would highlight as priority 3 and 5. There is the elimination of an account tech position and an elimination of an agriculturalist position in Winnemucca. Page 6 is the Attorney General's Office. The first line on that page is the reduction in the nuclear waste expenditures for the current biennium. You can see the \$1.48 million in savings. This is due to actions that the President has taken and that Congress will hopefully take on this matter. On page 7, I would highlight what is under agency 743, which is the Consumer Affairs Division. We are eliminating two administrative assistant positions, which will result in one layoff. Under Labor Commissioner, which is agency 752, we are eliminating an Administrative Assistant II position in the Labor Commissioner's Office. This is a vacant position.

On page 8, under Economic Development, with regard to item priority number 4, the recommendation here is to decrease the state grant funding for the Train Employees Now Program, which is \$171,981 over the biennium. On page 9, under Conservation and Natural Resources, I would highlight the second priority on that page, which is priority 11. The Tahoe Regional Planning Agency proposes to implement 6 unpaid furlough days for their staff, saving \$100,000 over the biennium.

Turning to State Parks, which is on page 11, and looking at priorities 24, 31, 33, and 34 on that page, these are seasonal positions, conservation staff positions, and park ranger positions. The positions are from various state parks throughout the state such as Valley of Fire, Spring Mountain, Echo Canyon, Lahontan State Parks, and Fort Churchill State Park. These positions are all going to be held vacant through the current biennium. Water Resources, which is on page 13 and is priority 23, is the last on the list. Again, if you follow up on page 14, priorities 23, 32, 36, 43, 45 are on that page. You will see there are engineer positions in Las Vegas, Carson City, and Elko which are being eliminated in this recommendation. Page 16, under State Lands, has item 27, which is the elimination of an administrative assistant position. This is a vacant position at State Lands.

Next, turn to page 19 under the Department of Corrections. Here is where we get into some of the more major items. I will talk about items 2, 3, and 4 together. These are various recommendations that involve using the Inmate Welfare Fund for paying the salaries of officers for visitation posts, rent for the gymnasiums, and charging rent to the stores and coffee shops in the Department. Those are various uses of the Inmate Welfare Fund and you can see the amounts represented there, under biennium savings. The priority 5 recommendation is to charge inmates a one-time energy surcharge for the purchase of electronic devices that are being used in the prison system. That saves \$140,000 of the General Fund. Item 7 is a recommendation to reduce the uniform allowance that correctional officers currently receive. The recommended reduction is 25 percent in FY 2010 and 50 percent in FY 2011. Priority 10 on the list would eliminate the shift differential pay or eliminate one shift which would reduce the shift differential pay. It is a changing in the start time of the shift to eliminate the shift differential for that shift. Item 12 is the cancellation of the Choices contract for substance abuse services, job search assistance, and financial planning. This would terminate that contract, saving the state \$782,000 over the biennium.

Items 13, 14, and 15 are all similar. Items 13 and 14 recommend elimination of the 5 percent rural differential pay that correctional officers at Ely State Prison receive, as well as correctional officers at the Lovelock Correctional Center. Item 15 is the remote area differential pay. The correctional officers receive \$7.50 a day. This would be eliminated and implemented at Southern Desert Correctional Center, Three Lakes Valley Conservation Camp, Southern Nevada Correctional Center, and High Desert State Prison. The last one I would highlight under the Department of Corrections is priority 26. That is the closure of Nevada State Prison in Carson City. You can see on the sheet that it eliminates 152 positions, requiring 136 layoffs. That layoff number will change. The Director of Corrections is trying to place correctional officers at other facilities so the 136 layoffs is a high estimate. We think we can get that number to something, hopefully, much smaller. You can see this saves \$12.8 million over the biennium.

CHAIR BUCKLEY:

Did you calculate what the pay cut would be to an officer when you consider the deletion of all of the current pay structure they receive?

ANDREW CLINGER:

We did. I did not bring that sheet with me but if my memory serves, correctly, it was different for different institutions. Depending on the institutions, I think it went up to as high as 15 percent, which would be the salary reduction if you counted the existing furlough plus the additional 2 hours of furlough, the rural pay, and the uniforms. When you factor all of those items in for some correctional officers it was up to 15 percent.

CHAIR BUCKLEY:

Have you analyzed what that would do to moral, and retention? That would really hit some of these smaller rural communities. How do you explain lowering the pay of some state employees more than others. How is that a fair thing to do to a correctional officer?

ANDREW CLINGER:

I would need to have the Director of Corrections really answer that. It is not something that we have been able to analyze. It would really be a question that Director Howard Skolnik must answer.

Under the Department of Cultural Affairs I would highlight a few items in that department on page 22 and 23. You can see the State Railroad Museum director is being frozen. A Historical Society museum director is being frozen. There are curator positions that are being held vacant over the biennium.

The first two items on page 32 are within the State Department of Education. The first item is \$1.7 million of savings. We anticipate no impact from this item. This is remaining funding from the support team leaders for schools that failed to make adequate yearly progress (AYP). There were fewer schools which failed to make AYP then were projected, so this is a savings in the budget that we will revert. The second item on that list, priority 1, is a reversion of excess funds in the incentives for licensed educational personnel. This is not a cut but a reversion of excess funds. The major item on that page is priority 4, which is \$131,195,000. This is the projected reduction to the DSA basic support for the biennium. We have talked at length about the impact that it will have. We also had on the other summary sheet a recommended reduction in salaries of 1.75 percent. That is line 45 on the estimated General Fund shortfall sheet.

Yesterday the Governor announced that we have reduced the \$131 million number. This used to be \$136 million. On page 32 we were able to reduce that with some federal funds by \$35.7 million, which is the equivalent of line 45 on that other page. So, that number has been reduced from previous reduction estimates.

CHAIR BUCKLEY:

To clarify, what is the cut proposed for K-12 now? Is it now at 10 percent, where before it was closer to 13 percent? Is that the difference?

ANDREW CLINGER:

Before, when you took the 10 percent proposals and added in line 45 on the sheet, which is the \$35.7 million, in FY 2010 the cut was 10 percent of state appropriations. In FY 2011 the cut was 12.7 percent of state appropriations. The discussion we had yesterday involved other funding sources. When you look at the K-12 budgets, as a whole, and you add in the local school support tax and the 75 cent property tax, the Governmental Services tax, and other local revenues than the reductions to K-12 over the biennium, after making the changes that we made yesterday, considering all funding sources, is 2.4 percent.

CHAIR BUCKLEY:

What is the reduction, just looking at what the state provides?

ANDREW CLINGER:

The reduction, looking at just what the state provides, is 10 percent.

ASSEMBLYMAN CONKLIN:

Following your line of questioning, Madam Chair, I have two questions, if I may. First of all, Mr. Clinger, just for clarification, when you talk about 10 percent or 2.4 percent, the fact of the matter is that the reduction is still in excess of \$130 million, correct? The amount has not changed?

ANDREW CLINGER:

That is correct.

ASSEMBLYMAN CONKLIN:

Secondly, on page 32, on the impact column for priority 4, I am confused on the dollar for dollar. That is not a match, dollar for dollar, somewhere. You are just simply stating that if the cut is \$131,195,802 there is no money attached to that. Or is there?

ANDREW CLINGER:

What the impact statement on that is referring to is the ARRA maintenance of effort. What is required under the ARRA act is that the state maintain the same percentage of funding for K-12 and higher education that it had in the previous year. So, in FY 2010, the percentage of all state General Fund that we spent on K-12 and higher education had to be the same or higher than the percentage that we had in FY 2009.

Now, with some of the items that we have on all of the sheets, we think we still do meet that maintenance of effort requirement. The funding that we are talking about, which would be at jeopardy if we didn't maintain that maintenance of effort, is the fiscal stabilization funds that we received under the ARRA Act. \$139 million of that went into K-12 in FY 2009. \$92.8 million of it is going into Nevada System of Higher Education in both FY 2010 and FY 2011. In addition to that, there is \$72 million that goes into the Department of Corrections. If we did not meet the maintenance of effort those are the funds that would be at jeopardy.

ASSEMBLYMAN CONKLIN:

Of the \$131 million that is proposed here, is it your belief or are you certain that this will still meet the maintenance of effort? So that the other \$300 million in ARRA funds will not be at risk if this is in fact the cut?

ANDREW CLINGER:

Yes, I am sure that we will make the maintenance of effort requirements under the ARRA and these funds will not be at risk.

ASSEMBLYWOMAN SMITH:

I just wanted to go back and clarify on the cuts. The first sheet we received, showing the 10 percent reductions, had the \$175 million amount. After that came out we had the additional 1.75 percent added for another \$35 million. My understanding, today, is that the addition of the 1.75 percent has come off. But then, also, the total amount you are showing is lowered from \$175 million to \$139 million.

ANDREW CLINGER:

What you need to do is take the total amount for K-12 on page 32, which is the \$139.9 million and you need to add to that the amount that is on line 45 of the one page summary sheet. That is the \$35.7 million. With those two items that gets you to the \$175 million worth of cuts.

ASSEMBLYWOMAN SMITH:

So you are leaving that on—I understand that now. The cut, then, really does stay the same. It looks different if you compare the old document and the new document, but if you add on the 1.75 percent the cut is still at \$175 million. I wonder where you factor in the loss of Local School Support Tax (LSST) in all of this. If you are looking at local revenues in your big picture how does what the state has to pay for the shortfall of LSST of \$243 million factor in to all of that?

ANDREW CLINGER:

That is actually on the one-page sheet. That is line 9 of that sheet. You can see there that we are anticipating and calculated in an overall shortfall, which is \$206.7 million in the DSA. That includes and is primarily the local schools support tax shortfall. There are other numbers that factor into that like enrollment and some of the other smaller revenues but it primarily is the local school support tax piece.

ASSEMBLYWOMAN SMITH:

I understand where it is reflected on this sheet but when you look at the 2.4 percent, are you factoring in that amount of money that we have to pay for the local school support tax shortfall?

ANDREW CLINGER:

I am not. The reason that I did not is because we have to make that up anyway so we are going to make that number whole and that is the assumption that I made when I put that sheet together. The legislatively approved amount, which is what you see on that other sheet that calculates the 2.4 percent, has dropped. Because we have a requirement to make that up, it would bring that number back up to the legislatively approved amount anyway.

ASSEMBLYWOMAN GANSERT:

Thank you, Andrew, for all of your work. These sheets have been fluid over the last two weeks and I appreciate all of the updates. It is a bit confusing as the numbers have been moved around. My question was about the other sources of revenues we talked a little bit about in IFC yesterday. Have you taken into account how they have been affected by the economic downturn? When you say 2.4 percent of your base number, which is \$7.3 billion, has that been adjusted so that we do not expect any further decreases in that figure?

ANDREW CLINGER:

We have. The numbers on those sheets are the legislatively approved amounts. But, again, I have included the shortfall. We will have to make up any shortfall that they have in those local revenues. I mean, not all of them. We do not guarantee, for example, the government services tax—we do not guarantee that. The property tax that you see on the sheet I handed out last night—we only guarantee one third of that. We have not reforecast, yet, the property tax component simply because we do not have enough data to do that. We anticipate that we will have to reforecast the property tax component probably in March or April once we have better data. We have been looking at the collections that have come in. For FY 2010 I feel pretty comfortable that we will be okay. It is FY 2011 that I am worried about a little bit. In the legislatively approved budget there is a projected reduction in property tax moving into FY 2011. We did project a reduction. It is just whether that reduction is going to come in line with the actual collections. The short answer is that we have factored into the calculation everything that we know, as of today, and everything that we know up to this point we have to guarantee. So, while the numbers on that sheet reflect legislatively approved, which have changed, we are making up the shortfalls and that is the item on line 9, on the summary sheet.

CHAIR BUCKLEY:

We will be hearing from the superintendents this afternoon. As I understand it, in their previous testimony to IFC, they indicated in the Clark County School District a 10 percent cut would cause 2,300 layoffs. That remains the fact, regardless of whether you get federal stimulus money for new books, for example. That is what state support pays for and was already calculated. I think at the time that the superintendents testified there was not an additional, almost 3 percent, proposed cut to K-12. Do you remember that Andrew? Did they testify before that was added to the sheet?

ANDREW CLINGER:

I am not sure. As Assemblywoman Gansert has said these sheets have changed ever day since we have put it together, so it is hard to keep track.

CHAIR BUCKLEY:

We will hear from them directly. I just do not want people in the public to think education is saved, if they read some press accounts, because the proposed cut is still 10 percent—the same that it was last week when we heard what 10 percent means.

ANDREW CLINGER:

I will turn to page 33 of the “10 Percent Reductions Recommended and Governor Considering” sheet. Page 33 regards the Department of Employment, Training and Rehabilitation. Agency 901 is the Rehabilitation Division. What the department is proposing here is to actually add funding to their Rehabilitation Division. The funding of \$431,000 is reflected as a negative on this sheet because the cuts are reflected as a positive but this is actually adding money to the Rehabilitation Division. The \$431,000 is a result of—and you will see this on the next page—the elimination of the Nevada Equal Rights Commission program in order to meet their budget reductions. With part of that savings they are plugging it back into the Rehabilitation Division. If you look on page 34 that is where you will see their recommendation to eliminate the Nevada Equal Rights Commission and the 20 positions associated with that Commission. That would save \$1 million in the biennium. Now, with the 20 positions, we do not have any layoffs listed on there because we believe we can place those individuals in other areas within the Department of Employment, Training and Rehabilitation.

I will note, and it is in the impact statement towards the bottom, that if the Nevada Equal Rights Commission is eliminated the state would need to determine whether to designate other agencies to absorb complaints of employment discrimination based on sexual orientation and complaints of discrimination in places of public accommodation or amend legislation to eliminate these services. Those are services that the Federal Equal Rights Commission do not provide.

ASSEMBLYMAN HORNE:

I would like some more clarification on the elimination of the Equal Rights Commission. You mentioned that it would have to be explored by some other departments, basically taking up the slack on these various complaints. I am assuming that the complaints are not going to stop just because we eliminate the department. Has there been any discussion on what likely departments those would be and how long would it take for them to be able to take up the slack? We have the expertise in those departments to do so. I would hate to have legitimate claims out there foundering because we do not have the mechanism in place to handle them.

ANDREW CLINGER:

A bulk of what the Nevada Equal Rights Commission does would be taken up by the Federal Equal Rights Agency but there are two items that they do not perform and it is those that I spoke of. I have not been involved in those discussions with Director Mosley so I am not sure where we are at on those other items. That is really a question I will have to ask him and get back to you on.

ASSEMBLYMAN HORNE:

I would like that information please.

ASSEMBLYMAN DENIS:

You are saying the bulk of these cases would then go to the Federal Equal Rights Commission? Have you had any discussion with them whether they even have the ability to handle these issues at the federal level? My concern would be that we have these concerns but people are going to file something with them but they do not have the ability to deal with them or that we have not given them a heads up.

ANDREW CLINGER:

It is my understanding that if the State of Nevada does not provide these services than the Federal Government must provide these services. It is one of those things that if we do not do it they have an obligation that they must do it.

ASSEMBLYMAN DENIS:

Has anyone in your office had any discussions with the Federal Equal Rights Commission on this, at all?

ANDREW CLINGER:

I know that Mr. Mosely has been having discussions with the Federal Equal Rights Commission. Again, I am not sure what the outcome of those have been, but I can find out.

ASSEMBLYMAN DENIS:

I have the same concern that was previously asked about which other departments are going to handle those other areas. If we are cutting back there, are they going to have the ability to even handle those situations?

ANDREW CLINGER:

Right. And, again, I will have to get back to you on that.

CHAIR BUCKLEY:

I would note that this one of the proposed cuts that we have highlighted as questionable because, firstly, I think that we have a feeling that we can do a better job than the feds can in helping our businesses, and secondly, it creates a hole. We would have discrimination prohibited by law and then nowhere to complain to. This is one that has been marked, at least preliminarily by leadership in this house, for restoring because there are too many unanswered questions.

ANDREW CLINGER:

Page 37, under the Gaming Control Board, is an item that I would highlight here. You can see in the position elimination columns that this would eliminate almost 32 positions in the Gaming Control Board, resulting in 27 layoffs. There would be an impact on their ability to regulate and audit, based on these reductions. There would be reduced enforcement and slowing down of processing of approvals on table games and surveillance systems. It would slow down their audit cycle at the Gaming Control Board. You can see a long list of impacts on pages 37 and 38 related to these eliminations.

ASSEMBLYMAN CONKLIN:

Mr. Clinger, is there some amount that you are aware of where we expect to actually collect less than what we are due based on the elimination of these positions? Certainly, if the times to audit are going to be longer . . . I am sure our auditors are fairly adept at finding money for the state and I just want to make sure that we have analyzed to the best of our ability that the yield on this cut is not higher than we anticipate because of a lost in revenue that does not show up on this spreadsheet.

ANDREW CLINGER:

I have not analyzed the dollar impact. I do know that Chairman Neilander testified to IFC that there could potentially be an impact to revenue on this item, but I do not have an estimate of what that impact would be.

ASSEMBLYMAN GRADY:

Along the same lines, has Mr. Neilander given any figures to you about what this would do to our small, rural casinos? Because the couple I have talked to have said this would probably put them out of business—just the changes in these fees that they would have to absorb. Has there been any discussion there?

ANDREW CLINGER:

This is not a proposal to raise fees in the Governor's recommendation—this is a proposal to cut positions. I am not sure that we are talking about the same thing on the impact to the rural casinos. I guess the impact on the rural casinos would be the timing of when audits were performed and the timing of the agents' ability to respond to complaints for investigation and that sort of thing.

CHAIR BUCKLEY:

Many of these proposals we rejected last session based on Mr. Neilander's testimony that the Gaming Control Board would not be able to function effectively and they would lose qualified staff and be unable to do their job effectively. The idea of some fees is that it would allow Mr. Neilander and the Gaming Control Board to keep doing their job. That is a proposal that is floating around and is not before us yet. I think the idea would be to tier it. Small guys in the rural communities probably cannot afford much but if that was to happen it would obviously be subject to this body's approval and a workshop and parity. There would be a several month workshop process to make sure it was fair to all of the folks who are regulated. The question before us, I think, is going to be: Do we want our dominate industry to have a dysfunctional regulatory body? Maybe we cannot restore all 32 positions but should we restore some? I think, just as we did last session in Ways and Means, it is the same issue before us right now.

ASSEMBLYMAN GRADY:

I agree. The Nevada Gaming Control Board is looked up to throughout the world and is one of our major industries. It really makes me nervous what this will do to the gaming industry across the state.

ASSEMBLYWOMAN GANSERT:

Just to confirm, because we have all of these different spreadsheets, but the amount was about \$4.236 million in cuts—on page 38. That is the total cut to the Gaming Control Board. Is that correct?

ANDREW CLINGER:

That is correct.

ASSEMBLYWOMAN GANSERT:

I know there has been some talk about covering or using some fees to cover an amount for the Gaming Control Board. I guess we are going to have to review that because I think it is an extremely important agency, obviously. Gaming is the main money producer or revenue producer in the state.

CHAIR BUCKLEY:

There are two separate sets of numbers. One is the amount that this would have to be cut and the second is an examination of all of our regulatory agencies and how much of them are funded by General Fund versus fee supporting. In times of fiscal crisis, do you want businesses to pay their own way as opposed to taking money from K-12 and higher education to cover regulatory functions? Last session, with the Division of Insurance and most industries in the Department of Business and Industry, we moved towards fee funded. So, at the Department of Business and Industry there is no General Fund anymore. Each regulatory agency pays its own way. A policy issue before us is: do we want to continue that trend? What that would mean is that there would be General Fund available for those services that cannot support themselves such as education and health and human services for those most vulnerable. So those are the two separate issues.

ASSEMBLYWOMAN GANSERT:

I think it is important that we look at how we are subsidizing different agencies with General Fund monies but I think we need to keep in mind the individual businesses, like Mr. Grady pointed out, that may not be able to afford the increase because they may go out of business. While it is important that businesses pay for what is required we have to keep in mind that, first of all, we required whatever regulation we put into effect. We have to make sure that the regulation is fair and that the cost of putting that regulation into effect is not so unduly large that, in fact, the business could go out of business because they are having to pay for this regulation. Oversight is required. We really need to look at balancing that. Thank you.

CHAIR BUCKLEY:

I think that is absolutely right.



ANDREW CLINGER:

Beginning on page 39 of the “10 Percent Reductions” list is the Department of Health and Human Services. I am going to turn this over to Director Willden. He actually has a handout of his own to go through that probably provides more detail than the handout that I have.

MIKE WILLDEN, DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES:

Thank you, Speaker Buckley. For the record, I am Mike Willden. I serve as the Director of the Department of Health and Human Services. You should have a 13- page handout that I think is probably a little easier to go through. The title on it is, “Nevada Department of Health and Human Services Proposed Budgets Cuts.” The reason we are using this document is that the document Andrew has been working from packages several cuts into one outline item and I think this is a little easier to call out the issues.

At the top of the page—there is a little code table at the top—and it might be helpful to understand that. You will see there is a group of cuts down the left hand column that have “R’s” by them. Those are the original recommended reductions when we were doing the 10 percent cut. The next line item down has a “V” by them and what they are is Executive Budget Office vacancy savings cuts. The next line item is coded with a “T” and represents travel and training cuts. The next is coded with an “O” and they are Executive Budget Office other cuts; in other words, cuts that were added after the original 10 percent list was evaluated. The last one we code as an “S,” which is sweeps. These are the types of funds that we are going in and sweeping reserves out of those funds.

All of these numbers, totaling \$108 million, are reconciled to Director Clinger’s five documents that he is using and talking about. Madam Speaker, I will just proceed if that is ok, to run down through and highlight some of the Health and Human Services cuts.

In the Director’s Office and in the Grants Management Unit, there are two things that I would highlight. Your second, third, fourth and fifth bullets basically deal with repackaging Title XX dollars, our social services block grant and sweeping a trust fund, the Gleeson-Otten trust fund, and taking some money from the Children’s Trust Fund, repackaging those dollars and sending them out to our family resource centers—pulling General Fund money out of the family resource centers and reverting that to the General Fund. The family resource centers are held harmless in that transaction. It is just that they get a different color of money—instead of from the General Fund—they get Title XX and other kinds of dollars.

The next item in the Director’s Office I would highlight is that we are proposing to eliminate the Problem Gambling Program activities in FY11, saving about \$1.8 million. That program is funded from a \$2 slot tax and we would basically suspend activities—treatment, prevention, and research—for the next fiscal year, saving \$1.8 million.

In Aging and Disability Services, there are a couple things I would highlight. The second bullet down is a natural opportunity—I would use that term—where in our Disability Independent Living Program our projection is less than what was budgeted. We were budgeted at 280 clients and we are projected to be at about 223. That allows us to save about \$700,000. At the top of Page 2, I also would highlight a reduction in the Office of Disability Services because it’s lower than budgeted caseload in the personal assistant service. It is budgeted at 223 and running at a caseload of 166. This gives us an opportunity to save about \$440,000.

The next one is the COPE Program or the Community Services Option Program for the Elderly. This has been fairly confusing. It has been in and out on different versions. It is in and is being counted as about \$1.2 million worth of savings. Again, we view this as a natural opportunity. You can see the caseload information that I have there. We were budgeted for 187 slots in the current year and 193 next year. We are proposing to cut 62 slots, leaving us 125 and 131. We think that leaves us some growth, with some room to grow. There is currently just a waiting list of two recipients waiting for services in that program. So again, we view this as a natural opportunity.

The next one deals with personal care attendants. You will see this several times throughout the document. This is the \$1.50 per hour reduction in the pay in the personal care services program. Again, this has been discussed and debated several times over the last two years of budget reductions. This is the one related to senior and disability services. You will see it again in Medicaid.

CHAIR BUCKLEY:

Mr. Willden. The board is lighting up. Assemblywoman Leslie.

ASSEMBLYWOMAN LESLIE:

Thank you, Madam Chairman. I didn't want to let you get too far. Maybe we could take them by sections so it might be a little easier. I was back on the Grants Management Unit, Mike, and I have had a lot of questions since this came out, on the problem gambling reduction. Actually, it's not a reduction, we are eliminating it completely. The question is: What is the impact on the people who are in treatment right now? Do they just, as of April 1 or July 1, stop getting treatment? What recourse will they have?

MIKE WILLDEN:

I am hopeful there will be some money left over out of the FY10 expenditure pattern. We would use that money to keep people in treatment for as long as that lasts. Obviously, once we start booking the FY11 money to a reversion, there will not be money to go beyond whatever cash balance we have out of FY10. Some people in treatment will have to likely not be covered in that service.

ASSEMBLYWOMAN LESLIE:

So, at some point, they will just not get treatment any more?

MIKE WILLDEN:

That is correct. Not until we restart in the next biennium.

ASSEMBLYWOMAN LESLIE:

And this money is used to hire private providers, isn't that right?

MIKE WILLDEN:

That is correct.

ASSEMBLYWOMAN LESLIE:

Ok, thank you.

CHAIR BUCKLEY:

Thank you, Ms. Leslie. Assemblyman Anderson.

ASSEMBLYMAN ANDERSON:

Thank you, Madam Speaker. My question goes back even further, although in the same general topic area. In eliminating the problem gambling question, will those dollars that are generated currently from that tax then go into a specific category within the general fund, and how much do we anticipate to be gained there, if at all?

MIKE WILLDEN:

Mr. Anderson, as that program works, there is a \$2 slot tax. It is collected by Gaming and transferred to the Director's Office to run this program. All the revenue that would be collected in FY11 would be reserved for reversion. In other words, the funds would not be spent and would be reverted to the General Fund. The estimate is \$1.8 million.

ASSEMBLYMAN ANDERSON:

And how will we monitor that?

MIKE WILLDEN:

How will we monitor that?

ASSEMBLYMAN ANDERSON:

How do you currently monitor it?

MIKE WILLDEN:

Well, Gaming collects the slot fees on a periodic basis and they transfer the money to us. We will set up a reserve, collect the money, and then transfer it to Director Clinger.

CHAIR BUCKLEY:

Assemblyman Carpenter.

ASSEMBLYMAN CARPENTER:

Thank you, Madam Speaker. What happens to the program like we have in Elko where they take care of someone that is disabled, so that the other members of the family can work while the person that is disabled has a place to go? What happens to that program? We hear all kinds of questions. Is it in or out, or just what?

MIKE WILLDEN:

Mr. Carpenter, I am not sure what program you are talking about. Are you talking about the Mental Health and Developmental Services cuts? We haven't gotten there yet. Is that what you are talking about? Or the personal care attendants?

ASSEMBLYMAN CARPENTER:

I think it is personal care, but it may be one or the other. I really do not know, except I know that there is great concern that that was going to be eliminated.

MIKE WILLDEN:

There are two issues in the personal care attendant program. It is not being eliminated. The issues there are that we are budgeting, or recommending, that there be a \$1.50 per hour reduction in the rate. The rate now is about \$17 per hour, and we would be reducing that to \$15.50 per hour, for Medicaid recipients. For cases that are managed out of what we call the St. Mary's Program or the disability services, the rate would be reduced from about \$18.50 per hour down to \$17 per hour. So, that is one issue impacting personal care services. Some money is being taken out of what we call the caseload growth, but the program is not being eliminated. We believe we have adequate money to serve the caseload at the lower rates.

ASSEMBLYMAN CARPENTER:

Thank you. Maybe when we get further into this, we will come to the program that I am most interested in. I will try to find out what that is. Thank you.

CHAIR BUCKLEY:

Assemblywoman Gansert.

ASSEMBLYWOMAN GANSERT:

Thank you, Madam Chair. There was a time with one of the last rounds of cuts where St. Mary's said they may not be able to provide the services if we cut them. Have we rechecked with them to find out if they can continue to provide the services here in northern Nevada?

MIKE WILLDEN:

Yes, Miss Gansert, we have. I have a letter from the St. Mary's Program outlining how they would go about internally making it work. What I get out of the letter—and I don't want to speak for them in a definite manner—is that they can make it work with the rate reduction, as long as we don't go below \$17 per hour. They are going to change some things administratively and move some dollars out of Administration to the program. They are going to reduce or eliminate some of their travel reimbursements to their care attendants. They are going to take some of their supervisory Personal Care Attendants (PCAs) and put them on the line. What I get out of their analysis and letter is that they think they can make it work on the short term.

ASSEMBLYWOMAN GANSERT:

Thank you. I think it is a very important program and I appreciate that they are working on their numbers to be able to continue to provide the service.

MIKE WILLDEN:

And I would recognize them publicly for sharpening their pencil.

CHAIR BUCKLEY:

You may proceed. There are no further questions.

MIKE WILLDEN:

Madam Chair, I think I was about ready to go into the civil monetary penalties in Aging Services, on Page 2. This is a suggestion that we use the money in our Civil Monetary Penalties account. There is about \$2.3 million in that account. Those monies can be used to fund ombudsman's services in our Nursing Home Program in Aging Services. We would recommend pulling out General Fund money and putting in civil monetary penalties for both FY10 and FY11, which would be \$421,000.

The next aspect of Aging Services that I would highlight is a reduction to the Senior Property Tax Assistance Program. We would be reducing the average benefit from \$358 to \$262 and it would save approximately \$1.2 million. Obviously, this will require approval by the Interim Finance Committee; there is a statutory requirement to have approval there. If there are no more questions on Aging Services, I will move to Health Care Financing and Policy.

Health Care Financing and Policy has many reductions. The first one is a change that we have already implemented—changing the evaluation procedure for people who get personal care services. We are implementing a requirement to have a physical evaluation by a therapist. That is versus now where we use almost an attestation process, or have social workers looking at an individual. There will be a stricter requirement of someone needing to meet the level of care criteria and the need for these personal care services, at a savings of \$4 million.

CHAIR BUCKLEY:

Mr. Willden, we have a question. Assemblywoman Spiegel.

ASSEMBLYWOMAN SPIEGEL:

Thank you, Madam Speaker. Mike, I have a question. In the interim committee on Senior Citizens, Veterans and Adults with Special Needs, we heard some testimony related to people getting into the Children's Health Insurance Program (CHIP) and the wait list of 106 people. Because of the staff vacancies, there were not enough personnel to process the applications that were coming in. That was relating to the wait list and the backlog. I guess I am questioning how eliminating the vacant position is going to help with the backlog and what you see as a way of addressing that need.

MIKE WILLDEN:

Ms. Spiegel, the CHIP program does, as you can see from the second bulleted item down, currently have a wait list of 106. Further down the list, we are eliminating some of the social workers related to the CHIP program. I have met with Carol Sala, the Administrator of the Aging Services Division, and her staff. They believe, even with the eliminations of those positions, that they can—now that we are coming out of the stall pattern and we know what the cuts are, and whether we need to save more money or not—with the staff they have, the ones they are not eliminating, that they can now start working the wait list and get those clients into service.

ASSEMBLYWOMAN SPIEGEL:

Ok, thank you.

MIKE WILLDEN:

And you can see in the CHIP Program that there are savings of almost \$2 million associated with this. This is in the Medicaid Program. That is where these services are paid for; we have left some growth room in this caseload. With the current services we are serving about 1,123 recipients and we have left growth in this budget to go to 1,241, so there is some growth room. We can take the wait list and even take some additional recipients, but still save \$2 million.

The next one is a rate reduction to anesthesiologists, which is \$2.5 million. The issue here is that the Medicaid payment has been analyzed and we are paying about 43 percent higher than the Medicare payment. So we are making a recommendation that the anesthesiologists' Medicaid rate be reduced to match the Medicare rate.

CHAIR BUCKLEY:

Assemblywoman Gansert.

ASSEMBLYWOMAN GANSERT:

Thank you, Madam Chair. I have received calls from anesthesiologists and one of them is highly specialized. It sounds like he does cardiac pediatric anesthesiology. Do we break out any of those rates? Is there sub-specialty or coding for different types of procedures or anesthesia? Because the concern was that there are only six people in the state who do that and the bulk of who they handle, evidently, are Medicaid patients. They are not sure whether they can continue to provide that service. How do we break out those codes? Is there any way to differentiate?

MIKE WILLDEN:

Miss Gansert, I don't have a short answer for that, but I will get you the answer. This has a unit factor in it, the billing code, and I think different procedures have different unit factors, and that is what I got out of it, as how it bills out. We are getting a lot of concerns from anesthesiologists in this area and I know staff is still working on making sure that we can better explain and understand how that coding will work, so I will get you some information.

ASSEMBLYWOMAN GANSERT:

I appreciate that. I know awhile ago that we had some trouble with pediatric surgeons and just lack of access to those types of specialties because of the rates, so thank you.

MIKE WILLDEN:

And we have heard from this group that we may have access issues.

ASSEMBLYWOMAN GANSERT:

Thank you.

CHAIR BUCKLEY:

Assemblyman Christensen.

ASSEMBLYMAN CHRISTENSEN:

Thank you, Madam Chair. Mr. Willden, in relation to the billing—because I, too, have had conversations with different groups here in the north and the south—could you add to, as to my colleague was referring to, the financial equation? I am curious if your office has been able to put together any info on what would happen to the practices that currently provide the service, or if you all have a pulse on, are we going to lose a percentage of those who currently take care of this sector of the population?

MIKE WILLDEN:

I don't have that with me, but I can provide that.

ASSEMBLYMAN CHRISTENSEN:

If you would, that would be great. Thank you.

CHAIR BUCKLEY:

You may proceed.

MIKE WILLDEN:

Next on the list, Madam Chair, is the Preferred Drug List (PDL). You have seen this many times from us as a recommendation to eliminate the statutory prohibition from us using a preferred drug list in Medicaid for six classes of drugs. We believe again that we should allow the Pharmacy and Therapeutics Committee established in statute to implement a preferred drug list for Medicaid recipients and it would save about \$766,000. This will require a bill draft.

CHAIR BUCKLEY:

Assemblywoman Leslie.

ASSEMBLYWOMAN LESLIE:

Thank you, Madam Chair. Mike, are diabetic drugs included in this? I have been getting a lot of email about that.

MIKE WILLDEN:

Yes. The answer is that diabetic drugs will be put on a PDL, but all drugs in the class will be on the preferred list, so no drug would be denied to a diabetic.

ASSEMBLYWOMAN LESLIE:

Thank you. Can you just give us a two sentence explanation of what the PDL means, just to remind everybody, what that process means, please?

MIKE WILLDEN:

A PDL is a preferred drug list. Basically, we have in statute a Pharmacy and Therapeutics Committee that is made up of doctors and pharmacists who evaluate classes of drugs and—without looking at the cost and finances of those drugs—determine whether or not one drug or another is more effective. Based on that, they put them into a preferred drug list. The idea is that it drives market share towards a preferred drug. What it does for the Medicaid program is that it allows us to get supplemental rebates from the drug manufacturers. If you don't have a PDL in place, you can't drive the market share and get the supplemental rebates, and so that is the purpose.

CHAIR BUCKLEY:

Assemblywoman Gansert.

ASSEMBLYWOMAN GANSERT:

Thank you, Madam Chair. I think we talked about this in IFC, but people who are already on certain medications would be grandfathered in, I believe. I just wanted to confirm that. The second point is that if we change the PDL, we need to make sure that there is an Request for Proposal (RFP) process so that all the companies are able to rebid on the contracts, even for the non-generic drugs.

MIKE WILLDEN:

The answer to the grandfathering question is yes, if you are on a current drug, you would be grandfathered in. I am not sure on the RFP process. I know you have asked that before and that is still being evaluated by staff.

CHAIR BUCKLEY:

Assemblyman Hardy.

ASSEMBLYMAN HARDY

Thank you, Madam Chair. Along that same line, Mr. Willden, the appeal process—so that if somebody recognizing that we make a generic decision for generic drugs, as it were, and all people are different—some people are going to respond to different medicines, even though we have made a policy decision—there is probably an appeal process, is there not, if somebody has failed on different medicines, that they are allowed to try a different atypical, for instance, anti-psychotic?

MIKE WILLDEN:

Yes, there is, using your term, an appeal process. I guess we would call it a prior authorization process, that if someone does not work well on a specific drug, that they can provide medical evidence—a doctor can do that—and can have the Medicaid program look at that prior authorization and authorize the alternative drug.

ASSEMBLYMAN HARDY:

And that, as I understand it, is not a lengthy process and we have been fairly amenable to do those in the past, as I understand?

MIKE WILLDEN:

That is my understanding also, Dr. Hardy.

ASSEMBLYMAN HARDY:

Thank you.

CHAIR BUCKLEY:

You can proceed, Mike.

MIKE WILLDEN:

At the top of Page 3, there are a number of changes being made. The first two deal with disposable medical supplies. I hate to even mention them for the press that we have gotten. These are incontinence supplies and disposable gloves—limiting the use of these products, saving about \$1.6 million between the two. The next one is to relook at our non-emergency transportation contract and cap administrative costs, saving \$644,000. The next one on the list is to reduce our reimbursement rates in behavioral health training and psychosocial rehabilitation. We have a two or three tier rate system. We would be collapsing that rate system, saving \$4.9 million. Skip down again to personal care services. I think I mentioned that before, in the Aging and Disability Services budget. That would also apply here in the Medicaid budget, saving almost \$3 million.

The next bullet down, we would be reducing hospital reimbursements by 5 percent, saving \$5.3 million to the General Fund. We would be reducing residential treatment center rates by 5 percent, saving \$924,000. We would recommend increasing premiums in the Nevada Check Up Program. Depending on your household income, the premium would go up. On household incomes for the very low, the premium would go from \$25 per quarter to \$75; from \$50 to \$140 per quarter per family for the middle-low income; and from \$75 per quarter to \$180 per quarter for the high-low income. This would save us almost \$1.1 million. Then there are three or four optional services remaining on the list to be cut. Many of the original list of optional services have been added back, or have been taken off the “cut list,” and put onto the Governor’s “not considering list.” The ones still on the list are adult vision, adult audiology, hearing aids and adult therapy. Those four are still recommended on the reduction “cut list.”

CHAIR BUCKLEY:

We have some questions. Assemblywoman Leslie.

ASSEMBLYWOMAN LESLIE:

Thank you, Madam Chair. On this particular item, the optional services, are these the only optional services we have in Medicaid? That just occurred to me. Is there anything else optional in Medicaid that we have beyond the absolute federal requirement?

MIKE WILLDEN:

Well, the big one that people never like to have to study very lengthily is pharmacy. Pharmacy is an optional service. There are many optional services, but many times they are really not optional. This is in the sense that if we eliminated pharmacy, which is a \$90 million plus a year program, our hospitalization would increase within weeks.

ASSEMBLYWOMAN LESLIE:

Right. And people would not get the drugs they need.

MIKE WILLDEN:

So, there is a list of optional services on our website, but many of them we don't view as very optional.

ASSEMBLYWOMAN LESLIE:

Ok, my question on this item, Mike—and I know you won't take this personally at all—is how did you decide that dentures were more important than glasses or hearing aids?

MIKE WILLDEN:

By mostly listening to our medical staff that if you can't get proper nutrition, you are going to have problems and probably end up hospitalized or having to see other health care providers at more expense. So, it was basically a prioritization of you needing to be able to have nutrition before you needed to be able to see and hear.

ASSEMBLYWOMAN LESLIE:

You can't eat and you can't see or hear. So what will happen to these adults, and these are people who are poor or disabled, right, or they wouldn't be on Medicaid, so how will they get their glasses and their hearing aids, will it just depend on charity?

MIKE WILLDEN:

That's correct.

ASSEMBLYWOMAN LESLIE:

Ok, thank you.

CHAIR BUCKLEY:

Assemblyman Stewart.

ASSEMBLYMAN STEWART:

Thank you, Madam Chair. Mr. Willden, on the 5 percent reduction for reimbursement to the hospitals, I understand that last year they operated at a deficit of 3.9 percent. Have you talked with them on how this would affect them?

MIKE WILLDEN:

Yes, I have had conversations with Bill Welch, who is the Executive Director of the Hospital Association. I don't have the information in front of me, but I am confident that he has probably provided accurate information. I don't think there is a hospital in the state making money. If they are, they are not making much. They did take a 5 percent reduction in the previous rounds of cuts. I know they are very concerned about this rate reduction. I would note on their behalf that this is the General Fund cuts we are talking about here; the \$5.3 million is the General Fund piece of the savings. There is also a loss of double that amount in federal money under the current matching percentages. Five million dollars of general fund matches another \$10 million of federal. The hospitals are also concerned that in many programs their rates get benchmarked to what we pay in Medicaid. So, if we reduce our rates, many programs benchmark to our rate and there may be loss of other revenue.

CHAIR BUCKLEY:

Thank you, Mr. Willden.

MIKE WILLDEN:

The last item that I would highlight is on Page 4 in Medicaid, which is a \$10 rate reduction for skilled nursing facilities. We have about 38 licensed nursing homes in Medicaid. This would be a \$10 reduction and would require legislative action to amend the NRS.

If there aren't any more questions on Medicaid, I will move to the Health Division and highlight a few. I will try to speed up a little. The first one is that we would be sweeping about \$9 million out of the Radioactive and Hazardous Waste fund, also known as the Beatty Dump Fund. We swept money out of this fund in the previous rounds of cuts of about \$4 million. We propose sweeping another \$9 million. We are leaving enough money behind to meet two to three years of operating costs, in our estimation.

The next one I would highlight would be sweeping the Marijuana Health Registry. We have analyzed the Marijuana Registry and can sweep about \$267,000 out of that fund.

The rest of the Health Division cuts are mostly operational changes, staffing and travel, those types of things.

In the Welfare Division, I would just highlight a couple of things. First, during various versions, we had eliminated up to 137 eligibility-related positions. All of those are off the "cut list," so the Welfare Division will have a green light to hire all the eligibility workers to keep up with the growing caseload and processing time requirements. There are several areas in Welfare where we are using a surplus state share of collections, which is child support money that the state retains. We are plugging that in and allowing for funds to be reverted to the General Fund. The last one I would highlight on Page 6 is that we have plugged in some additional funds for the supplemental nutrition assistance program, which used to be known as the food stamps program. We are getting some additional administrative dollars from the feds of about \$1.5



million. We have plugged that into the reduction, and that will help us with General Fund reversions there.

On Page 7, I will go over the Mental Health and Developmental Services cuts. Again, there are quite a few changes in this area. The first one I would highlight is the fourth bullet down. We are recommending \$8.2 million worth of pharmacy savings be taken out of the three different pharmacy budget accounts—north, south, and rural.

The next bullet I would highlight is the Desert Regional Center and Sierra Regional Center on the Disability Services side. We see an opportunity to remove \$9.5 million out of Desert Regional for supported living arrangements or residential housing, whatever term you want to use, and \$3.7 million out of Sierra Regional Center. In both of these evaluations, there has been money in and out. Obviously, there was a significant more being cut than these numbers. Based on this evaluation, we will be able to serve at Desert Regional Center the 78 people on the waiting list, and we will be able to grow by another 60-80 more slots. In total growth we think we can grow another 120-160 slots at Desert Regional and still give up this \$9.6 million. In Sierra Regional, we have a wait list of 33. We are leaving enough money in the system so that we can grow about 64 more placements. So, again, we should be able to pull everybody off the wait list and add another 31 into that. I know that has been confusing over the last couple of weeks on the amount of money that would be reduced or not, but we are reserving money for caseload growth, as I indicated.

The next one that I would highlight in Mental Health is on Page 8 of 13. We are continuing to recommend a reduction in the inpatient capacity at the Rawson-Neal Hospital by 22 beds. This is basically closing the unit in the old Stein Hospital in Las Vegas and basically only running the beds that are in the formal Rawson-Neal Hospital.

The next bullet down again has had significant changes. This is Southern Nevada Mental Health Residential money. We had originally recommended cutting \$4 million. We have reevaluated that and we will be cutting \$1.25 million. This will allow us to grow our residential placements by 85 slots over the biennium, so we still will have some growth there.

The remaining Mental Health cuts again are largely operational: travel, staffing, and vacancies. I am happy to go over anyone of those.

CHAIR BUCKLEY:

We do have a question. Assemblywoman Leslie.

ASSEMBLYWOMAN LESLIE:

Thank you, Madam Chair. Mike, back on Page 8, the second item, I had a question regarding Rural Clinics. But before I even ask the question, I want to thank you for restoring so much of the money. I appreciate that and I know you worked hard to do that and it was the right thing to do. But on this one, I guess I hadn't realized, or maybe I don't understand exactly what we are doing. Are we taking a psychiatrist out of Rural Clinics? The narrative says we are going to be providing fewer psychiatric visits for clients, which obviously contributes to relapse. We are not going to add new caseload. Are we starting a waiting list at Rural Clinics? What's happening with this item?

MIKE WILLDEN:

Assemblywoman Leslie, in Rural Clinics this is not like a given position. These are pieces of our Full Time Equivalent's (FTE's), of our contract psychiatrists who provide services. And yes, we do have wait lists. If you look at the detail on this \$290,000, and I have added a sentence as a result of this discussion a couple of weeks ago, we have already earned \$265,000 of that \$290,000 by having vacancies now, not being able to fill psychiatric contracts—you know they are not the easiest to fill sometimes—but we have already earned \$265,000 of that. We have only got to earn roughly another \$35,000 and then we will go back to filling all of our contract slots. We are 80 percent of the way there on earning this money. As soon as we earn the balance of the \$290,000, we will start again filling all the contracts that we are allowed to fill.

ASSEMBLYWOMAN LESLIE:

Well, my concern is just how much we cut Rural Clinics last time. We left a bare skeleton out there. If you don't have the positions full, they are not seeing people and they can't earn the money. Thanks for pointing that out. I see what you are saying. Thank you.

CHAIR BUCKLEY:

Assemblyman Horne.

ASSEMBLYMAN HORNE:

Thank you, Madam Chair. Mr. Willden, on that third bullet point in the reduction of the 22 beds at Rawson-Neal Hospital and further decreasing the inpatient length of stay and increasing efficiency in psychiatric observation, I am concerned with: (1) the reduction of beds, and (2), the continued reduction in the length of stay. These patients will ultimately end up in the emergency rooms and we will have the problems we had before, and in the very hospitals that may be requested to take them in, and at an additional reduction of 5 percent, as we discussed earlier. Also, I don't understand the increasing of efficiency of psychiatric observation. I was under the assumption that our doctors there were doing their job to the best of their abilities, with the tools they had. I don't know what programs that we are going to do, to increase their efficiency. Has that been discussed?

MIKE WILLDEN:

Assemblyman Horne, first I want to indicate that I am not a clinician, but I will try to answer the questions the best I can. The hospital is kind of a complex thing, but I try to simplify it this way. The first place people go when they are in the Legal 2000 civil commitment process, or are a danger to themselves or others, are to an emergency room for medical clearance. That has been a problem for several years. I haven't looked at this morning's statistics, but yesterday's statistics showed we had 46 people waiting in emergency rooms to come over to the Rawson-Neal Mental Health campus for services. That sounds like a big number, but I can tell you the wait time in ER's is now measured more in hours than in days.

Then the problem we have had over the years, when we get into Rawson-Neal, is that the first place you go is into psychiatric observation. You are basically on a 72-hour hold. This is so we can figure out what the issue is, whether it is medication issues or other types of issues. They work on the individual's issues during that psychiatric observation hold period. The bottleneck has always been there. We have been trying to have more psychiatric observation beds so we can take people out of the ER's quicker, and make a decision on whether they even need to go to the inpatient side of our hospital. The statistics I have seen show that 50-55 percent of people are not hospitalized once they are stabilized in the psychiatric observation unit. They can go home on medications or whatever. I think that is important to note, and that is why the mental health residential add-back was important. When we were cutting all of our residential slots, we were in between a rock and a hard spot. Now, we have some additional community residential funds. I think that will help us moving people through observation quicker, and those people can go back into the community.

On the inpatient side in the hospital this morning, we were running at 177 beds. Again, this would take us down to 190, so we still have some head room based on where we are going there and what we are seeing in our inpatient counts on a daily basis.

ASSEMBLYMAN HORNE:

I certainly don't want us to get back to days in the ER, from hours.

MIKE WILLDEN:

And we don't either, and this has me nervous, and I know all of our staff nervous, but we know we have to try to find some places to cut.

ASSEMBLYMAN HORNE:

Thank you, Mr. Willden. Thank you, Madam Chair.

MIKE WILLDEN:

If there are no more questions on Adult Mental Health, I will move on to Page 9, which is Child and Family Services, and I will highlight four or five items there. The first one, again, is a natural savings opportunity in our room and board for behavioral health residential facilities. Again, we are running below the budgeted caseloads. You can see the math there, saving almost \$900,000. The same thing is at the top of Page 10, which are the caseloads for foster care payments and residential care placements. We were running below the budgeted caseload, so we get an opportunity to save money there.

Included in this one also is where the Legislature appropriated \$1.6 million in each year of the biennium to help us work on sibling rates, to make higher rates to foster homes who care for sibling groups, which is three or more siblings. We will not be able to implement that sibling rate increase in rural Nevada because of this reduction. We also have a lower than budgeted caseload in Youth Parole, which is the next bullet down, allowing us to save about \$900,000. Through our cost allocation work over the last year in the Wraparound in Nevada for Children and Families Program, or the WIN Program, we will be able to revert \$720,000 to General Fund and replace that by drawing in Medicaid funds.

The last item that I would highlight is at the bottom of Page 10. We are on our way to closing the Summit View Correctional Center and closing 48 beds there, while opening 20 beds in Elko, 20 beds in Caliente and reserving enough money to purchase 3 beds for any of our youth that require more intensive services than can be provided in Elko or Caliente.

On Page 11, I just would highlight....

CHAIR BUCKLEY:

Mike, hold on one second. Assemblywoman Leslie.

ASSEMBLYWOMAN LESLIE:

Thank you, Madam Chair. Mike, on the Summit View issue, you said you are on your way to closing Summit View. I take it that you are moving kids. How far along have you already moved in this area?

MIKE WILLDEN:

When we started this process in January, we had about 48 kids there. The last report I had into last week, we were down to 26 kids at Summit View.

ASSEMBLYWOMAN LESLIE:

Where are they going?

MIKE WILLDEN:

Many of them have been paroled through the parole process. I believe 11 were transferred to Elko. The last count I had was that we were at 26.

ASSEMBLYWOMAN LESLIE:

And Elko had enough staff to accommodate the 11, but if we are going to completely close it, we have to add more staff?

MIKE WILLDEN:

We have to add ten additional staff in Elko and ten additional staff in Caliente to maintain those facilities at max capacity, which is 160 in Elko and 140 at Caliente.

ASSEMBLYWOMAN LESLIE:

So would the remaining 26 kids stay at Summit View until we make our decision here in the special session, or are they moving out?

MIKE WILLDEN:

I don't know of any plans to transfer any more at this point in time. I don't believe there are any parole decisions being made in the next week.

ASSEMBLYWOMAN LESLIE:

And then I haven't seen it yet—and I think it is because it is off the list, or maybe it is here listed and we just haven't gotten to it yet—which is the 10 percent cut in the Community Corrections block grant, which helps the counties maintain kids in their communities and not place them at the state institutions. Has that been restored by the Governor?

MIKE WILLDEN:

That is correct; that is no longer being cut.

ASSEMBLYWOMAN LESLIE:

Ok, thank you.

CHAIR BUCKLEY:

We have more questions. Assemblyman Carpenter.

ASSEMBLYMAN CARPENTER:

Thank you, Madam Chairman. Is there going to have to be any changes in Elko, with the way the students are handled there? I know in the evenings they only have, I think, one supervisor or person with them for every 16. Is that going to have to be increased? I know there is a lot of concern in Elko about the staffing up there and how we are going to be able to handle that facility safely.

MIKE WILLDEN:

Mr. Carpenter, there is a lot of concern. There is a lot of concern on everyone's part, not just the staff, but management, also. For those of you who don't know, both Elko and Caliente are what we call staff secure facilities. There aren't razor wire fences, gates, prisons, or those kinds of things. These are staff secure facilities. The federal guidelines for these types of facilities are that we staff 1-10 during daytime, and usually 1-16 at night. Some of these youth will require richer staffing ratios in there and that is part of our request—to add 10 more staff to Elko and 10 to Caliente.

Our goal would be, obviously through classification, we will need to have richer staffing ratios on some what we call cottages or units out there versus others, and it is important for us to get all of our vacancies filled out there and the 10 positions authorized, so we can have a full staffing complement.

ASSEMBLYMAN CARPENTER:

Thank you. I understand that they are going to open up one more of the cottages that were closed down. Aren't they going to have to have more than 10 staff?

MIKE WILLDEN:

Mr. Carpenter, I think they have 11 or maybe 12-13 vacancies out there—so again, our request is to fill all vacancies and 10 new staff. There are 20 staff, from what they are operating on today. They will be adding 20 more positions between freeing up vacancies and adding new slots.

ASSEMBLYMAN CARPENTER:

Who can I contact to find out what is really happening there? I tried to talk to the administrator out there, and he wouldn't even talk to me. He said that I had to go somewhere else, so I said I would be seeing Mr. Willden and that I would ask him.

MIKE WILLDEN:

I apologize for that, Mr. Carpenter. I saw the email exchange that you had called there and that you would be contacting me. I am happy to talk to you off line with any questions you need.

ASSEMBLYMAN CARPENTER:

Thank you.

CHAIR BUCKLEY:

Assemblyman Denis.

ASSEMBLYMAN DENIS:

Thank you, Madam Speaker. You had mentioned at Summit View that one of the things that helped in the current reduction was the paroling of some of the individuals. Have you changed the policies on the paroling, or is that a natural thing? It wasn't necessarily allowing you to increase that more rapidly?

MIKE WILLDEN:

Mr. Denis, I believe that was just the natural parole date that went on. We are paroling all the time. We are getting admits all the time and paroling all the time. It is my understanding those were paroles that went up. Now as we move along, there may be some pulling forward of paroles. In other words, if they were ready to go in thirty days, we may parole them in two weeks.

ASSEMBLYMAN DENIS:

Ok, but that hasn't occurred yet?

MIKE WILLDEN:

I don't know for 100 percent certainty, but I don't believe so. I think they were natural occurring parole dates.

ASSEMBLYMAN DENIS:

Ok, thank you.

CHAIR BUCKLEY:

Assemblyman Munford.

ASSEMBLYMAN MUNFORD:

Thank you, Madam Chair. What about the youth correctional center in Las Vegas? Isn't there one in Boulder City or Henderson? Does that fall under one of your programs? It is the one supervised by Esther Rodriguez Brown yours?

MIKE WILLDEN:

That's not ours. We only run one correctional facility in Las Vegas. The state only runs one correctional facility and that is the Summit View Youth Corrections Center. Clark County has the Clark County Detention facility, and then they also have Spring Mountain Youth Camp. I am not sure what facility you are referencing.

ASSEMBLYMAN MUNFORD:

This is strictly dealing with youth, once they went through the training.

MIKE WILLDEN:

It may be a group foster home or something like that. I don't know.

ASSEMBLYMAN MUNFORD:

It is supervised by a person named Esther Rodriguez Brown. She mentioned it to me and said it was being closed. As a matter of fact, she was actually interviewed by the media on a television program and spoke with concern over the closing of that facility. I thought it was a youth correctional center and that is what she told me. I thought that fell under one of your programs.

MIKE WILLDEN:

Mr. Munford, unless she is one of our employees that is being laid off, such as an employee of Summit View, I am not sure. I will find out.

ASSEMBLYMAN MUNFORD:

I will check further into it, also. Thank you.

CHAIR BUCKLEY:

You may proceed, Mr. Willden.

MIKE WILLDEN:

The last two I would highlight in Child and Family Services, on Page 11 of 13, are the reductions we are making to the Washoe County Integration Budget, which is \$2 million, and the Clark County Child Welfare Integration budget, which is \$6.1 million. As you know, the counties are basically responsible for funding what we call the “front-end” of services, which is the Child Protective Services system, and the state, county and federal government fund the “back-end,” which is child welfare, adoptions, and reunification portion of the system. This is a 10 percent reduction in the General Fund that would go to both Washoe and Clark County.

CHAIR BUCKLEY:

Mike, because the budget is mainly caseworkers who see children, as well as foster care payments and adoption subsidies, if we didn’t touch foster care payments or adoption subsidies, it would mean in Clark County, for example, the layoff of about two-thirds of all of the workers providing child protective services. Is that correct?

MIKE WILLDEN:

I don’t know that for a fact, but I have heard that statistic, Madam Chair.

CHAIR BUCKLEY:

And just for the benefit of the members, when the Interim Finance Committee was holding hearings on many of these proposals, we prepared a list called the “ugly list.” It is the worst of the worst of the Human Services cuts. We gave that to the Governor’s Office. So when you hear that some items have been withdrawn from consideration, it is because they were included in our “ugly list” and the Governor agreed to restore them. That is how the services for the mentally ill, the dentures, and some of those items that you heard discussed were reinstated, as well as this one, along with a number of other ones we already heard, like personal care assistants and the other optional services in Medicaid. The hospital reimbursements and this one remain on our “ugly list,” because we just cannot see how you could cut two-thirds of the child welfare workers in the state and expect anyone to protect our children in foster care. So, just for the benefit of the members, we are compiling that list. If anybody would like to see it, we are certainly willing to share it.

Assemblyman Anderson.

ASSEMBLYMAN ANDERSON:

Mr. Willden, thank you for what you do. First of all, I want to make it very, very clear that I think you have done a remarkable job. In watching you, mainly from afar, thank goodness I am not on IFC and have to sit there and listen to all this day in and day out, although this is not pleasant.

In particular, I am concerned about this in Washoe County, my county, but throughout the system; partially because of the things that Madam Speaker has indicated. The children in need of service need it now. Is this merely going to mean—and I say merely with a great deal of sarcasm—that they are going to be standing in line longer? Or does this mean that in reality we are going to lose more children’s lives?

MIKE WILLDEN:

Mr. Anderson, that is difficult to answer. Let me answer it this way. It will depend, whether it is standing in line or something more drastic than that. I don’t want to believe it will be children losing their lives. In Washoe County, they are a lot further along in child welfare integration than Clark County is. I think Mr. Shiller, if he came to the table, could talk in more detail of some of the things they have done. I don’t believe the cut in Washoe County will be potentially as harmful as the cut in Clark County. Let me give you a couple of examples why.

Washoe County has a better funding stream established. They have a property tax in place that helps them. They have been very diligent about getting out in front of capturing federal dollars to help their system. Their Title IV-E recovery—they have been advanced in that effort. They led the way, blazed the way, on Medicaid targeted case management. So, they have done a good job of getting additional dollars into the system. We are further behind in those processes in Clark County. Also, because of the funding streams that they have, Washoe County has been able to get some things in place that I think position them a lot better.

Clark County and their whole integration effort has taken a lot longer to come along. They are just now getting their targeted case management billings going. That is one of the things that we will continue to work with them on, to try to offset some of these cuts, but it will depend on what Director Morton does down there. If there is a cut, whether he cuts staff, foster care rates, support services or what, and I do not have a letter or anything else from him that tells me where they will make the cuts for sure.

ASSEMBLYMAN ANDERSON:

In effect, we would be moving this decision, the funding question, more to the county—at least in the two largely populated counties where we have these kinds of programs that are in place and doing a fabulous job. We are going to be increasing their potential responsibility and put them more dependent upon county funding rather than on state funding. Is that what, in reality, we are doing?

MIKE WILLDEN:

The responsibilities would remain unchanged on the services they are required to provide, but they would be short \$2 million of state General Fund in Washoe County to help fund those services, and \$6 million short in Clark County. And, again, some of that could potentially be offset by increasing federal reimbursements. I don't think you will see much of that in Washoe County because I think they are pretty much maximized, but I think there is some potential in Clark County to get additional federal reimbursements. So they will have less state money to do the mission they are required to do.

CHAIR BUCKLEY:

Mr. Anderson, I spoke with Clark County before coming up here and while I certainly think that we should perhaps require them to timely proceed with trying to secure these federal funds; they don't really have many options. They can either cut their staff or cut the payments that go to foster parents and adoptive parents. If they cut the payments to the foster parents or the adoptive parents, we may disrupt those families. If the families use those funds to provide for the children's needs and no longer are able to do so, we may see more disruption and harmful results to children. So, they don't think it is much of a choice, to cut two-thirds of their staff or cut the payments to foster care. That is the reason it is on the "ugly list."

Mr. Willden, you can proceed.

MIKE WILLDEN:

Thank you, Madam Chair. The last two items I will reference on Page 12 are an analysis of the Tobacco Fund sweep that Director Clinger proposed on lines 28 and 29 of his long sheet. This shows you how that \$41 million is calculated. There are three policy decisions we are implementing to allow those funds to be swept.

The first decision is that we are holding the Senior Rx and Disability Rx Pharmacy enrollment programs flat. We are not going to do any growth of caseload. We are eliminating the Tobacco Cessation funding, recommending its elimination in FY11 and FY12. We are reducing all the other programs that are funded by the tobacco dollars, such as independent living for seniors, children's health programs and disability services. We are reducing those by 10 percent. Those three policy decisions allow us to sweep \$41 million from the tobacco account.

On Page 13, which is not in Director Clinger's analysis, but I think we have testified on this several times, we have a Temporary Aid to Needy Families (TANF) block grant shortfall of approximately \$6.8 million right now. We are taking three policy actions to, if you will, "right the ship" with that federal block grant. If we don't take some policy actions in that area, we would need General Fund dollars to replace the \$6.8 million of the TANF block grant shortfall. As a policy decision, we are reducing autism support that is paid for under the TANF block grant in our Mental Health and Developmental Services Division. We are reducing the TANF transfer to the Title XX block grant, which supports services in Child and Family Services. We are reducing the TANF emergency assistance payments to both Washoe and Clark County.

CHAIR BUCKLEY:

Assemblywoman Leslie.

ASSEMBLYWOMAN LESLIE:

Thank you, Madam Chair. Mike, just on those last two items—to translate what you said and to make sure I have the translation correct—by keeping Senior Rx and Disability Rx flat with no growth, that means that someone has to go off the program in order for somebody else to come on. We are going to establish waiting lists in those two areas?

MIKE WILLDEN:

Assemblywoman Leslie, there are already waiting lists in the Senior Rx Program. There are about 150 people on the wait list. In the Disability Rx Program, there are about 90 people on the wait list. So that would mean that someone would have to exit the program before we could pull somebody off the wait list.

ASSEMBLYWOMAN LESLIE:

So you anticipate those waiting lists getting longer?

MIKE WILLDEN:

Yes.

ASSEMBLYWOMAN LESLIE:

On the autism services, I think I understand how you are moving money around and why you are doing that—with the TANF to the Title XX, et cetera—but the bottom line is that families are going to get less money to pay for autism services for the kids that qualify. Is that right?

MIKE WILLDEN:

That is correct. In the paragraph I have tried to summarize there, you will see that, depending upon what age group the children fall in, there would be a reduction in the dollars. We would generally give these dollars to the family and they would purchase or broker their own services. So you will see that we would be reducing things for the very young children by \$342, reducing it from \$1,550 to \$1,213. For the next group, we would be reducing the average payments from \$1,037 to \$809. You can see the groups there and the reductions.

ASSEMBLYWOMAN LESLIE:

And so the parents would either have to make up that amount themselves or the kids would not get whatever particular services they did not have money for?

MIKE WILLDEN:

That is correct.

ASSEMBLYWOMAN LESLIE:

I have one final question, Mike. I know we went over this in IFC, but for the benefit of the entire body, a lot of these programs also have a qualifying federal match. I believe that is a significant amount of money. Do you happen to have that number for our revised cut sheet? How much federal money are we going to lose out of our budget if we enact these cuts, just close?

MIKE WILLDEN:

Chair Buckley and Assemblywoman Leslie; looking at what is in the Nevada Executive Budgeting System (NEBS), the source document, we would lose about \$125 million of federal dollars as a result of these changes. That primarily comes in the Medicaid program, where one state dollar gets you two federal dollars under the current enhanced Federal Medical Assistance Percentages (FMAP).

ASSEMBLYWOMAN LESLIE:

So the bottom line is we will cut all this money out of our budget, but we will also lose \$125 million in federal money, which means less services for our folks?

MIKE WILLDEN:

Yes, ma'am.



ASSEMBLYWOMAN LESLIE:  
Thank you, Madam Chair.

CHAIR BUCKLEY:  
Assemblyman Conklin.

ASSEMBLYMAN CONKLIN:  
Thank you, Madam Chair. Director Willden, I think this question is going to sound familiar. I just want to restate what my colleague just mentioned, about the federal match. You submitted that the federal match is \$125 million. You submitted cuts of \$108 million. Roughly \$62.5 million of that, ballpark, has a double two-for-one federal match. That is how you got the \$125 million in federal match. Am I correct so far?

MIKE WILLDEN:  
Close.

ASSEMBLYMAN CONKLIN:  
Just based on what you said. So I take that \$62.5 million and I add it to the \$125 million—that is the federal match, which is the \$187.5 million that is coming out of, roughly, Medicaid and TANF. What can we get tied up in, and it is certainly very important, is how this affects the human side of the equation. These are service deliverables for people and we lose track, sometimes, of what that money means to the state and the state's gross domestic product and the economic activity that takes place in our state. I mentioned at the IFC meeting that what is unique about the federal money spent is that it is money that comes into our state that would not have otherwise come in. It has a rather unique multiplier. In fact, in one study that I read, I believe from 2006, in Nevada alone the multiplier was roughly 2.49 or 2.5, and so cutting out \$187 million of our state Medicaid program is roughly equivalent to cutting out half a billion dollars of economic activity.

Economic activity creates private sector jobs because all this money goes into the private sector. That creates tax dollars and everything else. Is there anything in that statement that you can think of that is even remotely incorrect?

MIKE WILLDEN:  
No. We have had these discussions before. The multiplier effect is different, depending on the program, but I think you are in the ballpark. The only thing I would probably correct, if you want to see the total amount of money that won't be spent in Health and Human Services, is to just go to Page 13 and you see the \$155 million. That is all of the General Fund lost—the tobacco sweep and the TANF readjustment. Add to that \$125 million of lost federal funds, and that gives you the ballpark of lost Health and Human Services dollars to the economy.

ASSEMBLYMAN CONKLIN:  
So, Health and Human Services lost dollars to the economy, before we multiply it. We would have to roughly add in the federal match of \$125 million. So, that is \$275 million. Multiplied by 2.5, that is roughly \$650 million of lost economic activity. And, by extrapolation, that is additional revenue that is going to be lost for the state over time, as far as I am concerned. I think sometimes that is just important to remember.

CHAIR BUCKLEY:  
Mr. Willden, before we let you go, would you comment on the fees that you were proposing and that were withdrawn yesterday, such as the vital statistics fee? What is the fee now? What would the fee be? What was the rationale for considering raising that fee?

MIKE WILLDEN:  
Chair Buckley, when we were requested to do the 10 percent reductions, when our target was \$134 million worth of General Fund reductions, we proposed two items. There were two fees to be considered. The first fee was in the Office of Vital Statistics, which is where Nevada citizens get birth and death records. We proposed that if we made the Nevada fee structure similar to the Clark County fee structure, which to simplify it would be roughly the difference between a \$13

vital record versus a \$20 vital record, that that would bring additional revenue of \$368,000 into the system.

The other area that we proposed changing our fee structure in was what we call consumer health fees. There are a number of these fees, probably too many to mention, but they deal with the fees related to sanitation, to temporary mass gatherings, bottled water plants, food establishments, and on down the list. Our calculation was that if we went in and tried to make them, if you will, cost based, the cost of our surveyors going out and doing the work, that we would be able to replace about \$550,000 in General Fund with consumer health fees. With each of the fees—there are too many to describe—we have a chart that I know we provided to your staff, that describes each of the fee adjustments.

CHAIR BUCKLEY:

Ok, thank you. Any other questions of Mr. Willden before we let him up?  
Assemblywoman Gansert.

ASSEMBLYWOMAN GANSERT:

Thank you, Madam Chair. As far as the fees for the food establishments and so forth, I have not seen that table. Would the increase to get the \$550,000 be like a 10 percent increase or a 100 percent increase? How large an increase is it to the existing fees?

MIKE WILLDEN:

Assemblywoman Gansert, as I indicated, they are really all over the board. Some of them are increases of a few percent and some of them are 100 percent increases. Some of those fees are only a few dollars, and you are doubling them to something bigger than a few dollars, but the range is all over the board.

ASSEMBLYWOMAN GANSERT:

So I guess we need to get that, maybe, so we can get a perspective on if it is a \$5 fee going to a \$10 fee, versus a \$100 fee going to \$105.

CHAIR BUCKLEY:

Mr. Willden, if you would, when you are finished, give a copy of that chart to our Sergeant at Arms? I will ask that a copy be placed one every members' desk for their review.

ASSEMBLYWOMAN GANSERT:

And if I can take a moment to think Mr. Willden, too, for all of his work because this has also been a document that keeps changing and changing. I know you talked about the colors of money in IFC and moving block grant money and different types of federal funds around to minimize the impact, even though the impact obviously is significant. So thank you very, very much for all of your work.

MIKE WILLDEN:

Thank you.

CHAIR BUCKLEY:

Assemblyman Carpenter.

ASSEMBLYMAN CARPENTER:

What's happening in child support? I know the counties have been handling a lot of that and now I understand the state is going to take it over. What is happening there?

MIKE WILLDEN:

Assemblyman Carpenter, I am not aware of the state taking over any of the child support. When we say take over, the trend has been that over the last couple of years, several counties have opted to get out of the Child Support Enforcement Program, in whole or in part. For example, Carson City elected to get out. Washoe County got out of the public assistance cases. With the current statute, even though child support enforcement is a required activity of the District Attorney, they don't have to participate in what we call the Title IV-D of the Social Security Act, Child Support Enforcement Program. They can turn that back to the state and then

the state runs it, per Title IV-D of the Social Security Act. We are not, if you will, going out to try to take over child support enforcement operations. We are looking at and moving toward a regionalization of some of the programs. It is not cost effective in many of our rural counties, and maybe even in our urban counties, to run the Child Support Enforcement Program. It costs more to run it than the collections and incentives that we receive support. So they are looking at it. If the local district attorneys say we cannot afford to run it—the state takes it over.

ASSEMBLYMAN CARPENTER:

I will have to try to find out what it is all about, because there is a large article in the paper about where the state was going to come in and take over a lot of the programs from Elko County. Elko County has had a very good program and I hate to see that go down the drain, so I will try to find out.

MIKE WILLDEN:

Over the years that I have been involved in this, over most of the years when we do the cost effective analysis, Elko County is the only county in the state that is cost effective.

ASSEMBLYMAN CARPENTER:

We ought to let them remain cost effective.

CHAIR BUCKLEY:

Assemblyman Carpenter, I think we do want to do that. There was even some discussion about whether we should make it really clear in our statutes, similar to what my colleague from District 1 did last session, which was put a moratorium on counties giving back services to the state, because at this point we can't really afford to pick up any new programs right now—things are much too chaotic in this economy. When I spoke about that, I think with Clark County, and maybe with NACO, they said, "Well, we wouldn't mind that, as long as it is reciprocal. So, don't give us any new programs right now." I think it makes sense to consider some sort of moratorium or cease fire, because neither the state nor the counties can afford to take on something new right now, at least that is my thought.

Assemblyman Denis.

ASSEMBLYMAN DENIS:

Thank you, Madam Chair. We had a discussion in IFC a week or so ago, and we have been receiving a lot of emails that say if we somehow could eliminate services to the non-citizen in this respect, to the health, that we could save some money. Do we have that issue going on? I mean, can a non-citizen receive services?

MIKE WILLDEN:

Thank you, Mr. Denis. I want to be very clear about this, because this is the most inquired about item that my office has had in the last several months. I am going to try to answer in general terms, because each program is a little bit different. To receive public assistance in this state, and generally in this nation, if you are not a citizen of the United States, or a lawfully admitted individual, you are barred from receiving public assistance for five years.

If you are not a citizen, you don't get it, period. If you are lawfully admitted, you are barred for five years; that is a lawfully admitted citizen. Now, children who are born to non-citizens, children who are U.S. citizens, these children are entitled to receive public assistance benefits. The income, the assets, and the resources of their non-citizen parents are counted towards the child's eligibility, but the children are not barred from getting assistance. Now there is one general exception in here, in the Medicaid program. We are required by federal law to provide emergency medical assistance to non-citizens. If someone walks into a hospital with an emergency situation, such as a broken arm, a broken leg, or a traffic accident, we are required to use Medicaid dollars to provide those emergency services to non-citizens. That costs us about \$22 million a year in Medicaid funding. Seven million dollars of that is state General Fund and \$14 million is federal funds.

The only other comment I would make is that with our public health programs, we don't really look at citizenship. If somebody walks in with tuberculosis, we don't say that we are not

going to treat tuberculosis because you are not a citizen. We want to catch that disease early and eliminate the disease so it doesn't spread in our community. So that is the general answer.

ASSEMBLYMAN DENIS:

On the issue of the emergency services, that is true of any individual that comes in to the hospital. If somebody is here as a tourist from Europe or something, and they have an emergency situation, do we not treat them under that same situation?

MIKE WILLDEN:

Yes, there is a federal law called the Emergency Medical Treatment and Active Labor Act (EMTALA). Hospitals have to provide emergent care to anybody that walks into their emergency room.

ASSEMBLYMAN DENIS:

So, is that included in that figure that you talked about, the \$ 22 million?

MIKE WILLDEN:

No, the \$22 million is only those emergent services that are provided to non-citizens.

ASSEMBLYMAN DENIS:

Ok, thank you very much. Thank you, Madam Chair.

CHAIR BUCKLEY:

Thank you, Mr. Denis. Mr. Willden, thank you very much. We know you have given this presentation several times to IFC, but we really wanted the entire membership to have the benefit of it so that they could follow up with you during the break, if there are any further questions. So thank you for your testimony. We are going to take a break.

Assemblyman Ocegüera moved that the Committee of the Whole recess until 3 p.m.

Motion carried.

Committee of the Whole in recess at 12:12 p.m.

### COMMITTEE OF THE WHOLE IN SESSION

At 3:17 p.m.

Chair Buckley presiding.

Quorum present.

Governor's recommended budget cuts considered.

CHAIR BUCKLEY:

I was going to ask the superintendents to come down, but I understand that some students from UNLV took a bus all night to come here and their bus leaves at 4 pm. They have brought us a petition and I wanted to know if one or two of the representatives wanted to come down and say a few words. It seems only appropriate after a 15-16 hour bus ride to be able to say a few words. So if you want, I will take your testimony under public testimony. We thank you for a long journey and look forward from hearing from you.

KYLE GEORGE, VICE PRESIDENT, UNLV GRADUATE AND PROFESSIONAL STUDENTS ASSOCIATION:

Madam Chair and members of the Assembly, for the record, my name is Kyle George. I am a PhD student in Chemistry at UNLV. I currently serve as vice president of the Graduate and Professional Students Association. I am here today to speak on behalf of education and address the need to fund education at the appropriate levels.

Since education makes up such a large percent of the state's budget cutting, here is the logical place to start. I will propose that this argument is specious for several reasons. The original discussion of the appropriate amount to cut education has been taking place in an artificial

bubble where increasing budgets have been neglected. By balancing a budget through an approach that includes increasing revenues, a path that allows us to preserve education begins to emerge. The other fallacy is that education is often discussed within this body as an expense rather than an investment. We know that for every dollar that is put into education, there is a return on investment of four to one. Furthermore, cutting education's budget only shifts the burden to other state agencies, such as the Department of Employment, Training and Rehabilitation and unfortunately, the Department of Corrections.

I would also like to point out, as did Assemblyman Conklin earlier today, that there is often a multiplier effect that goes on with these cuts and, therefore, with higher education. This multiplication effect sometimes takes place with match funding requirements that accompany research grants. The Nevada System of Higher Education has already endured a series of cuts over the past few years. Our education system repeatedly comes in at the bottom of the list ranking education. We cannot fix this problem by further crippling our budgets. I would ask that this body take the bold stand of ending the tradition of cutting education first.

I sit here today as one of the voices of the students of southern Nevada who travelled here overnight to plead to you to save our schools. On behalf of the students who were unable to be here today, I would like to submit into the record several thousand signatures of students who have signed an education pledge which states that they will support candidates who support education in turn. I would ask that you consider their input as you work towards balancing this budget. Thank you for your service, your hard work, and your time.

NATHANIAL WAUGH, STUDENT BODY PRESIDENT, COLLEGE OF SOUTHERN NEVADA:

Madam Chair, members of the Assembly, for the record my name is Nathaniel Waugh, Student Body President for the College of Southern Nevada.

I won't reiterate a lot of what Mr. George said; it was very self-explanatory. One thing I would like to reiterate, though, is that for us this is not just about our futures, nor our kids' futures—it is the collective future of the state of Nevada. It is a future that is, unfortunately, as the days wane on, more and more at risk. I know that is something that isn't lost on any members of this august body. It is important to keep in mind that it is not a partisan issue, it's not an election issue—it's a human issue.

At CSN, for instance, we recently had to turn away 5,000 students who could not seek classes. These are students who may have lost their jobs, and students who are facing a higher and higher cost for supporting a family. To close the doors of education is to close the doors on peoples' futures. I think it is something I know this body will keep in mind. I know your colleagues in the Senate hopefully will do the same. By us coming up here, we wanted to show that the student interest in the situation isn't a passing fad; it is not something that is here then is going to be gone. We are here for the long run and we are here to stay. We have people in the galleries today; hopefully, we will have them tomorrow and the day after that and the day after that. That way we can watch the work that you guys are doing, not only for our future but the state's future.

I thank all of you as you go on with these deliberations. I know a very small sample of these petitions have been provided to each and every one of you, as Mr. George said, "out of a multitude of thousands of students". Even though there is a small amount of us here today, we are speaking for 110,000 and those 110,000 are asking you to secure our futures and secure the future of the state of Nevada. Thank you.

CHAIR BUCKLEY:

We thank you very much for your testimony. We have seen such a tremendous amount of activism from our students all over the state and it's really made us proud. Keep it up. We are in this together and we support you and are proud of every hearing that you've packed. We are going to do our best that we can by you. Thanks again for travelling so long to be part of this.

Next I would like to invite up our superintendents from Washoe and Clark counties. I think we also have a school board member. Whoever the designated hitters are for our education community for K-12, welcome and we look forward to your message.

CHARLOTTE HILLS, PAST-PRESIDENT, NEVADA ASSOCIATION OF SCHOOL BOARDS:

Good afternoon, I am Charlotte Hills. I am past-president of the Nevada Association of School Boards and currently a board member in Douglas County.

The amount to be cut from K-12 education, I understand, is proposed to be \$175 million. I want to be clear about who these cuts will impact. In Nevada, 107 school board members serving communities in 17 counties represent 436,000 students and 22,900 teachers in 613 schools. Among those 436,000 boys and girls, about 48,000 receive services because they are students with disabilities. Another 91,800 are English language learners who receive special services in order to help them learn to speak and write English. Perhaps, most importantly, an ever increasing number of boys and girls are living in poverty, between a third and a half of our students. Almost 175,000 children receive free or reduced lunches and participate in various programs throughout the school day to make sure they have nourishment at least once daily.

Each of the 436,000 boys and girls enrolled in Nevada schools deserve classroom instruction from teachers who are highly effective and who are able to assist them with their learning and achievement, and help them succeed in getting those skills they need. As school board members in each of the 17 districts consider the budget cuts that will be made, we will follow formal processes to get input from our communities, our educational staff, our businesses, and from families. But no matter how much input we get, cuts of this magnitude will have the impact of increasing class sizes and reducing services that we know lead to more successful student achievement.

My plea to you is this—give us flexibility. We are close to the work and we know what leads to success. Give us flexibility from minimum textbook expenditures, for adjusting class size expectations for grades 1-3 and in other areas. Give us flexibility for reopening contracts with the possibility of spreading the sacrifice far and wide so it doesn't hurt people so much. With this flexibility as school board members, we can ensure that the cuts have the least impact possible on the 436,000 children who attend our state schools.

In the big picture, the real way to improve our situation is to make certain that these children can become educated and contributing citizens who will build a strong economy for Nevada. We believe that a more educated citizenry will lead us out of the economic mess we are in. With this flexibility, we pledge to you our accountability. Thank you.

WALT RUFFLES, SUPERINTENDENT, CLARK COUNTY SCHOOL DISTRICT:

For the record, I am Walt Ruffles, Superintendent of the Clark County School District.

Madam Chair and members of the Assembly, we testified on February 4 at the Interim Finance Committee and at that time, we made the hypothetical example of a cut—in the case of the Clark County School District—of \$150 million. Since that time we have learned it is probably a fairly valid number and would be in addition to the reduction that we anticipate in local revenues, which would be another \$50 or \$60 million. We are now talking about adjusting to a reduction of approximately \$200 million in the Clark County School District.

I think the kinds of issues that we deal with would be representative of all school districts, regardless of size. I don't think it makes any difference because, proportionately, we all face the same kinds of issues. We talked about if it were all in the case of class size increases, that we would have to eliminate 2,300 teachers and increase our class sizes dramatically. If we went the other extreme and shortened the school year or the work year—in some cases, we would be talking about reducing it by 17 days. We have talked with our local trade unions about what might be in between. How could we work together to work this out?

We do have interest-based bargaining in Clark County School District and so we are able to go to the table with the teachers and talk about what the impact of this would be. I have to say that those discussions have been ongoing—they have been relatively positive—but I don't think we are going to be able to reach concurrence on how we would eliminate \$200 million out of our budget.

The protocol that we would follow would be, of course, to continue our discussions with the union. I think they have a great deal of empathy for what we are up against and they recognize, regardless of the outcome, that it is not going to be a win-win for anybody. It's going to be lose-lose, because assuming that we reach settlement, there would have to be some major sacrifices. If we don't reach settlement, then we go through the process of arbitration. Should the district

be successful in arbitration, it is still a major loss because we would have to either shorten the school year, which means a reduction in wages for everybody, or should the district be unsuccessful, we would then be faced with massive layoffs—not in the hundreds but in the thousands.

Something in between, which would be a shortened work year and some increases in some class sizes, even that, at best case, we figure would cost probably well over 1,000 positions that we would have to eliminate. It is against that background that we come to you and ask that you recognize that we're not starting this from the high watermark; we have already been through, in our case, \$250 million in cuts.

The first \$130 million—we have to be honest and say those were programs that have not been implemented yet. We didn't see the impact on the organization that we saw with the next \$120 million in which we cut programs. We cut positions. In fact, we cut almost 1,000 positions by eliminating the block grant and some of the other programs that were offered to students. We really do not have a lot of what is often referred to as “fluff” to cut out of the program. I think we would see a major impact.

To put it into perspective, yesterday there was an article in the *Wall Street Journal* that talked about Nevada and the plight that you all are facing and how difficult it is going to be. I think that the point that I picked up on is that our starting point is already in a very difficult position and it is going from bad to worse. So, with that, I will ask my colleague from the Washoe County School District, Dr. Morrison, to address his issues. We would like to respond to questions, because that might be more meaningful than trying to go through some of the nuts and bolts of what the cuts would do. Thank you.

DR. HEATH MORRISON, SUPERINTENDENT, WASHOE COUNTY SCHOOL DISTRICT:

Good afternoon, Chairwoman and members of the Assembly. For the record I am Heath Morrison, Superintendent of the Washoe County School District. It is an honor to be here today. It is an interesting time for the state, an interesting time for us, and an interesting time for you.

We are asked all the time about the challenges that we have to face leading school districts. We honor and appreciate the challenges that you are facing as you make the tough decisions that you have to make. We did testify to the Interim Finance Committee several weeks ago about what cuts in the range of 10, 15, and 22 percent would mean for our districts. As I have said in many public forums since that testimony, it probably has been the most difficult day since I had the honor of being selected to lead Washoe County School Districts, starting the job in August.

A ten percent cut for Washoe County School District, and no matter what numbers you use—whether or not it is a ten percent cut or whether there is any discussion about whether it is a 2.4 over-all cut—we just look at the cut. For us, it is going to be about \$25 million through this biennium and on top of, as my colleague said, other drops in local revenue that we are anticipating, as well as an anticipated shortfall, and loss of students. In our school district we are looking at about \$40 million.

Realizing that over the last three years we have already cut \$44 million from our budget, we have thought a lot about what that type of cut would mean. We will be very aggressive about trying to go out to the public and talk about cuts of that magnitude. We will get lots of input because in a public education system, that is the right thing to do—it is the responsible thing to do. We will work with our employee associations to get their input and direction. We have to do this together. That is the only way to this job.

Forty million dollars is a significant amount of dollars to have to cut from a budget. We are the 57th largest school district in the country and the second largest in the state. So, how would we go about making those kinds of decisions? There are certain things we would automatically do. We would look responsibly at fund balances, but we have been drawing down those fund balances over the last three years. As I look at the important job that you have to do during this special session, I have to look at the even greater challenge that is facing you and us as we approach the next biennium.

The last numbers I saw were about \$2.4 billion, so we will be responsible in terms of not only what we look at with our fund balances, but what we have to do, what has not always happened in our country is that we have to look long term and not just make decisions that are good for the

short term. Again, that is a responsible thing to do and that is what our parents and our taxpayers expect of us in Washoe County.

We will look at our central services and administration, because again, that is the responsible thing to do. And we will look at all types of programs. The reality is, though, is that it is going to get to a certain point—because just as in Washoe County, it is the same as Clark County—it is the same in smaller counties—about 90 percent of our budget is people. And our people are our most important, valuable asset in trying to raise the bar and close achievement gaps in public education. So, as we start to look at how we will try to address a cut up to ten percent magnitude, again for us, with all the things that we will have to bring together, about \$40 million, it starts to get into a scenario of: Do you do the important work that we have to do for the 64,000 students that we have the pleasure of serving with fewer people? Do you compensate those hard working people less or do you try to do some sort of combination? And those are the choices ultimately that we are going to have to look at. There are no good choices, but they will be the best choices that we have available to us if that is what we are asked to do.

Ultimately, I came to Washoe County School District because I had a Board of Education that truly believed in reform and change. We can't keep on doing the same things the way we have always done them in public education. We need to change. We need to do them better and we are dedicated in our school district to getting better results. So, we are not going to have the budget be a barrier for those reforms, but we will do a better job with the reforms if we can sustain the budget we currently have and look at how we build a better Nevada.

What we know about education is that it can be the promise of a better tomorrow. I came from a school district where I was an area superintendent, where the quality of schools was an economic engine that drove a great economy. It drew businesses like Lockheed Martin, Sprint, and Marriott to our school district. As those businesses came in, homes were built and construction boomed. Truly, education was the economic engine of that area. That can be Nevada, as well. But right now, our schools are not drawing businesses to our state. And if these are dark times in Nevada, and many people say they are, then what is the light at the end of the tunnel? It has to be, it can be, and it must be improving the quality of education, not only in Washoe County, but in the entire state.

We are dedicated to do that. We know that you are, too. We look forward to working with you and as my colleague said, we look forward to your questions.

CHAIR BUCKLEY:

Thank you very much for your testimony. Are there questions? Assemblywoman Gansert.

ASSEMBLYWOMAN GANSERT:

Thank you, Madam Chair. You talked about flexibility, so specifically you are looking for class-size reduction for all grades, or some of the grades. Are you looking at textbooks? Are you looking for the unions to open up their contracts for some flexibility as far as days worked and educational days, etc?

WALT RUFFLES:

Madam Speaker, through you to Assemblywoman Gansert, we are looking for—well, first of all, we would prefer that we be able to negotiate something that is in the best interests of the boys and girls through the process that is in place—the collective bargaining process. I had talked to the Interim Finance Committee about the possibility of some waivers in the collective bargaining process based on the financial emergency that exists, and that would be limited to certain conditions, and not something that would be a permanent change, because we feel that even if we go to arbitration, and we are successful, we still have some very tough decisions to make, and so the gamble of going to arbitration and losing is not at all appealing to us, or the union.

So, what we are asking for is flexibility in making decisions, which is the first thing that my colleague spoke to. The second thing would be: what if the collective bargaining process doesn't work? What recourse do we have if we lose arbitration, other than to lay people off? Really, we only have the unilateral authority to do one thing and that is lay people off. As I said, we have had good cooperative discussions with our teacher's union. I can't say that about the administrators; in fact, they are still trying to get a salary increase. I don't see at the end of the



day that we are going to have the success that we would like to have through cooperative discussions because it is simply too profound of a cut for people to step up to the table and say, “we are already the lowest paid public employees and we are willing to take less.”

ASSEMBLYWOMAN GANSERT:

If I can continue, you know, some of the people have been interested in administration’s pay and cuts or increases. So, are those separate contracts? Do the administrators typically take the same cut as the teachers? It sounds like maybe “no” in your case. How does that work?

WALTER RUFFLES:

Madam Chair, through you to the Assemblywoman, they are all bargained and they are bargained independently. Each bargaining unit is separate. There is a teacher’s bargaining unit; there is an administrator’s bargaining unit, there is one for support staff and school police. I think it is somewhat similar in Washoe, but I will let him address that.

HEATH MORRISON:

Madam Chair, through you to the Assemblywoman, getting back to the first part of your question—we are asking for the flexibility. It is very important as we look at how we start bridging some of the gaps that we are going to be asked to close. Right now, if we look at increase in class size, by statute, we can only increase class size grades 4-12. Inasmuch as we very much value early childhood education, there is a lot of research that states for every dollar spent on early childhood education, we recoup \$17 in the future for prisons that we don’t need to build, hospitals that we don’t need, and psychologists and social workers. We love the commitment in this state to early childhood education. But if we have to increase class size, then we would like to ask for the flexibility to increase class size grades 1-12.

In Washoe County, for every student that we would add, grades 1-12, we would save \$6 million, so that would be part of how we might have to look at closing that gap. I think sometimes we throw terms around—like we will increase class size—and we don’t really bear down in terms of what that means. What that means is that we are laying people off, because if we are going to increase class size by one, and save \$6 million, then potentially in Washoe County, that could be 110 teachers for us, or 70 teachers and “x” numbers of support staff. There are no good decisions. There are decisions that we are going to bring to bear to try to close these gaps. We certainly are asking for flexibility with the minimum expenditures for things like textbooks. Again, in public education, we certainly value having every child in the classroom having a quality textbook. But as I look at how to do this responsibly and to do it well, I would much rather have an algebra teacher at one of my high schools have a good textbook—maybe not brand new—but a good textbook, and have class sizes of 30-32, than have a brand new textbook and have class sizes in the range of 40. So, that flexibility is desperately needed so that if there are cuts—and we would ask that those cuts be the bare minimum possible because we all are huge advocates of education—that they come with the maximum amount of flexibility possible.

ASSEMBLYWOMAN GANSERT:

Thank you. So, there are a number of unions. I think maybe the other day you said there were five different unions. Is that correct from memory? I guess it is important to focus on getting the dollars to the classroom, which would be the teachers. Do you individually have to renegotiate all the contracts? Is that how that works?

HEATH MORRISON:

Madam Chair, through you to Assemblywoman Gansert. Yes, we have five bargaining units. Right now, only one of those bargaining units is actually open in terms of contracts. The others have contracts that if we were to ask for any kind of wage concessions, we would have to go to them and ask to reopen the contracts.

ASSEMBLYWOMAN GANSERT:

Okay, thank you. I remember in 2008, we talked about maybe not giving a cost of living increase and there was an issue with whether you could open contracts or not, so I think it may be important for us to consider always making sure there is a clause in all the contracts when

there is a fiscal emergency like we are experiencing now, so that you do have that flexibility, especially outside of the teachers, again, because that's the money that goes straight to the classroom. Thank you.

CHAIR BUCKLEY:  
Assemblywoman Spiegel.

ASSEMBLYWOMAN SPIEGEL:

Thank you Madam Speaker. I actually have two questions. I spend a lot of time visiting classrooms in my Assembly district and I was actually shocked to learn that there aren't enough desks in all of the classrooms for the students. I was told this at Greenspun Middle School, which just totally shocked me. I heard things also from parents and the question that I have is: given the proposed budget cuts, if there is flexibility to increase the number of students in classrooms, would there also be an effort to make sure there are desks for each student in the classroom?

WALT RUFFLES:

Madam Chairman, through you to the Assemblywoman, I assume you are speaking about Clark School District, when you are talking about Greenspun.

ASSEMBLYWOMAN SPIEGEL:  
Yes.

WALT RUFFLES:

I guess I am stunned to hear that they don't have desks and I promise you when I get back, I will take care of the desk problem, completely independent of anything that is done or said today. I do think it is a segue to a fairly critical issue that the Legislature has to be aware of. Way back when, somebody made a decision at Clark County School District to treat class-size reduction in grades 1-3 as a permanent commitment on the part of the state. As such, classrooms were built in dozens and dozens of classrooms to accommodate only 16 students for 1st grade level students. So, while we might be able to get 2 or 3 more desks in a classroom like that, we are certainly not going to get 20 or 25 or 30 desks, and so the class-size reduction discussion really triggers a very serious facility issue in Clark County School District because we have so many facilities built for the state's earlier commitment to a class-size reduction in grades 1-3.

ASSEMBLYWOMAN SPIEGEL:

Thank you. Madam Chair, may I ask my second question? Okay, thank you.

My second question is: I was wondering if someone could tell me what the current ratio of administrators to teachers is. How would you envision that changing, given the budget cuts?

WALT RUFFLES:

Madam Chair, through you to the Assemblywoman, I don't have the specific numbers, but let me give you some global numbers and people who like to do math can do that. We have 310,000 students. We have, approximately, 900 school-based administrators. The remaining 400 administrators consist of support staff and central staff. Support staff are people who run the payroll in the Personnel Department and fix the computers. So, whatever those ratios come out to. But, again, keep in mind that most of our administrators are at the school level. It consists of a principal, assistant principal, and, in some cases, deans and department heads.

In Central Administration, what would be unique in Clark County School District is that we have a school construction program and many of those people working on that are in the Administrative Unit, as well as people who run the television station. We run the Public Broadcasting unit. So, I am not sure how the numbers compare elsewhere, but it would have to be an "apples-to-apples" to be accurate. Thank you.

ASSEMBLYWOMAN SPIEGEL:  
Thank you.

CHAIR BUCKLEY:  
Assemblywoman Smith.

ASSEMBLYWOMAN SMITH:

Thank you, Madam Chair. I have a few questions, if I may just proceed with those. I wanted to talk a little bit about class size. I think that that is an issue that is probably the most important to the parents and the students, and certainly the teachers out there, since the teacher in the classroom is the most valuable asset we have to student achievement.

I would like to hear from the two superintendents about what your class sizes look like and how big some of your bigger school classes are, for example, middle school classes. I think we really need to make sure that we clearly understand when we are talking about adding students to the classroom because of budget cuts, that we are talking big numbers. As parents, we understand what that means when we walk into a classroom. I had a first-grader with 35 kids in that class and remember how difficult that was, so if you could build a little bit of a picture for us about where you already are, outside of our lower grades where we have the lower class sizes.

HEATH MORRISON:

Madam Chair, through you to the Assemblywoman, I am very concerned about class size. I think that when you look at what we expect a teacher to do today, we are expecting them to differentiate. We are expecting them to raise the level of rigor. We are expecting them to meet the needs of multiple students, some impacted by English as a second language, and some impacted by an Individualized Education Program (IEP), and so teachers have an incredibly difficult job and arguably, the most important job that there is out there.

At the secondary level, I am very concerned about class size. As I came into the superintendency in Washoe County School District, I saw what we put out on our website, which is a ratio of about 28-1, but I have yet to go into any of our comprehensive high schools and see class sizes anywhere near close to that. Most of our academic class sizes are around 30-32 and so that is why we are very concerned in terms of—if part of what we have to do to close the budget gap is to increase class size. If the only flexibility we have is to increase grades 4-12— then we are going to be increasing class sizes at high schools to academic classes that would be close to 40.

As my colleague said—and I have been to several of our schools—the ability to fit 40 students, even if we find them desks—and we are pledged in Washoe County to find them desks—I am not even sure we can feasibly do it, let alone the quality of instruction that would be impacted by a teacher trying to meet the needs of that many students in the time period of the class lesson.

The middle schools are slightly better, maybe averaging about 29-30, but our upper grades and elementary are also the highest class sizes, and so again, I come back to what I said before, I am a huge advocate of early childhood instruction. I think the best gift we can give our children to put them on the path to graduation is to really buy into the notion that graduation begins in kindergarten. If we were able to give all students the access to full-day kindergarten, a rich, comprehensive, early childhood experience, then I believe that we would have much better graduation rates in our state. But right now, as we deal with these difficult decisions we have to do, if we need to increase class size, if we have to do it in all grades, 4-12. I believe it will have a very damaging impact on our ability to improve graduation rates.

WALT RUFFLES:

Madam Chair, through you to the Assemblywoman, I think I can best give you an anecdotal example of this. Statistically, of course, our grades 1 through 3 are based on class-size reduction, which runs from 16 to 19 students from grades 1 through 3. And, by the way, our best test scores are in our grades 1 through 4—it is no coincidence. I believe that the fact that our best scores are in a lower grade is because we have lower class sizes. In our grades 4 through 5, we staff at 28:1; in middle school 30-:1; in high school we staff at 32:1. That means that if an AP class has 12 students in it, somebody else's class has to have 35 or 40.

I talked to a math teacher the other day. We have a very strong initiative right now to improve math performance of our students because we have done so poorly, not just in Nevada but across the country, and we decided to confront that. This math teacher was crying because she has from 35-40 students in each one of her classes, five classes a day. She faces a caseload of 175-200 students every single day. Now she can't begin to do justice to that kind of a workload. So, in high school, as Dr. Morrison says, it is especially profound right now because

we are increasing the expectations. The high school proficiency test scores have to be higher now. No Child Left Behind has raised the bar higher. We are cutting the workforce to where teachers have more students to serve. So it is a compounding problem and I think that Dr. Morrison is correct—how can we expect to improve our graduation and reduce our drop-out when we are adding so much workload to the teachers where they can't do as good a job as they were doing as recent as three or four years ago?

When I was a fiscal officer for the Clark County School District eight years ago, I increased class size and I have never forgiven myself for that, because you never get it back. That is why we will really do everything we can to avoid increasing class sizes, because it seems like it is with us forever and it has such a long-term, compounding, profound effect on student performance. Thank you.

ASSEMBLYWOMAN SMITH:

May I continue, Madam Chair? I wanted to talk a little bit about reform because we hear a lot about that issue today, and especially with the current administration, and a lot of money that is out there in the form of grants, like Race to the Top and other areas. One of the things I would like to talk about is that in some areas of reform, it takes money to accomplish those things, and we need to remind ourselves that we have cut a lot of that money, too, over the last couple of years. We passed a bill in this Legislature for pay for performance; we lost all the funding. We passed a bill for empowerment funding; we lost all the funding. Those are the types of things in my mind that we talk about when we talk about reform. They don't come easily. They are changes to the way we do things, but they take some resources behind them. I wonder if you could talk about that a little bit for me, because I think that it sounds like the superintendents are quite engaged on the Race to the Top idea and on the whole reform issue. Tell me a little bit about that and what this lack of resources means to you when you are trying to see some change in the state?

CHARLOTTE HILLS:

I would like to start by mentioning that in our school district in Douglas, one of the major concerns we have is the number of students who aren't graduating. We have an alternative school that we have started and has seen great success, but the numbers are limited. It takes more money to run that kind of a school. We look at the number of sophomores we have, we compare that to the number of kids who are graduating two years later, and we know we are losing so many. We know they don't have to be lost, if we had the resources to reach them. We are doing what we can to gather resources and build that program, but in times like this, it is going to be very, very difficult. I think this is probably an appropriate reminder that we also wiped out the entire remediation and innovation trust fund where we had funding provided uniquely to schools that would provide remediation. So, there is another place, not to mention professional development, where we eliminated 40 percent. Sorry to interrupt, Dr. Ruffles.

ASSEMBLYWOMAN SMITH:

Did you want to comment on my question on reform, Dr. Morrison?

HEATH MORRISON:

Madam Chair, through you to the Assemblywoman, Race to the Top is \$4.1 billion. It is not \$4.1 billion to supplant local educational funding or state educational funding; it is \$4.1 billion dedicated to reform and change. The things that are in Race to the Top are very prescriptive. It is a commitment to accountability systems. It is a commitment to build the professional capacity of our teachers and our principals. It is a commitment to use data better in the classroom and in school reform and in school district reform. It is a commitment to reach out and to partner with our families and our communities better than we ever have in the past. Again, it is \$4.1 billion not to do the things that we are supposed to be doing, anyway. It is \$4.1 billion to do things differently.

I think it is important sometimes when you hear from educators—there is a perception we always come with our hands outstretched, asking for money—and I understand that perception. What I will say is this: I always get told to run your school like a business. I look at businesses and the business folks that I know innovate out of need and that is certainly what we need to do a

better job in public education. Sometimes we don't see the need, and we are the last ones to recognize it. But I look at our graduation rates across our district and across the state, and I think the need to change is very clear. I also know that we can't keep on doing the same thing, because the status quo is not sustainable any more. We keep doing the same things we have always done, with less resources, and we are getting even worse results, and no one in this room wants that.

I think in terms of your question, the issue is that any business model inputs equal outputs and it is interesting that some of the same people that will say to run your school like a business want us to have inputs at a certain ratio and out of 50 states, most surveys across this country put Nevada at no better than 47<sup>th</sup> or 48<sup>th</sup>. Quality Counts just came out with a ratio of 49<sup>th</sup> out of 50 states, and so what is the output in terms of what we want to do with our children?

This is about a promise to children and the reality is that we have students coming to us, more impacted by poverty, more impacted by English as a second language, and more impacted by mobility. Now let me use a medical analogy with you. If I go to a hospital with a fractured pinkie and my friend Walt here has a fractured arm, nobody believes that the ultimate goal is to make both of us well. It is going to cost as much to get me well with a fractured pinkie as it is to get Walt better with a fractured arm. Everybody understands the differentiated need. When you have students impacted by poverty, mobility, language and special needs, these are students that can learn and they can learn at high levels, but what is our promise to children in Nevada? That we are going to put a small level of expectation or great expectation on all of these students, and if we put out the expectation, then how do we differentiate the resources that they need so everybody gets a quality education? We have high but fair expectations on all students and those additional resources, if we get them, either through federal grants like Race to the Top or through the support of our local governments or through the support of our state, have to come with greater accountability.

I have never shied away a minute as a public educator for accountability. I believe in accountability and I believe if we get additional resources, wherever they come from, they should come not as a blank check but with greater accountability. For everybody who says that educators just want to throw money at everything, I would like to have people throw some money at us and then let's see what kind of results we can get for our kids. I believe we can get some great results, because I believe in kids.

ASSEMBLYWOMAN SMITH:

Madam Chair, if I may just take this opportunity—I should have done so in the beginning—to welcome Dr. Morrison. This is his first appearance before this entire Legislature and we welcome him here and appreciate his remarks. Thank you.

CHAIR BUCKLEY:

And don't worry. Committees of the Whole don't happen very often. Assemblyman Stewart.

ASSEMBLYMAN STEWART:

Thank you, Madam Chair. I would just like to say that I have been in 13 schools in the past 12 months and actually observed teachers teaching students. I was in a classroom the other day with 45 students in a Spanish class and 60 students in a PE class, so teachers are doing more with less and, for the most part, are doing a good job. We have unique challenges in education that we need to deal with—transient populations, poverty, and things of that nature. Teachers nowadays are expected to not only teach, but to serve nutrition, to be psychologists and social workers and everything else. It is a completely different ballgame than it was a few years ago, and it is very difficult.

One of the great concerns I get from my constituents is that they perceive that the administration, as my colleague from Henderson mentioned, is top-heavy. I don't know if that is true or not. I think that one of the things that you ladies and gentlemen need to do is to get out information on how the administrative numbers compare with other districts of comparable size, so that the people can see and judge for themselves whether or not we are top-heavy. If we are, then I think we need to make some reductions there. I thank you all for being here and perhaps you could comment on the administrative numbers and if you could get some figures out for us in comparison, I think that would be very helpful.

Thank you for being here.

WALT RUFFLES:

Three to four years ago, the Legislature actually commissioned an audit. One of the provisions of the audit was to determine how we compare to look-alike districts. Clark County was selected again for the audit. The results came back that we compared very favorably to other districts and they were districts like Houston, Philadelphia and San Diego. I forget all the look-alikes. Generally speaking, we came out pretty well. That is not to say that maybe we are all too high; I don't know, but you can be rest assured that in this round of cuts that there will be cuts in our administrative ranks to a greater extent than in the teaching ranks. I can assure you publicly that will happen. Now, I think you will probably get feedback then that that has impacted the ability to evaluate teachers. You take a typical principal now: they may evaluate 50-100 teachers and that requires a certain amount of time in the classroom. So, it is not as though we have administrators who are not doing anything. They have a substantial burden placed on them. I think some things just won't get done when we cut our administrative staff, but that is coming. Thank you.

HEATH MORRISON:

Madam Chair, through you to the Assemblyman, like my colleague, when I first became a superintendent in Washoe County, I went around to the public and asked some questions. What are we doing really well? What do we need to do a better job? What should be our priorities during some tough budget times, and how do we raise the bar and close the achievement gap? Probably one of the most common suggestions in terms of facing tough economic times is, "cut administrators, because you have too many of them," or "cut the Central Office, it is too bloated," or "there is all sorts of waste; you have to deal with that." It is the same sort of suggestions, in what I call urbanist, that were out there in my previous district. So what I did was, I asked my staff to look at our district. We are one of the largest school districts in the country, the second largest in Nevada, and as my colleague said, our administrative ratios compare very favorably. Our Central Office spending is one of the best, but with that being said, the responsible thing is that we look at having to make reductions and that we look there first, because we have to try to do everything we can to keep these cuts away from the classroom.

One thing that I have talked about with my Board of Trustees is that we too often in our positions, myself and Walt, go out to our public and say we are going to keep these cuts away from the classroom. I think we need to change that conversation, because again, for the last several years we have been making a lot of significant cuts and we know that we are going to be asked to make cuts this year. We are with you, and we want you to understand that; that we want to be part of this solution. We know we are going to be asked to be part of the solution and we know we must be part of the solution. We can't keep going out to our public and saying that we can keep the cuts away from the classroom, not with the magnitude of the cuts that are being discussed, because if we can do that, then people are going to wonder why we didn't do it in the first place.

The reality is that the cuts that you are going to ask us to make and the cuts that we are going to have to ultimately accept, are going to hurt. We understand that. Now, I am not prepared to say that they are going to impact results. I would like to be able to say that we are going to do the best we can with what we have and I believe I can and must get better results. Again, I come back to business analogy—inputs equal outputs. At some point, we are going to have cut everything we possibly could, maximize everything we can expect of our workforce, and then we are going to have to be at a crossroads about where we go next.

One final comment about administrators: Anytime you use words like "plan," "implement," "accountability," that automatically requires a certain amount of administrators. If we are fortunate to be eligible to get Race to the Top money and are successful in doing that, there are going to be administrative expectations for looking over that grant to make sure we are in compliance. That is going to mean either additional administrators or the administrators we already have doing double-duty. So, I think part of what we have to do, and I appreciate your comment on that, is that we have to do a better job getting proactively out in front of that message because, again, it doesn't matter what area of the country you are in, those are the things that people are going to say, that you have ways or areas to cut.

ASSEMBLYMAN STEWART:

Madam Chair, one more comment? I talked about great teachers, but I think we have great administrators in most cases, also. I think a good administrator can make a huge difference in a school and we need to realize that as well. Thank you.

CHAIR BUCKLEY:

Dr. Hardy.

ASSEMBLYMAN HARDY:

Thank you, Madam Chair. On that same follow-up with Race to the Top, if we look at the overall portion that we could become eligible for, whether that be \$175 million or less, would that be enough to fill some of that shortfall that we have in education, that ten percent shortfall we talk about? That is one question. The teacher development days—you are probably going to say something about that. And are we counting as administrators the roving “teachers of teachers” who go out into the school district and teach the teacher, or observe the teacher and give the teacher feedback. Are those counted in Administration or are they in a different silo?

I gave you all the questions at once so I wouldn’t have to pick up the microphone again. Thank you.

HEATH MORRISON:

Madam Chair, through you to the Assemblyman. Let me try to give you the answers back in the order reverse from what you asked. I know in Washoe County that we don’t consider our consulting teachers as administrators. These are people who are tasked that when we have teachers who are brand new to the profession and need a great deal of professional support, that they are there to provide that support. They are teachers; they are not administrators. The sad reality in public education is that many, many teachers leave after five years and it is not because they are not dedicated—and surprisingly, it is not because of the compensation issue—it is because they feel a lack of support, and so these consulting teachers are critically important to make sure we are attracting outstanding talent to the workforce and keeping that talent, because it is expensive. Every time we lose a good, aspiring veteran teacher, who leaves for reasons that aren’t about the compensation issue, then we have lost a commodity that we have invested in. So we want to keep these talented teachers; we don’t want to lose them. Those teachers you were speaking to are not counted in the administrative ratios.

The issue with Race to the Top I think it is certainly worth noting because there has been a lot of discussions about some of the proposed cuts to public education in Nevada, and is it a ten percent cut or is it a 2.4 percentage cut. When you look at federal funding, very little federal funding comes with, “you can use it however you want.” Federal funding comes with, “you must use it this way or you lose it.” There is a word called “supplant” and if you use federal funds that are designated for one purpose, and you use it to fill deficits, either through your local or state revenues, then you risk losing those monies. There is probably not much in Race to the Top, even if we get the ultimate amount of money that we could possibly be able to get Nevada, that we would be able to use to close these shortfalls. So a lot of people think that if you get Race to the Top, you can just plug in the holes; we can’t do that. As Assemblywoman Smith mentioned, Race to the Top is for reform. It is for revenue and resources above that which you get locally through the state and other federal funds. I believe that was your question. If I missed one, I apologize.

CHAIR BUCKLEY:

Assemblyman Munford.

ASSEMBLYMAN HARDY:

If I could remind him of the third question, the teacher development days and how that fits into your 17 or some other number of total days?

HEATH MORRISON:

Madam Chair, through you to Assemblyman Hardy. I do apologize; I did miss one of those questions. We have students attend school in Washoe County for 180 days; teachers are paid 185 days—so there are some professional development days. Certainly, there has been a lot of

conversations about should a shortened school year be part of how we bridge the budget gap here in the Silver State. I think certainly what we need to understand is that if we were to not have those professional development days, the only way that is going to be a substantive amount of savings is if we don't pay our people. So in other words, the loss of professional development days would be furlough days.

In Washoe County, for every furlough day that we would do, for all of our employees, not just teachers but support staff, administrators—all of our employees—it would be a \$1.5 million savings. So the professional development days only save money if in fact they are used as furlough days.

I think I want to go back again to that business model. As I look at the most successful businesses and what makes them successful, I ask: Why is Southwest Airlines right now, at a time when the airline industry is struggling across the country, being successful? It is because they invest in their people. The best businesses don't throw out professional development as the first way to deal with a bad budget; it is one of the last things, because the best CEO's would tell you that the best way to generate traditional revenue, the best way to build your business, is to build the capacity of your people. So certainly, we know there are no sacred cows and we have to look at all options, but losing those professional development days and the ability to work and train with our teachers and our leaders would be hurtful.

WALT RUFFLES:

Madam Chair, through you to Dr. Hardy. I have a couple of add-on comments. I had talked about a shortened work year, not a shortened school year, and what I had testified to earlier was that we have four days that are non-student days over and above the 180 days. If we could, on a temporary basis, be able to recapture those days with a shortened work year, it would be the equivalent of a two percent salary reduction to the people who lose those days. So, it is important to remember, though, that it has to be bargained. We don't have the authority to do that unilaterally.

Regarding the mentor teachers, we eliminated all mentor teachers during the last round of cuts. We have no mentor teachers left.

CHAIR BUCKLEY:

Assemblyman Munford.

ASSEMBLYMAN MUNFORD:

Thank you, Madam Chair. I just wanted to ask you, going back to the class size issue, when I was teaching—say a teacher would have 40 plus students in their class, and they give teachers an opportunity to sell their prep periods. Does that factor in, in any way, in their economic budget? When you sell your prep periods, how much effect does that have?

WALT RUFFLES:

Madam Chair, through you to Assemblyman Munford. Sure, it has an economic effect; it costs us whatever the teacher's prorated wage would be for that prep period. So, when the teacher sells back their prep period, and we do it often for math and hard-to-fill positions, there is a cost of typically around \$5,000 to \$6,000 for the teacher to take on that additional class. What that means is that instead of a teacher having five instructional periods a day, the teacher would teach six. So yes, it has an economic impact; however, it is without the cost of benefits.

In other words, the medical cost doesn't go up and the PERS doesn't go up if you sell a prep back. There is that savings, as opposed to hiring another person to do that position. We typically do that for positions where we can't find a teacher.

ASSEMBLYMAN MUNFORD:

How many full-time substitutes are there presently in Clark County, or anywhere?

WALT RUFFLES:

Madam Chair to Mr. Munford, on the average we have 1,400 to 1,500 substitutes every day. We carry a bank of approximately 4,000 to 5,000 substitutes. So on a busy day, prior to a holiday or something, where there is allegedly more sickness, we could send out as many as 3,000 substitutes.



CHAIR BUCKLEY:  
Assemblyman Cobb.

ASSEMBLYMAN COBB:

Thank you, Madam Chair. Dr. Morrison, you had mentioned reforms and what possible proposals we could be following up on down there. I would agree with you on a few things. I think that we do tend to rank at the bottom of some of these different studies that are made about our education system and seem to consistently do so over the past few years. I do think that we are currently doing the same thing over and over again, instead of doing something different to see how we can affect that.

One thing I would correct you on though: we are not doing it with less money. Money has increased in the K-12 education system, including over the last biennium, so it is not that we haven't been increasing the amount of money going to K-12, it is that we are simply not doing anything different. There are some proposals out there, including voucher systems, whereby 25 percent of the DSA would still go to the school district, 75 percent would go to the student; the student would then have the opportunity, especially those who are less fortunate and who couldn't otherwise afford to, go to a private school, which would create competition in the system, lessen the need for Capital Expenditures (CAPEX), lessen the need for a number of teachers, et cetera. Are you in favor of some type of reform proposal like that? Aside from allowing more flexibility and things like that, in a vague concept to the school districts, I haven't heard much in terms of institutional reforms.

HEATH MORRISON:

Madam Chair, through you to the Assemblyman. I came out to the this state and to Washoe County because I believed it was a district that wanted to challenge the status quo; that wanted to do it differently; that wanted to embrace accountability as a way to improve educational services. So, right now, we are aggressively going after a very aggressive reform agenda in our school district. We have 11 committees made up of principals, teachers, support staff, business leaders, community leaders, parents, and students, looking at our strategic plan. We want to use a performance management theory of action that we think is very different than any other school district in the country. We want to set hard targets; we want dashboards and scorecards that are very accessible to parents, to let them know what we are doing, how we are doing it, and how we are using money. We want to invest in professional development. We want to use theories of empowerment. There is a tremendous amount of reform that we are committed to doing, and that we are going to do, to get better results. I am committed and convinced of that.

I think what I would say to you sir, respectfully, in terms of—and remember, I am the new guy here so if I have got this wrong I will apologize ahead of time—but as I have looked at the increase that occurred in the last legislative session and I believe that public education K-12 went from 34 percent to 39 percent, it wasn't that we got more dollars at the local level, it was that through constitutional law and policy that the funds have to be made up if there is a shortening of local funds. So, for example, the local school support tax, if that comes in less than expected, it has to be made up 100 percent by the state. Property taxes—if those come in less than expected, one-third of it has to be made up from the state. We have to eat two-thirds of that, so even though the percentage of state budget that went to K-12 increased, no additional dollars came to K-12.

As a matter of fact, I believe, as Assemblywoman Smith mentioned, there has been subsequently a loss of several different funds that were really making a difference, including extended after-school programming for students that were really bridging the gap. I think in terms of your question about competition, I am one of those people who love competition; I think competition makes us better. I am not afraid of it, but I think two things: One, we've already got it because we have a healthy charter system in our state. I say that I have 102 schools in my school district. I have 94 public schools and 8 public charter schools. I am very proud of our charter schools. I expect them to put pressure on my public schools to "up their game," and I expect my public schools to put pressure on the charter schools. I want that competition to make everybody better and have students win.

But I also believe in a level playing field. I think that is critically important for competition. My question about vouchers is always that I don't believe it creates a level playing field. Here is

what I know about vouchers: I am a public school principal and my friend here is a private headmaster. We both are competing with each other to get a student to come to our school and they are going to bring those voucher dollars to each of our schools, no matter whoever gets that student. There is a lot of discrepancy in terms of what is the actual per pupil for every student, but let's just, say among friends, that it's \$7,500, okay?

Walt is trying to get that student to go to his private school; I am trying to get him to my public school. Here is what I know about vouchers and the way they work across the country. If we find out that, after we have been recruiting that student to get his \$7,500, that that student doesn't actually speak English as a primary language, that that student has an IEP, that that student is highly mobile, and that it is going to cost us \$20,000 to educate that child, my friend, Walt, can say, "I don't want him." Under current law across the country, he doesn't have to take him. I have to take him and you know what, I should take him, because that is what public education means. That child is part of the public. We should take that child and we owe it to that child to educate him at the highest level, even if we only get \$7,500 to do it.

Here is the other thing I know. If Walt takes that student and that student is disruptive or doesn't work hard, or the parents are not easy to cooperate with, after a week Walt can say, "thank you very much, but our school is not for you anymore," and off that student goes. And you know where that student goes? They go right to my public school. So I don't mind the competition, as long as the competition is on an even playing field. Then I am for it.

ASSEMBLYMAN COBB:

May I follow up, Madam Chair? Thank you.

And we can discuss this offline, but I believe if you look at all the expenditures, either state, local, or federal that come in, per-pupil spending went up our last biennium, but we can talk about that later.

One thing you mentioned was very interesting. You mentioned Southwest Airlines and I know you are trying to use some of the ideas from the private sector and you are suggesting that you are going to have committees work on this. I am very much looking forward to that. One thing I would recommend is that you sit down with Howard Putnam, who happens to be a constituent of mine and someone who is very much interested in some institutional reforms in this state. I think you would learn something, just sitting down with him—if you really feel that the Southwest Airlines model works so well—and the way he handled it. Coming from the private sector myself, we love to invest in our employees, but we also had to let go almost half our workforce, or else we wouldn't be here. So, we can't go back to our constituents and say, "Hey, by the way, we just raised what it costs for you to purchase from us." We had to do the exact opposite. So in almost the way you were describing the comparison of public sector to private sector in the education system, keep in mind that in the private sector, we are really hurting right now. If the solution is not to have institutional reforms but instead to raise taxes, raise fees, take money out of the private sector, I think we are going to have a worse situation down the line. I think it will behoove us all to come up with solutions that are actual institutional reforms, as opposed to more and more spending down the line. Thank you.

HEATH MORRISON:

Madam Chair, through you to the Assemblyman. I would welcome the opportunity to sit down and talk education with you. I am a big believer in that I don't have all the answers. I am a life-long learner and so I would appreciate the opportunity to talk educational reform with anybody. I have sat down and already had a conversation with Mr. Putnam. He is an outstanding leader; he has pledged to help us in Washoe County and we are going to take him up on that offer. He is very excited about the reforms that we have talked about and I guarantee we are going to use his expertise as we engage in our reform agenda. Thank you for the suggestion.

CHAIR BUCKLEY:

Assemblyman Ohrenschall.

ASSEMBLYMAN OHRENSCHALL:

Thank you very much, Madam Chair. My question is to Superintendent Ruffles. I have a public school in my district that takes care of severely handicapped children. It would probably

be way too expensive for any private school, or for any parents to afford a private school, to take care of these children. I am just wondering, how do you think these budget cuts might affect John F. Miller? I know that is an extraordinary school that we have down in Clark County. We are doing a lot of great things for these kids.

WALT RUFFLES:

Madam Chair, through you to the Assemblyman. Well, thanks for the compliment. It is a wonderful school and I would invite every legislator to visit it because those are children who have profound special needs. I want to be careful, but if you would allow me to have an “off the cuff” estimate, it probably would average \$20,000 per student, or more, for those students, for their educational process.

One of the federal rules that is not backed up with federal money is that we have to serve those students and provide them an education based on what is called the individual educational assessment. So I don’t see a major impact happening in that school. What will happen is that we will continue to fund that at the high level, and we will have to cut elsewhere to make up for the reductions that are likely to occur. Thank you.

CHAIR BUCKLEY:

Are there any more questions? I don’t see any. We thank you very much for your presentation and your leadership. You make us proud and we promise that the discussion is not yet over on the level of cuts and our options.

Chair Buckley moved that the Committee of the Whole recess until the call of the Chair.

Motion carried.

Committee of the Whole in recess at 4:27 p.m.

#### COMMITTEE OF THE WHOLE IN SESSION

At 4:45 p.m.

Chair Buckley presiding.

Quorum present.

Governor’s recommended budget cuts considered.

LYNN WARNE, NEVADA STATE EDUCATION ASSOCIATION, PRESIDENT:

I am really here to introduce two of my colleagues. We have the President of the Washoe County Education Association and the President from the Clark County Education Association and I will allow them to introduce themselves.

KEN BUHRMANN, WASHOE EDUCATION ASSOCIATION (WEA), PRESIDENT:

I am the President of the Washoe Education Association of 3000 members. I am also a 43-year veteran teacher of senior college bound high school English. I am a native Nevadan, and I am product of the Nevada school system from Elko, Nevada and I am very proud of that. I am here today to encourage this body to do everything they can to prevent the Governor’s proposed education cuts. It is my Association’s hope that body will find appropriate funding to help secure a bright future for every student in Washoe and across the state. Large corporations and mining have a vested interest in our education system and will hopefully come to the table and provide the necessary support to keep class size low and our graduation rates high.

Washoe County is just one of several local affiliates who have the ability to bargain contracts regarding pay, benefits and working conditions. These conversations that are shared with the school district are beneficial for all parties and you have WEA’s word that we will continue to work hard with the school district in making sure that these conversations take place. Each school district is different and has specific challenges that are met head-on at the bargaining table. I look forward to working with this body and the Washoe County School District to do

everything we can to provide the best education possible for our students, even in this poor economic climate that we are struggling through today. Thank you.

RUBEN MURILLO, CLARK COUNTY EDUCATION ASSOCIATION, PRESIDENT:

I am the President of the Clark County Education Association and also an elementary special education teacher with the Clark County School District. I am a product of public and Catholic schools and I have worked in the private sector. I know what it is like to be a private sector employee, and I have worked at Macy's for 23 years while supplementing my education salary. A teacher's working conditions are a student's learning a condition—that is my mantra—it is all about the student. Teachers teach for many, many reasons, basically for the love of teaching, working with children, seeing them grow, and having an impact in their future. We did not get in to education to become rich, nor did we get into education to become poor or be put in the poor house. We are asking for this body to minimize the cuts to education; increasing class sizes, laying off of teachers and any type of cuts to the education budget will impact our students. We are always asked "What are you as teachers willing to suffer or share in the pain?" Well let me tell you that our members have been telling us that we have already been sharing in the pain. We have to pay money out of our pockets for materials that we have to supplement in the classroom; an average of about \$1,200 a year per teacher is spent. We have large classroom sizes and while it may be a 32 to 1 ratio in some schools and high schools, we have 60 students in math classes. We have kindergartens that have 35 plus students and that is only half-day, and the teacher has to deal with another set of lesson plans for 35 additional students in the afternoon.

According to the Chamber of Commerce, our salary is below average compared to other groups. We are working to pay for classes to get a raise. We have to work to pay for our classes to get an increase in salary, Bachelors, Masters, and recertification for our jobs. Grading papers and writing lesson plans, everyday especially in some of our schools our teachers are required to write 6 to 10 page lesson plans per week, which takes hours a day outside of the classroom and away from our families. When a pay cut that is imposed on teachers, what you are really doing is taxing a small group of people.

I am here to tell you that NRS 288 works, especially in Clark County. We have a 30-year history of collective bargaining. The Clark County Education Association and the Clark County School District (CCSD) have had a lot of success in bargaining, especially in the last 7 to 8 years. We were the ones who went to CCSD and said, "Let's take a look at empowerment schools and how can we make this work in Clark County." Based on that, we have negotiated language that allows for a pay for performance or alternative compensation portion of our empowerment schools. We have also worked out language that takes a look at the reconstitution of schools, when necessary. We are also involved with the school district when it comes to working on identifying what models the school improvement grants that the Obama Administration has determined will be spent and we are at the table with them. We have gone from a negative bargaining process to an interest-based bargaining process, which has been very successful.

We worked on reducing staffing last year to prevent massive layoffs of teachers. We allow a waiver process to our contract at the schools to be voted upon by teachers and the administration if they need to. We bargain language in our contract for reduction in force for surplus of the transfers of teachers to other schools. We have also been involved in school reform, as I have told you about with the empowerment schools; it has been one of our projects we have been working on together. While our contracts are set for a certain period of time, we have also negotiated a contact maintenance committee which meets quarterly to address contractual issues that may be timely and cannot wait until the end of the contract. Collaboration works for us. We have been recognized by Secretary of Education Arne Duncan, Dr. Ralfus and myself were in attendance at a meeting in Washington DC in December along with eight other school districts from across the nation, that were identified as leaders in collaboration and also working together in school reform. In fact, next week we will be taking part in an education conference in New York City to talk about the successes that we have.

Basically, we are asking that as we go through this issue of budget cuts and what we can do to solve the problem, I want you to remember whatever actions we take this time, we really need to

address the issue of what is causing this problem, because if we do not solve the problem now, it will come back in 2011, 2013, etc. Just like it was predicted by all of the tax studies that were done previously, if we did not do anything to fix the tax structure in this state, the perfect storm will hit. Well, it has hit. It is impacting all of us and until we take a look at that issue of how to adequately fund our social services in Nevada, including public education, I have a feeling we are going to be here year after year after year. Thank you very much.

CHAIR BUCKLEY:

Thank you for your testimony. Questions? I do not see any, thank you very much. I would like to ask the Chancellor to come forward. Thank you for waiting; we are only about seven hours past the time we told you we thought you would be.

DANIEL KLAICH, CHANCELLOR, NEVADA SYSTEM OF HIGHER EDUCATION:

I want to thank you for the opportunity to be here. I would like to make a couple of comments and then the best thing to do is to follow the lead of the superintendents who answered your questions. Madam Speaker, thank you for allowing a couple of our students to testify. I cannot tell you how proud I am of these students. Folks from Southern Nevada who spent the night on the bus to be here and talk to you today, and folks from Reno and Carson City all of whom were here simply to ask you to help them continue their educational pursuits, and I appreciate that greatly. I am not sure I appreciate quite so much the opportunity to follow Mr. Willden. I have no handouts and I want to be very clear that as a result of anything I have to say, nobody is going to have to choose between chewing and seeing. No one will stop taking critical life sustaining medications and no one will be choosing whether or not to have home healthcare for an elderly parent.

I sat here, just like you, horrified at all of those statistics, but I want you to know that in a very real sense, I am the other end of that spectrum. If we defund education and in particular higher education, we are going to be driving more and more people to Mr. Willden's realm or worse yet, to Mr. Skolnik's. Those are our choices here. We know that as education levels increase, incarceration levels decrease and that the demand on social services decrease and those are the unfortunate choices that you are here making today. They are "Sophie's Choices" and I do not envy any of your jobs. We want to be clear that we believe very strongly, just as Mr. Willden was testifying, that lives will change as a result of the decisions you make today. Not in the horrifying ways he was testifying to, but to the contrary, you have the ability to change lives to the better. Particularly here in Nevada with our unemployment levels at an all time high, and people returning to school and particularly, to our community colleges at this time to try and move off of the unemployment rolls.

This is the time that Nevada needs education and I am extremely proud of our partners in K-12 who testified before us today who supply us with our base product in higher education and please support them. We need higher education in this state, now more than ever. We are talking about diversifying our economy—how are we going to do that? It is not going to happen by talking; it is going to happen by creating the environment that attracts businesses here. That environment, by and large, going to be created by having the kinds of schools that will allow businesses to bring their young professionals here forever and by having the kind of economic and intellectual engine that is generated in higher education, whether at the level of the research universities or the development of a workforce at our community colleges. That is the only way it is going to happen; it is not going to happen by wishing and hoping.

I think part of the reason that we are here today is because we understand it is not going to happen by keeping our taxes at the level they are today. Dr. Morrison testified, and I loved every word he had to say, that they are going to do their best to keep providing services and excel regardless of what happens here today. I probably over-stated his testimony just then and I apologize to him, but I guess I am here to tell you that I am not going to make that promise. We have gone about as far in higher education, in terms of cuts, as we can go and accommodate students. We are now at a point where we are choosing between will we try to maintain full access to Nevadans, a critical mission of higher education, or will we stand up and say we have to preserve the quality of our institutions even if they are smaller over time. I guess I am here to tell you that if that becomes the choice as a result of budget cuts—and I am trying not to be whiny or complaining about this but—I will choose quality and I will choose the fact that we

will have to serve fewer students, we will serve them well, we will turn out students who will be active and productive members of our society and people who can move into the job market. But we simply cannot maintain full access if the budgets continue to be rolled back particularly in the instance where higher education, as we all know, took the heaviest cut of any major state agency in the last session of the Legislature. Where I am still confused is by some of the numbers that are coming out of the Governor's Office, particularly with respect to salary cuts for higher education employees that confuse me, and I have asked Mr. Stevens, who you all know better than I, to work with your fiscal staff and the fiscal staff of the Senate and the Governor to try and understand how the cuts for salaries in higher education seemed to have gotten higher than anyone else.

The last thing I would echo is a comment that I heard the representatives of the Teachers Association allude to; please work to give us some stability. You will give us a budget and you will do your best I know to make that budget as significant as you can—I am absolutely convinced of that—but please do so in a way and work going forward in a way that we do not have to race from budget cut, to budget cut, to budget cut. I know it is no more fun for you than it is for us, but if you are asking us to plan for education and plan for the best foundation for education, it is almost impossible to do when we are always looking to the next cut. Stability would be a great gift that you could give to us and give to the students of Nevada. As I say, I do not envy your job. I hope that you do your best to minimize cuts wherever they occur in these critical services. For the future of the state of Nevada, for the diversification of the economy, and really for the creation of the kind of state we want to and should be, I encourage you to please keep the cuts to all education as low as possible. Madam Speaker, I will stand for any questions from this body.

ASSEMBLYMAN GOEDHART:

Thank you Madam Speaker, just a brief point of view from the private sector. I realize you folks have been asked to do more with less and you are under great strain. I want to put it in context with the private sector that when you say we race from budget cut to budget cut to budget cut, it is because the depth and severity of the downturn of the great recession as you might say has continued to defy expectations of a quick rebound. I think that would be generally indicative of the economy as a whole. In the state of Nevada, in 2008 to 2010, Nevadans' incomes went down by \$25 billion, which is \$10,000 per resident. With an average household of four people that is \$40,000 per household that was brought home less in that two year period. From my own personal perspective, I am a dairy farmer and I encountered prices on my milk that was the lowest since the 1970s. I invested in my own business and in the last 18 months, I have lost money every single month. I have not taken a paycheck in 18 months and that is a long time between meals. My wife just sold her 2004 vehicle that had 140,000 miles on it so she could drive her 1992 Camry with 251,000 miles on it, which she drives 100 miles a day. Just keep in mind in the broader perspective; there are a lot of folks out there in the private sector that would love to have it only as tough as you folks are having it in the public sector. Thank you.

DANIEL KLAICH:

I am not sure there is a question in there, so I will treat it as a comment then, thank you.

CHAIR BUCKLEY:

I have a question. I believe that we are all going to have to do more with less until the economy recovers. Everybody is going to have to change the way we have always done things, and that includes state employees, local employees, educational system both K-12 and Higher Ed, business as usual just cannot go on and I think that is the point the Mr. Goedhart makes and I agree with it. Yet, with our education system when it is already funded close to the bottom in the nation and when we have some many folks out of work wanting to go back to school, we need to have a balance. I think the best results will come from balance. It means you do more with less. It means that the top folks in education say the good days are over and we cannot be so free with our money on salary and benefits, on purchasing, on everything. Take a look at everything within your mission to say is this really necessary just because we have been doing this for 40 years does not make it worth—I mean we have to reevaluate and reprioritize everything. But I also believe we cannot gain prosperity by cutting education. My question in

there is if the university just cuts everything, we will just cut to mediocrity, and I think what we really need to do is lessen the cuts but also have the university reexamine every program, everything you offer to say, “does this still make sense?” and “is this crucial to our mission?” as opposed to someone’s pet project. How hard with that be with Board of Regents, with shared governance? How, if we invest in you, will you be able to be accountable back to us?

DANIEL KLAICH:

Let me just say as I start to answer that question that I do not find a lot to argue with in Mr. Goedhart’s comments either. Clearly, there are many, many people in this state hurting. Whether it is me on this side of the mike or you, I would like to think that we are all here trying to figure out, struggling with figuring out, how to do that. Speaker, I heard someone say earlier that there cannot be any sacred cows in this and I think that we have to reevaluate everything we do and this is an opportunity to do that. I said when I came to IFC two weeks ago, stealing from a conversation that the Majority Leader and I had that there were some tests that we should look at on everything and they have to do with: are we collaborating within in institution; are we collaborating among institutions, are we collaborating with business, and is what we are doing consistent with the goals of the state. I know that those are litmus tests that the Majority Leader is going to be looking at in evaluating programs, and quite frankly, I think they are right on. Just because we have done something a certain way in the past does not make any difference anymore, because these are not normal times. If you look back at the difficulties we had in this state in the early 80s and the early 90s after 9/11, we had deep cuts and deep dips in our revenue in this state but we bounced back relatively quickly, more quickly than the rest of the country. I think the reverse is going to be the truth here. I hope we are at or near the bottom but I think the recovery that we will have and we will have a recovery in this state. I think it will be more gradual and I think that what we are in for now is a complete rethinking of everything and I cannot sit here asking you all to make tough decisions if I am not willing to hold the institutions and presidents feet to the fire and do the exact same thing.

Your particular question, Speaker, was “How tough will that be?” and I think it is going to be enormously tough, because there is an enormous amount of inertia in any area of government and I think higher education has a lot of that. But, you know what; too bad. We have got to get over it. Because we do not have a choice, we simply do not have a choice anymore. It will be tough Speaker, it will be very, very tough but I think a hallmark of how we need to deal with each other is openly, honestly, transparently, and when I asked you for help, you should ask for transparency and accountability in return. I should not be able to ask you for anything or to make decisions any harder than I am willing to do and willing to ask the presidents to do. It is pretty much as simple and yet as difficult as that and I think it will include nothing short of a cultural change throughout higher education that I am willing to give 100 percent of my efforts to insure that every precious tax dollar that you give to us is spent with an absolute 100 percent efficiency within our system.

CHAIR BUCKLEY:

Thank you. Assemblywoman Parnell.

ASSEMBLYWOMAN PARNELL:

Thank you, Madam Chair. Dan, just a quick question. I have been amazed since the downturn, and I have talked with Helene Jesse quite often at Western Nevada College. Can you give everybody an idea of what your overall increase in enrollment has been in the last two years?

DANIEL KLAICH:

Yes. Our enrollment, system wide, is up about—I will have Mark take notes on this and to the extent that I misstate it we will get it to you tomorrow exactly for the record—I think our enrollment is up system wide about 4 percent, with the bulk of that enrollment being at the community colleges. Some of the community colleges are up double digits in enrollment. The enrollment at the two universities, undergraduate, is modest and in the 1 percent level. To be honest with you, Assemblywoman Parnell, I am concerned about that because I am sitting here telling you we are serving more students with fewer dollars and the only other factor has to be

quality. I have spent a lot of time talking with Dr. Lucy at Western Nevada College, as you have spoken with Helene Jesse, and I am amazed at the job she is doing in the small college but I also know the pressure she is putting on her teachers and her faculty and her staff; it is not sustainable. I keep telling her she is asking those folks to run a marathon but she is at a sprint pace. It is not going to work in the long run and, quite frankly, I do not think we can sustain those enrollment increases either.

ASSEMBLYWOMAN PARNELL:

Thank you. I just find it so disturbing, especially when you look at Western Nevada College and they have a campus in Douglas County, one out in Fallon, and it serves an awful lot of folks that have lost their jobs and who are going to the community colleges for the purposes of retraining or maybe finishing a degree. These are things that we as a state really want to encourage people to do. I just think it is so disturbing to look at it from that sense. I think Western Nevada College's enrollment was up about, or over, 20 percent last fall so it just goes to show how many people really are turning to our higher education system to improve their lives. Thank you.

DANIEL KLAICH:

Every institution within the system in its own way would have that same story. I look at one of the younger institutions in our system, UNLV, and it is celebrating its 50<sup>th</sup> year as a university. It is a very young university in the scheme of overall institutions. There are people here in this house who have watched that institution grow their entire adult lives, watched it grow from a period of a branch campus to the point where they are about to step into becoming a major research institution and the center and hub of Clark County and Las Vegas and the region. We are threatening all of that work that all of you have put into that university your entire adult lives. This is kind of a crude analogy, and I apologize in advance, but we are not a 7-11 in higher education and we cannot call up the distributor and say, "we have enough money today so bring in the bread and the chips and put them on the shelves." Once we start moving back and making cuts we are going to take years, if not decades, to build it back up. Dr. Wolfus talked about class-size reduction and other things that went away that Mrs. Smith pointed out. We will be lucky to get those back ever. While I appreciate that in many real ways public education has not suffered to the same extent that many of the individuals in this state have, pointed out so eloquently by Mr. Goedhart. We need a certain amount of stability and I think that the citizens of this state count on you to provide it.

CHAIR BUCKLEY:

Assemblywoman Gansert.

ASSEMBLYWOMAN GANSERT:

Thank you, Madam Chair. I think we all agree that the university system and the educational system are fundamental to a strong economy and to diversification. I think it is important that we recognize that the state really has invested in infrastructure. You mentioned that UNLV is 50 years old and the size of it has grown, and the Nevada State College and the Community College system, and I appreciate that there has been a great investment. My question is that right now you are in unique position and you have the ability to make the students part of the solution. You can look at tuition; have you tested or do you know what the elasticity is on tuition? It is obvious that the demand is up because people want retraining, and I think it is important that classes are accessible and available—have you looked at that—because I believe that tuition is maybe 20 percent of the total cost—that is an old number—of what it is to educate a student. Have you looked at that? What are the boundaries? I know there was a plan to increase or maybe do some surcharges this year and maybe next year. Have you looked at that and have you forecasted that out? Thank you.

DANIEL KLAICH:

Yes we have. I was asked a question on the elasticity once in a public setting so much that I butchered it so badly and when I went back to the office and the staff has refused to let me talk about it, in much more the sense of a rubber band. Without getting into to elasticity let me go to the heart of the question. I think our students have stepped up remarkably. Tuition fees have



increased almost 40 percent over the last five years. At UNR and UNLV, undergraduate fees have increased 10 percent this year and they will increase 10 percent next year. Every time we have gone to the students to ask them to participate in maintaining the quality of their education they have stepped up, every single time. Quite frankly, I think they will do it again.

The concern that I have, Mrs. Gansert, is student dollars backfilling state dollars. There is only a certain level of increase before we hit that point where the elasticity comes in and students either stop coming or cannot afford it. What concerns me is if we use that gap between where fees are now and where we can put them to backfill state dollars, not only do we shift the burden of education more to the students, but we forever lose the opportunity to ask students to contribute to a margin of excellence because we backfilled for state funding and I am very concerned about that. I do think the students will step up. They have, and they will again, but it concerns me greatly the extent to which we ask them to participate.

With respect to affordability, I will also note, that we have one of the lowest rates of need based financial aids in the nation. We also have a huge population of low-income individuals in this state and by and large, that falls disproportionately heavy on under-represented populations. If we price those students out of the market of higher education, we are creating the potential for a permanent caste system in Nevada, where there are large portions of our society that cannot access higher education, so I have to worry about that too.

ASSEMBLYWOMAN GANSERT:

What are we doing for those students? If we raise tuition can we make more grants available? What about the Pell Grant and the Federal Stafford loan system that has been raised? What can we do to help the people who really need it?

DANIEL KLAICH:

Those all have helped and the Board of Regents, in our tuition and fee committee that just came forward, set a level of need-based aid that will be taken from all future fee increases just for that. We will help ourselves but that again creates a cyclical effect because you have to raise more to fill the gap if you are going to take some for need-based financial aid, but we will do that, and Pell aid has increased over this past year.

ASSEMBLYWOMAN GANSERT:

Thank you for being proactive on that.

DANIEL KLAICH:

Thank you for the question.

ASSEMBLYMAN MANENDO:

I had a constituent who is faculty member at CSN and his classroom is not full and there are desks available. He was wondering why he was told not to continue the enrollment and not allow any more students in his classroom. I did not know how to answer him—why would that be?

DANIEL KLAICH:

I cannot think of a good reason for that. There are levels of the optimum class but if you are below the level that should be in the class there are empty seats available and students that want to take the class we should be taking the students. I would be happy to talk to him if you want to refer him to me. There is not a good reason for that, if there are empty available seats below the classroom capacity.

ASSEMBLYMAN MANENDO:

I was pretty disappointed to hear that. One more quick follow-up, Madam Speaker; thank you. What are you doing to reach out to the business community, doing public private partnerships? That is essential, I know in my day job I work for a company and we have actually donated space to different programs and I have not seen much of that lately. I just wanted to know what you guys are doing.

DANIEL KLAICH:

I think the campuses are proactive on that basis. I will submit and supplement the record with details. We have partnerships with companies like Nevada Energy and Sierra Nevada Corporation. We were working with Nevada Institute for Renewable Energy Commercialization (NIREC) a consortium of entrepreneurs in the north to not only move through technology, but to apply for grants. The community colleges do the best in that regard, Mr. Manendo, and certainly with your background you would have some specific knowledge of that. We have to work with the unions, the casinos, we do on job-training and I think that is a critical part of what we do and a critical part of their mission in particular. They have to do more though.

ASSEMBLYWOMAN PIERCE:

Thank you Madam Speaker. I appreciate what my colleague from Carson City brought up and I think that it illustrates the point that the function of the public sector and the private sector are really quite different. The demands are different, particularly during a recession, and I think as we make these decisions, it is important to remember that for the most part it is comparing apples to oranges and I just hope we keep that in mind. Thank you.

CHAIR BUCKLEY:

Assemblywoman Kirkpatrick.

ASSEMBLYWOMAN KIRKPATRICK:

Thank you Madam Speaker. I have a question. We talk about raising tuition fees and really the parents are paying a big part in paying for the tuition fees, but what are the students getting back? Let me just say that I know there are some programs that are not currently available that we are sending some of our home grown students out of state to take. So if we raise tuition fees, does that mean there will be 20 students per class? I would be willing to pay a little more for that but I do not know that I want to pay more to have 200 students in a class because what kind of education is my student getting. How do you see raising the tuition fees; are the students getting less or more, or how does that work?

DANIEL KLAICH:

Thank you for the question, Mrs. Kirkpatrick. To the extent that we ask the students to come forward and backfill for budget reductions, the students are getting no more for more. I have got to tell you, I am a realist in where I see higher education funding going. We are going to have to work on models whether it is public-private partnerships, working on endowments, or raises in tuition. We are going to have to live in a world that is more self-supporting than it is today. I get that, but I had always hoped that we could go to the students and say that if you put in this much more, this is what we can do with it; this is how we can enhance your education. It was a great opportunity to provide margins of excellence for the education which we reasonably cannot come to the state and expect them to pay. When we are backfilling cuts with student fees, we cannot do that, certainly not with any honesty. You heard testimony from two students today so you know they are too smart to swallow it. Right now, they are not getting any more for paying more.

ASSEMBLYWOMAN KIRKPATRICK:

I look to Virginia a lot. Virginia is a pretty conservative state and education is one of their top things. How long is it going to take—2014—they say the medical industry is supposed to be the new wave for Nevada. However, I know of several students that are being turned away because the program is capped and cannot help them. How far behind is that going to put us if it takes a med student six to eight years, so if we are already capping that, how much farther is it going to put us behind on having our own students be in the industry that is supposed to be our next new wave?

DANIEL KLAICH:

We only have two choices and we have talked about them, either further behind every day, or fewer students getting through the pipeline at all, but getting through with the kind of quality that we all demand for the state. Those are the only two choices in declining appropriations. I wish I could say that there is a different way to do it, but I do not see it. I do agree with the

Speaker's admonition that we need a cultural change and that we need to be sure that there is absolute efficiency in the way we spend our dollars, and I cannot say that as we have grown over all of these years, there is not some redundancy, but with reduced budgets and even squeezing all of the efficiency out of it, those are our only two choices, longer or fewer.

CHAIR BUCKLEY:

Assemblyman Hogan.

ASSEMBLYMAN HOGAN:

Thank you, Madam Chair. When I first looked at the kind of cuts that the higher education system was being asked to impose, I was very disappointed; I thought back to an event that was held at UNLV last year to announce the arrival, and the arrangements worked out, of the fantastic Brookings Institute in Washington DC, where I had several opportunities to spend a lot of time studying. They brought with them a concept, or a set of concepts, that were absolutely inspiring. We were already into this recession and there was a bit of a feeling of doom in the southern Nevada area, and they brought a concept of the future of the intermountain west that was just amazing and positive. There seemed to be no ceiling on what we could achieve. Part of the concept had to do with the role of the university system developing the kind of finely honed skills and spinning off industries from each of the departments that has a capability to innovate and develop and invent. It was absolutely inspiring. I was so encouraged by that. I am worried to the extent to which lower level of funding will permit the university to fully take advantage of the advantages that may come with these opportunities to develop something like Stanford and the Silicon Valley. Our university system could be the source of ideas and inspiration to new industries. Suddenly we have diversification becoming not just something we have always talked about but something that might happen. I need to get some idea from you to what extent do you think you will still be able to carry on and take full advantage of the Brookings Institute arrangements to help us guarantee that kind of a future?

DANIEL KLAICH:

The question also fits with the Majority Leader's concept of what programs should be, and Mr. Manendo's concept of public-private partnerships, because that was at the heart of what the Brookings announcement did along with private funding from the Lincy Foundation established by Mr. Kerkorian; that was all about outreach into the community. That was all about pulling UNLV into the community in every sense of community and leveraging private dollars and charitable dollars within the community with the public institution and the knowledge of the Brookings Institute to create one and one equaling three or four or five. For any of you who were at any of those announcements, it was incredibly exciting—the energy and leap forward that we could feel for that campus was incredible—particularly in the times that we are all facing when we are cutting budgets back.

Directly to respond to your question, that is a privately funded operation for now. We expect and we would like Brookings to make a permanent home in Nevada, at UNLV in Clark County. Over time we will absorb that fully into the institution and make it part of our base budgets, but it will take time and I do not expect them to back out. Quite to the contrary, in your stakeholders' vision group to the tax study, Mr. Lang, who is a principal in the Brookings Institute, is chair of that, as I understand. They are already moving into the community and adding to the community. I expect them to stay, but I also expect them to be looking at the commitment of the state. I cannot give you a hard answer to that and I know I am being fuzzy, but I think they will look to a commitment, but I have not seen any waiver of their commitment to UNLV or their commitment to the State of Nevada at this point.

CHAIR BUCKLEY:

Thank you Mr. Hogan, and thank you, Chancellor.

DANIEL KLAICH:

Thank you very much Madam Speaker and thank you very much members of the Assembly. Good luck with your deliberations and we look forward to working with you and implementing them.

CHAIR BUCKLEY:

Thank you. Is there anyone who is here and who would like to testify?

REBECCA GASKA, PUBLIC ADVOCATE, AMERICAN CIVIL LIBERTIES UNION OF NEVADA:

We appreciate the opportunity to speak with you today. Unfortunately, I have been running back and forth between here and the Senate, so I'm not sure of all the agenda items that you've addressed so far. I will quickly cover four topics, and I'll make it brief. Please do expect an e-mail from me with additional information about these four topics. Primarily the ACLU, as you all know, is here to lobby on behalf of the public interest, and those individual rights and liberties protected under the federal *Constitution* and the *Nevada State Constitution*. I am here to talk to you today about four proposals that we believe would affect those civil liberties of Nevadans. The first one is under InsurNet, which is a proposal set forth by the Governor, to use a private third-party company in order to take pictures of license plates around the state. While we do note that there is no heightened level of privacy interest of a license plate per se, in the aggregate, we have seen that the government has taken information from global positioning systems (GPS) tracking information, cell phone triangulation, information from Internet service providers, and has taken and used that information without warrant or court oversight. So, what this company has the ability to do is take that information in real time, and it could be used by law enforcement in exactly that type of instance, in tracking people without court oversight or court warrant. From our point of view, that is just the surveillance state that our ACLU has fought against, not only here in the state of Nevada, but also nationwide.

What we are seeing is an increasing trend in these types of cases winding their way through national courts. Just last week, the Third Circuit Court heard a case dealing with GPS tracking. Back in 1983, the U. S. Supreme Court noted that were there to be surveillance by the state of dragnet-type surveillance at some point in the future available to law enforcement, they would reconsider that type of issue. So, we just wanted to flag this type of surveillance for you and make note that it is a perverse approach for the state to use to fill budget holes which is based on the hope that individuals will continue to break the law. Indeed, we do realize that people driving without insurance is problematic. It creates problems in our hospitals. It creates problems for individuals who are involved in car accidents, but we don't believe that creating a surveillance state is the way to go about that. I am sure you'll hear from representatives from the Department of Motor Vehicles who are working on their own system in order to address that. Finally, those people who can't afford insurance are the least likely to be able to pay the fines that might be assessed by such a system, so we hope you'll keep that in mind.

The second issue is school vouchers, and that was briefly touched upon a bit earlier. The ACLU nationwide has long opposed school vouchers, and we have long held the position that they violate the First Amendment, and indeed, in the state of Nevada our *Constitution* can't be more explicit. Actually, it says, "No public funds of any kind or character whatever, State, County, or Municipal, shall be used for sectarian purpose." That's Article 11, Section 10. The state of Arizona has a similar constitutional statute and just last year, the Supreme Court of Arizona threw out school vouchers. There were similar challenges that prevailed in the state of Florida and the state of Colorado, so it is our position that a school voucher program would not withstand constitutional scrutiny in the state of Nevada. We hope you will take that into consideration.

Furthermore, there is a second problem with school vouchers in that they totally fail to actually give meaningful choice to students of a lower socioeconomic status because a portion of the voucher could be applied to a private school, and we do know that private schools cost much more. So, the small amount of voucher doesn't actually give meaningful opportunity to students of lower socioeconomic status when applying that to schools.

The third issue that was just brought up today is the possible closing or closure of the Nevada Equal Rights Commission. We hope that you'll take into consideration that the possible savings won't actually balance out the extreme losses to individuals in our state who suffer from discrimination, particularly those who suffer under additional state laws that do not exist in federal protections. That is, particularly, sexual orientation; not only in employment but also in places of public accommodation. This last legislative session, we saw a big stride for the state of Nevada in extending protections, meaningful protections to individuals under the class of

sexual orientation and in places of public accommodation. Without the Nevada Equal Rights Commission (NERC) these individuals would have no way of redressing their grievances besides going straight to court. Any individual suffering from discrimination would otherwise have the opportunity under NERC's purview to seek mediation and other general redresses of grievances, so without that, we think this state needs to take into consideration increased court costs from individuals who would go straight to court.

The final issue is the closure of the state prison. There are obviously many, many budgetary issues that you all are considering, one of which is the closure not only of the state prison here, but also of Summit View in southern Nevada. While we don't oppose the closure of either of those per se, there is an unintended consequence of closing either of those. What the state is responsible for doing while holding people in custody is rehabilitating them. When you remove individuals from the communities in which their families reside, it upends the system of rehabilitation. Statistics nationwide show increased recidivism rates when individuals don't have that family or community structure around them in the local vicinity. Beyond that, if coupled with the closure of those institutions, it would include farming out, shall we say, our prisoners to other states. We think it's important that this body and the Senate also recognize that while sending our prisoners out of state might be out-of-sight out of mind, it doesn't actually work that way, because the state is still liable for what happens with those prisoners. The catch—22 is the state doesn't have actually any meaningful oversight when you send them out of state, so that's a really important consideration to be had while making your decisions. I appreciate your patience with these four issues, and again, I would be happy to answer any questions now, but I will also follow up with additional information for your consideration on those four topics. Thank you.

ASSEMBLYMAN COBB:

Thank you, Madam Chair. You mentioned the closing of NERC and said that if that were to take place that that would have an impact, especially on individuals who are discriminated against based on their sexual orientation when they come to use public accommodations in Nevada. Two questions: Firstly, it is our understanding that the federal government is required by law to handle those duties if we don't have such an office. So, won't they have redress under that system? Secondly, we passed S.B. 207 last session, which specifically prohibited discrimination against individuals based on sexual orientation in public accommodations here in Nevada. Wouldn't that provide the necessary protections for those individuals?

REBECCA GASKA:

I'm going to address the second question first. It's my understanding that the Nevada Equal Rights Commission allows individuals who otherwise might not have the resources to go to court to have their grievances redressed. That would involve something as simple as mediation, and would be a lot cheaper essentially for the person who had been discriminated against, or who felt that they had been discriminated against. That would be a more efficient manner in order to get those concerns addressed. Under state law, of course, they would be able to also file a lawsuit, but what NERC offers is the opportunity of a quick and easy resolution without going through that additional step. Since I am not a lawyer, I don't have all the answers, but I do understand that going through NERC is a step in the process of exhausting administrative remedies and without that it would just go straight into the court system. So, I'm not sure if that quite answered your question. If not, if you could be a little more specific, I'd be happy to look into that afterwards.

Your first question was about the federal responsibility of coming in and enforcing Nevada laws in the case that the state is unable to, correct? I think that that is an irresponsible way to look at the system, insofar as that the state of Nevada is responsible for the laws that it passes and for the laws that it has on its own books. I would hate for this to open up a flood from here on out with other state laws. I'm not sure if the federal government has the resources and would be able to come in and effectively deal with those issues. I'm not a representative of the federal government.

CHAIR BUCKLEY:

Let's go ahead and have Mr. Segerblom help us out here.

ASSEMBLYMAN SEGERBLOM:

If I could add to that, sexual orientation is not covered under federal law, so the federal government would not be able to come in and enforce our law, so that's one of the reasons that the Nevada Equal Rights Commission is so critical.

CHAIR BUCKLEY:

The state anti-discrimination laws do have the administrative process in it now, so we would have a law requiring the administrative process without it being in place. According to the information I received from the Governor's Office, there were 72 complaints, 26 public accommodations and 46 sexual orientation and employment complaints from January 1, 2009, to February 18, 2010, so that's our challenge. We can't just eliminate it. We have to figure out whether we need to keep it, or if the statute would have to be amended after we just passed it, which doesn't seem like something we would be willing to do.

ASSEMBLYWOMAN SMITH:

Thank you, Madam Chair. Thank you for clarifying the position on Insurnet. Actually that company talked about the ACLU loving their program in a meeting I had with them. That was one of their talking points, so I find it interesting that in fact you have a position against it. I just wanted to clarify that on the record, that we have all heard an opposing opinion from the company.

CHAIR BUCKLEY:

I don't see any further questions. Thank you for your testimony. Is there anyone else that wants to provide testimony other than these two gentlemen? Okay Alison, you'll be next. Anyone else? We may have somebody in Las Vegas wanting to testify and if we do, those will be our final four witnesses.

ASSEMBLYMAN ANDERSON:

Since we are in committee, I see these gentlemen come off the floor. Are we not following the usual committee protocol? The public sits back here, not with us at our desks. I am offended if they've sat here the whole day instead of with the public, using the privileged space of the floor. If their intention is to give testimony, because they have not been denied testimony when sitting with the general public, they should be treated no differently than the rest of the public.

ASSEMBLYMAN COBB:

Thank you, Madam Chair. I'll be happy to take any responsibility for that. I specifically asked the Sergeant at Arms before we began this process if it was appropriate for them to sit here or in the gallery, and the answer was it is their understanding it is fine for them to sit here. So, if there is a problem with that, I take full responsibility. I asked about it ahead of time. It's never occurred before, but I don't think it diminishes what they have to say. Thank you.

CHAIR BUCKLEY:

Well, as the presiding officer, I will make the call and I will permit the witnesses to testify. You may proceed.

JEFFREY LAWRENCE, FISCAL POLICY ANALYST, NEVADA POLICY RESEARCH INSTITUTE:

Thank you, Madam Chair. I know everyone is tired, so I will try to make this short. I have a few comments, and then I'll pass it to my colleague Patrick Gibbons who is the education policy analyst, and then we will be open for questions. I have a few prepared things I would like to bring up before any action is taken to correct the current biennial shortfall. First, as we're all aware, the unemployment rate in Nevada has topped 13 percent. However, the U6 unemployment rate, which includes the category of discouraged workers, is closer to 20 percent, actually, so that means that roughly about 1 in 5 Nevadans is currently unemployed. Yet, this impact has predominantly been confined to the private sector. According to data from the Department of Employment, Training, and Rehabilitation, between the first quarter of Fiscal Year 2008 and the last quarter of Fiscal Year 2009 private sector employment fell 12.82 percent, while total wages fell 12.63 percent. Over the same timeframe, state government employment

increased 5.43 percent and total wages increased 14.17 percent. A similar trend occurred at the local government level, where in fact employment in the K-12 system increased 16.08 percent over this time period.

So, given the disparate impact that this recession so far has wrought on private-sector workers in the already tenuous state of the private-sector economy, it is likely that any new financial burden that might be placed on the private sector would further decimate the employment statistics. Of course, we all know that each of these statistics is about more than numbers. Each number represents a Nevada family that is struggling to put food on the table or stay in their homes.

I would also like to clarify a point that is often misinterpreted across the state by the media. The conditional wisdom holds that Nevada enjoys a uniquely low tax burden, and as a result, government is routinely underfunded in the state. This recession, however, ignores the fact that as a result of the state's unique demographics, government services have traditionally been concentrated more at the local level than the state level, particularly more so than occurs in other states, so this distorts the cross-state comparisons of state spending. When you compare the total tax burden of state and local tax burden combined, Nevada actually ranks 25th among the states in terms of per capita collections, according to the Tax Foundation. This information kind of lets us know that Nevada is bringing in more revenue than half the states already, yet, as many of us are aware, the quality of governmental services is often mediocre. This should indicate that while there should be adequate revenues, money is often poorly spent.

Over just the past six years, inflation adjusted per capita spending has increased by about 31 percent. Actually, I don't know if everyone can see this, but I brought a chart of inflation adjusted per capita spending over the past 16 years or so. You can see that after the 2005 Session, state spending went up significantly, in fact, for the 2005-07 biennium, there was about a \$273 inflation adjusted increase in per person spending. What that has done is to contribute to a sharp rise in the overall spending as well to beyond the long-term spending line. This is actually a model of what spending would have looked like had something similar to tax and spending provisions been in place since the mid-90s or so. You can see that for 10 years of this graph we would have stayed under that line pretty easily. However, after the 2005 Session, when the Legislature committed to a lot of misspending, we went above that line significantly. We are still over that line, in fact. I think total spending above that line would have been about \$3.64 billion over that time period.

So, now we are learning that that increase in spending from the 2005 Session is difficult for the state to afford. In order to address this current, as well as any future potential shortfalls, governments across Nevada need to enact fundamental reform that focuses on outputs and not inputs. Strategies such as competitive contracting, privatization, performance contracting, performance auditing, and indeed education reform that grants accountability to parents—are all strategies that should be aggressively pursued in order to realize higher quality public services at lower costs. In this special session, the Legislature has been asked to make about \$887 million in adjustments to the current budget. Of the Governor's \$888 million in recommended adjustments—I'm sorry, these numbers keep changing—only about \$348 million can probably be described as reductions to the appropriate operating budget with the remainder coming in fund sweeps as well as new revenues. So, under the Governor's plan, per capita state spending will still have increased by about 23 percent over the past six years. It is less than the 31 percent increase as the budget stands now. However, it's hard to sell a 23 percent increase in per capita inflation adjusted spending as a substantial cut, when in fact, the exact opposite is true. This is a perspective that I think we should all bear in mind as we move forward from here.

PATRICK GIBBONS, EDUCATION POLICY ANALYST, NEVADA POLICY RESEARCH INSTITUTE:

Madam Chair and members of the Assembly, I know you've spent the last two or three hours listening to reasons why you probably should not cut the budget. I am going to put this in a new perspective to make your job a little easier. I think there's been a lot of hysteria and maybe some hyperbole that's making your job harder than it needs to be. We all realize now that there are scarce resources; there will always be scarce resources. That means we have to use the resources we have more effectively. We have to spend money where it produces results. Now, I know a lot of people are worried about Nevada's spending ranks, and we hear about Nevada

ranking 48th or 49th in per pupil spending. I usually turn to the U.S. Department of Education or the U.S. Census Bureau for their figures as they are a neutral party, and have nothing to gain from messing with the figures. Their figures show that Nevada spending ranks anywhere between 26th and 47th in the nation, depending on what is counted and how you do the calculation. Now, the problem is spending ranks are not some magical barrier where student achievement suddenly improves. There is no correlation between spending and student achievement because public education finance focuses on complying with the rules and regulations from the federal government, state governments, and local governments and funding jobs for adults. That's not my conclusion, although I do agree with it, but it is the conclusion of the School Refinance Design Project at the University of Washington. It was made up of a panel of scholars from Stanford, Berkeley, and Penn State and some other schools. We could actually see some of this in more detail as we look at the budgets. Between 2001 and 2009....

CHAIR BUCKLEY:

Let me interrupt you for a second. We have a question.

ASSEMBLYWOMAN KIRKPATRICK:

Thank you, Madam Chair. I have a question for you, and this is a reality number of Nevada versus other states. My daughter goes to Utah University because it's cheaper, for one. She has 15 students in her chemistry classes, so how do you think that Nevada students are going to compete with other states who are offering her a job, who are giving her a class size that is amazing. I mean 15 students in a college chemistry class for medical studies is amazing when at UNLV she was denied that opportunity. I sent my child out of state, who now wants to stay there. How do you say that dollars do not make a difference, when we're educating our future, for one? Secondly, some lucky business is now going to get a great student who is going to stay there forever. Where in Nevada can you say that a dollar doesn't make a difference? I don't understand that because I'm not a college student. Are you a college student? How many students did you have in your class? How has that changed in the last five years? When you say dollars don't make a difference, and to study this and study that, the reality is students today are being forced to have less and they're paying more within our state. I would like you to address that because every study in the world that you guys do, and I read some of your stuff, it truly doesn't make any sense. I am a little bit passionate about this because we need to keep Nevadans in Nevada, so that we have a future for our state.

PATRICK GIBBONS:

I didn't say dollars don't matter. I said that spending more money won't produce results. You can take any metric for student achievement. I've used the National Assessment of Educational Progress (NAEP) fourth grade reading exam and compared it to per pupil spending and did a regression analysis on that and do not come up with a statistically significant correlation between spending and student achievement. The reason for that is we literally are focusing on funding jobs for adults, and not focusing on what produces student achievement. With regards to the University of Utah, I believe you said was the school, the University of Nevada, Reno, spends far more per pupil than the University of Utah does. The University of Nevada, Reno, spends over \$30,000 per pupil, with about \$15,000 of those dollars going toward student-related expenditures. You can check those statistics from the Education Trust, a liberal think tank. I like going to other peoples' sources, especially if they are on the opposite side of the political spectrum, as we don't have a different opinion on some things. But, they show that the University of Nevada, Reno, spends over \$30,000 per pupil. This is significant. It ranks 62nd among the public universities in the nation, and their database, excluding the military academies, yet their graduation rate is less than 50 percent after six years. The four-year graduation rate is 15 percent. Those are embarrassing results. We spend a tremendous amount of money at UNR, and there aren't the results that our students deserve. Can things be better? Absolutely. We can use the existing resources that we currently have in a more efficient way, and that's the point I'm trying to make.

In regard to K-12 education expenditures, we have data from the U.S. Department of Education that shows spending in Nevada in 1959 was \$430 per pupil and adjusting for inflation to 2008, that's a little over \$3,100 per pupil. By 2007, we were spending \$8,600 per pupil.



That's an inflation adjusted increase of 180 percent per student, yet the results are flat. We're still last in the nation in graduation rates. In fourth grade, low-income students, black students, and Hispanic students cannot read at their grade level, according to the NAEP fourth grade reading exam. These are embarrassing results. There's a large achievement gap between white students, black students, and Hispanic students in math and reading and between the "haves" and the "have nots." Frankly, the spending that we've done has not produced the results that our students deserve. We need to focus the spending on what works.

I know we've talked about class-size reduction, but frankly small classes are only as good as the teacher. A study by Dr. William Sanders of the University of Tennessee found that good teachers are those teachers in the top quartile that were ten to twenty times more effective than small class sizes. What he developed was a method of grading teachers called value added assessment. Unfortunately, Nevada has no way to grade our teachers because we prohibit that by law, but value added assessment doesn't grade teachers based on students meeting a threshold score or comparing them with other students. It just compares that student with their own score from the previous year and looks at how much they grow. It projects a trend line out in the future and when teachers meet that trend line or exceed that trend line, we know those teachers are good to great teachers.

CHAIR BUCKLEY:

I'm sorry. I'm going to have to wrap up pretty soon. Are you going to be here tomorrow? Can you wrap it up pretty soon?

PATRICK GIBBONS:

We'll try to be here tomorrow. I'm going to finish up right now. In 2009 the State Legislature approved a total spending for K-12 education that was 4.9 percent larger than the previous budget. As Andrew Clinger just mentioned, the overall cuts that you're going to see are about 2.4 percent, which means that education, despite these reductions, is still going to have more money than the previous biennium. Adjusting for inflation, and it looks like—and this is probably low-balling it here—education is going to have \$40 million more dollars this biennium with these cuts than it did in the previous biennium. Thank you.

CHAIR BUCKLEY:

Thank you for your testimony. Thank you, sir, you may proceed in Las Vegas.

DR. KENDALL TRUELSEN, PEDIATRIC CARDIAC ANESTHESIOLOGIST, LAS VEGAS:

I am a native Nevadan, grew up here, and came back and began my practice here. I have ten years of experience working in Las Vegas and basically 14 years of training to do what I do here. One of the things that came up that we were concerned with in the special session is the line item cut, basically, to anesthesiologists, to have us come in line with CMS reimbursement standards. It was a very big concern to me and my partners. There are basically six of us in the state of Nevada and we are the only ones that provide this type of service for pediatric congenital cardiac services and neonatal and pediatric anesthesiologist services, for both cardiac general surgery and neonatal surgery and other subspecialties, et cetera.

What our big concern is here is that under the language where the cut is set up for in this session, it demonstrates about a 46 percent cut for us from our current reimbursement rates. For us that will make it very difficult for us to maintain viability of our practice and continue these services. We take care of approximately 5,260 patients per year and about 700 pediatric cardiac cases per year. Of the pediatric cardiac cases, about 55 percent of these cases come under Medicaid, mainly because this is such a devastating medical issue for families that it doesn't matter if they're insured, uninsured, or on Medicaid. Many of these patients end up on Medicaid, and we take care of all comers. It doesn't matter what their insurance is. If they need our help, we're there to help them; the program helps them.

My concern here is that we do such a large volume of Medicaid, actually to the point where the six people in my group that provide this care, we were actually audited from the state of Nevada to make sure that all our billing practices were in line, because we do probably more Medicaid patients than almost anybody in the state in this type of service. Again, we are the only ones here in the state of Nevada that can provide this service, and I really want to express

that I want to continue to provide these services. It's a very much needed service here in Nevada. As this goes forth and comes into being, we're not going to be quite able to continue on in a viable manner, continue our practice and our business, and it will end up being a significant decrease to access of care for the children of Nevada.

I know the economy is down turning. I know that we have a problem with the state budget, but this is one area that I would ask that you give a lot of priority to. Most of the work we do is life and death work. We cannot fail to do the work. The work has to be done. The patients in Nevada have to be taken care of, and if we're not here to do it, the patients will have to be sent to California or Arizona or some other state to where most of this work is done at the university level. The practice that we have here is basically a university level practice. I, myself, came from Stanford; some of my partners came from UCLA, and a couple other partners came from Harvard. This is a big-time practice that we're able to provide this service here in Las Vegas. I would hate to see that disappear based on the fact that we just can't afford to keep going. Now, unfortunately, if we lose this service, it's not something that we can bring back immediately. My partners and I, all the people that are involved in this, have been working on building this program for...myself, I've been here for 10 years and it's really expanded. Back in 1991, there were basically no pediatric cardiac anesthesia surgical services available in this state. Now, we send out very little of the issues these children have. It's all done here in Las Vegas. It doesn't cost the state the money to pay California for services to do this.

The other point on California and the university-type of practices doing this service is that whereas California Medicaid is lower, I understand that, but all these practices that are doing congenital heart disease are supported by large funds at the universities. They've got basically billions of dollars to support their programs. I would ask that you take this into consideration not to cut our program to such an extent. This represents a 45 percent cut for us. If it's based on Medicare and CMS relative value systems, then basically with the Medicare cut coming of another 21 percent, it would represent a 57 percent decrease in the funding for our program. The unfortunate part of this is not only do we lose the funding from the state but, of course, we lose the 2-1 matching funds from the federal government, basically taking out over \$6 million out of the funds to help support this program. Again, I would just hate to see this disappear. It has taken so long to build it up to where it is a thriving, successful program that helps the patients and children of Nevada. Thank you.

ASSEMBLYMAN CHRISTENSEN:

Thank you, Madam Chair. Doctor, I thank you for sharing your experience with us. I had a similar question that I asked of a couple gentlemen this morning trying to get my arms around what happens if you all closed. My mind goes back to when I read about the Mayo Clinic when they stopped seeing Medicare patients. The big question was, where do they go from there? I just have two questions. For the kind of work that you and your partner's practice, what percentage of your anesthesiologist practice would you say is dedicated to those that are on Medicaid here in the state?

DR. KENDALL TRUELSEN:

Currently, for the pediatric cardiac practice, I actually ran the numbers this week, and it equals about 50 to 55 percent of those patients.

ASSEMBLYMAN CHRISTENSEN:

Would you say your practice is the largest?

DR. KENDALL TRUELSEN:

We're the only pediatric cardiac practice in the state of Nevada.

ASSEMBLYMAN CHRISTENSEN:

I guess that answers the question. Specifically, what happens if you all made the same decision that the Mayo Clinic made, then what? If you decided that it didn't make business sense to continue to serve that sector of the public, then realistically what would happen? You mentioned that they would go to California or elsewhere. Would this flood UMC? Do they go somewhere else? For this body, where we obviously don't have your experience in this, what's the net effect?

DR. KENDALL TRUELSEN:

What would occur if we could no longer afford to do this type of work? We currently are always looking to recruit good people into this practice because, again, it takes so long to get somebody trained to do this type of work. If we can't afford to do it, it would be next to impossible to recreate the program, and once lost you're talking about a ten year building period. Now, if you talk about UMC, our practice that we have here, at one time, we worked out of both UMC and the other hospital. The problem was for safety sake and efficiency, it was better to consolidate this into one hospital. Having a hospital that had the resources to provide care for these kids, so I cannot anticipate that UMC or any other hospital could bring this type of service back for ten, maybe twenty, years. What would happen to the children? They would have to be shipped out of town, and that's what used to happen. So, there would be no more availability of that type of service here.

ASSEMBLYWOMAN GANSERT:

I just want to thank Dr. Truelsen for coming today and providing this information. I think you pretty much covered it, so I just wanted to thank you because we have been emailing. I appreciate your rushing over because I know you had to work all day.

**Submitted Exhibits**

| A  | B   | C               | D               | E | F | G               |
|----|---|-----------------|-----------------|---|---|-----------------|
| 1  | State of Nevada   |                 |                 |   |   |                 |
| 2  | Estimated General Fund Shortfall                                    |                 |                 |   |   |                 |
| 3  | Fiscal Year 2010 and 2011   |                 |                 |   |   |                 |
| 4  | As of February 22 at 12:16 PM                                       |                 |                 |   |   |                 |
| 5  |   |                 |                 |   |   |                 |
| 6  |   | FY 2010         | FY 2011         |   |   | Total           |
| 7  | General Fund Revenue  | \$(234,473,496) | \$(352,958,806) |   |   | \$(587,432,302) |
| 8  | Unrestricted General Fund Reversions                                | (7,100,000)     | (10,500,000)    |   |   | (17,600,000)    |
| 9  | Distributive School Account Shortfall                               | (84,020,858)    | (122,694,466)   |   |   | (206,715,324)   |
| 10 | Medicaid Caseload Shortfall   | (28,371,212)    | (32,507,446)    |   |   | (60,878,658)    |
| 11 | Move Line of Credit to FY 2011                                      | (30,000,000)    | 15,000,000      |   |   | (15,000,000)    |
| 12 |   |                 |                 |   |   |                 |
| 13 | Total Shortfall   | \$(383,965,566) | \$(503,660,718) |   |   | \$(887,626,284) |
| 14 |   |                 |                 |   |   |                 |
| 15 |   |                 |                 |   |   |                 |
| 16 | Potential Budget Reduction Solutions:                               |                 |                 |   |   |                 |
| 17 |   |                 |                 |   |   |                 |
| 18 | 10% Reductions being considered by Governor                         | 82,516,181      | 191,420,860     |   |   | 273,937,041     |
| 19 | 10% - Nevada System of Higher Education                             | 16,701,712      | 50,105,007      |   |   | 66,806,719      |
| 20 | 10% - Office of Secretary of State                                  | 368,052         | 1,125,381       |   |   | 1,493,433       |
| 21 | 10% - Office of State Treasurer                                     | 40,964          | 122,126         |   |   | 163,090         |
| 22 | 10% - Office of State Controller                                    | 151,183         | 438,051         |   |   | 589,234         |
| 23 | 10% - Legislative Counsel Bureau                                    | 1,003,146       | 2,939,661       |   |   | 3,942,807       |
| 24 | 10% - Supreme Court   | 291,431         | 820,355         |   |   | 1,111,786       |
| 25 | Public Employees Benefit Program - Premium Holiday                  | 11,361,933      | -               |   |   | 11,361,933      |
| 26 | Public Employees Benefit Program - REGI Investments                 | 6,900,000       | 7,860,000       |   |   | 14,760,000      |
| 27 | DSA Share of REGI Premium Holiday                                   | 3,053,798       | -               |   |   | 3,053,798       |
| 28 | Transfer from Healthy Nevada Fund (262-1090)                        | 21,300,000      | 8,828,165       |   |   | 30,128,165      |
| 29 | Transfer from Public Health Trust Fund (263-1091)                   | 5,922,687       | 4,839,733       |   |   | 10,762,420      |
| 30 | Other Non-General Fund Sources                                      | 32,804,850      | 64,430,547      |   |   | 97,235,397      |
| 31 | Transfer from Stabilization Account (Rainy Day Fund)                | 632,516         | -               |   |   | 632,516         |
| 32 | Current Balance in Budget Reserve Account (101-9081)                | 643,960         | -               |   |   | 643,960         |
| 33 | Additional FMAP Funds   | -               | 88,488,706      |   |   | 88,488,706      |
| 34 | Suspend Unclaimed Property Transfer to Millennium                   | 3,800,000       | 3,800,000       |   |   | 7,600,000       |
| 35 | Transfer from Millennium Scholarship Fund (261-1085)                | -               | 5,000,000       |   |   | 5,000,000       |
| 36 | Transfer from Department of Corrections ARRA funds                  | 72,178,069      | (72,178,069)    |   |   | -               |
| 37 | Transfer NSHE ARRA funds  | 92,389,311      | (92,389,311)    |   |   | -               |
| 38 | Funding in IFC Contingency Fund for electricity and heating costs   | 2,206,295       | 3,126,269       |   |   | 5,332,564       |
| 39 | Transfer from Bond Interest and Redemption Account (395-1082)       | 15,000,000      | 14,220,625      |   |   | 29,220,625      |
| 40 | Defer General Fund Portion of Line of Credit Payback                | 15,000,000      | 15,000,000      |   |   | 30,000,000      |
| 41 | Nevada Check Up (101-3178) surplus due to lower than proj. caseload | 1,611,578       | 4,561,940       |   |   | 6,173,519       |
| 42 | Funding in IFC Contingency Fund for unemployment assessments        | 1,359,834       | 554,405         |   |   | 1,914,239       |
| 43 | State Employees 4/10 Schedule with 10 hours per month furlough      | -               | 6,168,000       |   |   | 6,168,000       |
| 44 | 1.75% Salary reduction to NSHE to maintain equity w/ State          | -               | 9,480,000       |   |   | 9,480,000       |
| 45 | 1.75% Salary reduction to K-12 to maintain equity w/ State          | -               | 35,703,000      |   |   | 35,703,000      |
| 46 | Executive Budget Office Other Recommended Reductions                | 5,176,303       | 4,424,739       |   |   | 9,601,042       |
| 47 | Executive Budget Office Recommended Travel and Training Reductions  | 586,604         | 772,430         |   |   | 1,359,034       |
| 48 | Executive Budget Office Recommended Vacant Position Eliminations    | 1,358,735       | 4,619,910       |   |   | 5,978,645       |
| 49 | Insurance and Registration Verification Program                     | -               | 30,000,000      |   |   | 30,000,000      |
| 50 | Net Proceeds of Minerals  | 25,000,000      | 25,000,000      |   |   | 50,000,000      |
| 51 | Department of Taxation Unclaimed Property                           | -               | 1,777,612       |   |   | 1,777,612       |
| 52 | Elimination of Plus 5% Salary Add-On                                | -               | 2,750,000       |   |   | 2,750,000       |
| 53 | Collect Outstanding Insurance Premium Tax                           | -               | 5,000,000       |   |   | 5,000,000       |
| 54 | Reduction in State Purchasing Contracts                             | -               | 1,500,000       |   |   | 1,500,000       |
| 55 | Voluntary Retirements   | -               | 5,000,000       |   |   | 5,000,000       |
| 56 | National Judicial College & College of Juvenile & Family Justice    | -               | 289,845         |   |   | 289,845         |
| 57 | Close Casa Grande Transitional Housing Facility                     | (458,640)       | 1,071,981       |   |   | 613,341         |
| 58 | Supreme Court Reserve Sweeps  | -               | 704,159         |   |   | 704,159         |
| 59 | Additional Unclaimed Property Receipts                              | 4,081,000       | -               |   |   | 4,081,000       |
| 60 | 05 & 07 CIP Reversions  | 6,921,414       | -               |   |   | 6,921,414       |
| 61 | Medicare Part D Clawback based on ARRA FMAP                         | 16,328,228      | -               |   |   | 16,328,228      |
| 62 | Spend Down General Fund Ending Balance                              | -               | 4,963,635       |   |   | 4,963,635       |
| 63 |   |                 |                 |   |   |                 |
| 64 | Total Potential Budget Reductions                                   | \$ 446,231,144  | \$ 442,339,762  |   |   | \$ 888,570,907  |
| 65 |   |                 |                 |   |   |                 |
| 66 | Net Shortfall   | \$ 62,265,578   | \$ (61,320,956) |   |   | \$ 944,623      |

Andrew Clinger-Administration

#2

10% Reductions - Recommended and Governor Considering

| Adjutant General                         |   |   |                 |          |       |       |                    |            |            |                       |
|--|---|---|-----------------|----------|-------|-------|--------------------|------------|------------|-----------------------|
| Agency 431 ADJUTANT GENERAL & NATL GUARD |   |   |                 |          |       |       |                    |            |            |                       |
| Priority                                 | Description   | Impact  | Positions elim. | Layoffs  | GF Y1 | GF Y2 | Maximum GF savings | Federal Y1 | Federal Y2 | Maximum Federal Other |
| 1  | After retrofitting facilities with energy saving features, the agency estimates \$102,240 in General Fund utility savings each fiscal year. (A balance of \$204,480 for the 10% reduction.) | None.   | 0               | 0        | 0     | 0     | \$204,480          |            |            | 50                    |
| 2  | Complete elimination of Project Challenge program in SPT11.   | Eliminates the entire program for SPT11, including 1 filled position.                   | 1               | 1        |       |       | \$163,339          |            |            | \$296                 |
| 5  | Elimination of one Grounds Maintenance Worker. This position was previously eliminated in FY09 and for FY2009 requires other personnel to address grounds as needed.                        | Eliminates 1 filled position and requires other personnel to address grounds as needed. | 1               | 1        |       |       | \$37,790           |            |            | 50                    |
| <b>Adjutant General Totals</b>           |   |   | <b>2</b>        | <b>2</b> |       |       | <b>\$406,476</b>   |            |            | <b>\$396</b>          |

## 10% Reductions - Recommended and Governor Considering

| Administration                          |  |  |                 |         |       |       |                      |            |            |                   |          |          |
|---|--|--|-----------------|---------|-------|-------|----------------------|------------|------------|-------------------|----------|----------|
| Agency 080 DEPARTMENT OF ADMINISTRATION |  |  |                 |         |       |       |                      |            |            |                   |          |          |
| Priority                                | Description  | Impact   | Positions elim. | Layoffs | GF Y1 | GF Y2 | Biosonium GF savings | Federal Y1 | Federal Y2 | Biosonium Federal | Other Y1 | Other Y2 |
|   | Budget & Planning Division - Salary savings from 1/22 to 1/23 for Administrative Audit 2 position budgeted for FY2021 and Administrative Audit 2 position budgeted for 2 months in FY20 and unfilled for 5 months. |  | 0               | 0       |       |       | \$66,879             |            |            | \$0               |          | \$0      |
|   | Judicial College & College of Juvenile and Family Services. No known negative impact. This account receives an appropriation in each fiscal year. The reduction for FY21 is \$12,205.                              |  | 0               | 0       |       |       | \$12,205             |            |            | \$0               |          | \$0      |
| 1                                       | Budget and Planning Division - Reduced assessment for Administrative Audit 2 position budgeted for FY20 and 15% reduction in FY21.   |  | 0               | 0       |       |       | \$13,323             |            |            | \$0               |          | \$0      |
| Agency 081 BUDGET AND PLANNING DIVISION |  |  |                 |         |       |       |                      |            |            |                   |          |          |
| Priority                                | Description  | Impact   | Positions elim. | Layoffs | GF Y1 | GF Y2 | Biosonium GF savings | Federal Y1 | Federal Y2 | Biosonium Federal | Other Y1 | Other Y2 |
| 1                                       | Internal Audits - Reduces employee awards.   | No significant impact.   | 0               | 0       |       |       | \$572                |            |            | \$0               |          | \$0      |
|   | Administrative Services - 25% reduction in FY20 and 15% reduction in FY21  | No adverse impact.   | 0               | 0       |       |       | \$8,212              |            |            | \$0               |          | \$0      |
| 2                                       | Internal Audits - Eliminates 2 vacant Executive Branch Auditor 3 positions.  | Eliminating 2 Executive Branch Auditor 3 positions will reduce the number of positions in the branch completed per year to 6.            | 2               | 0       |       |       | \$135,570            |            |            | \$0               |          | \$0      |
| 3                                       | Internal Audits - Eliminates 1 filled Auditor 3 position.  | Eliminating the Auditor 3 position will not cause a negative impact on the agency and they will still meet their statutory requirements. | 1               | 1       |       |       | \$98,739             |            |            | \$0               |          | \$0      |
| 4                                       | Internal Audits - Eliminates 3 filled Auditor 3 positions.   | Eliminating the Auditor 3 position will not cause a negative impact on the agency and they will still meet their statutory requirements. | 1               | 1       |       |       | \$76,612             |            |            | \$0               |          | \$0      |
| 5                                       | Internal Audits - Eliminates 1 filled Auditor 3 position.  | Eliminating the Auditor 3 position will not cause a negative impact on the agency and they will still meet their statutory requirements. | 1               | 1       |       |       | \$62,333             |            |            | \$0               |          | \$0      |
| 6                                       | Internal Audits - Eliminates 1 filled Auditor 3 position.  | Eliminating the Auditor 3 position will not cause a negative impact on the agency and they will still meet their statutory requirements. | 1               | 1       |       |       | \$64,439             |            |            | \$0               |          | \$0      |

Monday, February 22, 2010

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## 10% Reductions - Recommended and Governor Considering

| Administration                            |   |  |                 |         |       |       |                    |            |            |                 |          |               |
|---|---|--|-----------------|---------|-------|-------|--------------------|------------|------------|-----------------|----------|---------------|
| Agency 082 BUILDINGS AND GROUNDS DIVISION |   |  |                 |         |       |       |                    |            |            |                 |          |               |
| Priority                                  | Description   | Impact   | Positions elim. | Layoffs | GF Y1 | GF Y2 | Bienium GF savings | Federal Y1 | Federal Y2 | Bienium Federal | Other Y1 | Bienium Other |
| 3   | Further reduce janitorial services at low, medium, and high priority buildings from 5 or 6 day cleaning to 3-day cleaning.<br><br>Also include 31 reduction in the Administrative Services cost allocation. | Standards of cleanliness in public and private buildings would be impacted and B.G. staff responsible for maintenance requests would be moderately to severely reduced. This would impact the building affected by Priority 3.<br><br>reductions would likely have to assist in clean-up in urgent situations and in certain cases may require additional resources. Priority 3 is not recommended at this time unless these buildings go to a 4-day work week.<br><br>Rental rate reduced from \$1.02 to \$0.96 per SF. Impact to GF is event specific.<br><br>Agency recommends alternative of retaining savings and applying towards unfunded, high-priority projects. This would require a schedule for FY13-14 to avoid sharp rate changes. | 0               | 0       |       |       | \$0                |            |            | \$0             |          | \$1,025,583   |
| Agency 086 ADMINISTRATIVE SERVICES DIV    |   |  |                 |         |       |       |                    |            |            |                 |          |               |
| Priority                                  | Description   | Impact   | Positions elim. | Layoffs | GF Y1 | GF Y2 | Bienium GF savings | Federal Y1 | Federal Y2 | Bienium Federal | Other Y1 | Bienium Other |
|   | Administrative Services - Melissa Administrative Services would be reduced by 25% in FY13 and 15% in FY14. Add vacant 1 position through the bienium.   | No negative impact on operations.  | 0               | 0       |       |       | \$0                |            |            | \$0             |          | \$0           |

## 10% Reductions - Recommended and Governor Considering

| Administration               |  |   |                 |          |       |       |                    |            |            |          |                    |
|------------------------------|--|---|-----------------|----------|-------|-------|--------------------|------------|------------|----------|--------------------|
| Agency                       | 087  | INFORMATION TECHNOLOGY  |                 |          |       |       |                    |            |            |          |                    |
| Priority                     | Description  | Impact  | Positions elim. | Layoffs  | GF Y1 | GF Y2 | Maximum GF savings | Federal Y1 | Federal Y2 | Other Y1 | Maximum Other      |
| 1                            | Eliminate office space, along with emails for Aegis Enterprise staff effective March 2020 and reduce non-state printing authority. | No adverse impact.  | 0               | 0        | 0     |       | \$4,993            |            |            |          | \$0                |
| 1                            | Reduced assessment paid to Administrative Services, 25% reduction in FY22 and 10% reduction in FY23.                               | No adverse impact.  | 0               | 0        | 0     |       | \$28,710           |            |            |          | \$0                |
| 2                            | Reduce DOTT Programmer services from authorized 6 with \$63,286,477  | No adverse impact.  | 0               | 0        | 0     |       | \$17,542           |            |            |          | \$0                |
| 3                            | Phased out support for the Division Chief in accordance with \$63,286,477  | Decreased availability of the Division Chief for project oversight and other duties.  | 0.2             | 0        | 0     |       | \$21,163           |            |            |          | \$0                |
| 4                            | Reduce DOTT DBA hours and contract hours for RZ and Associates (1 payment contractor)  | Reduced support for the enterprise e-payment initiatives as well as some support for the Division Chief. Neither reduction should result in any serious adverse impact. | 0               | 0        | 0     |       | \$8,464            |            |            |          | \$0                |
| 5                            | Reduce support budgeted for the AUSA Programmer and Aegis Enterprises  | This may impact the knowledge transfer for the DOTT programmer in FY2020 and may impact support for RZ, NVAL, CTS, Open Government and other database                   | 0               | 0        | 0     |       | \$14,520           |            |            |          | \$0                |
| <b>Administration Totals</b> |  |   | <b>6.2</b>      | <b>4</b> |       |       | <b>\$802,216</b>   | <b>\$0</b> |            |          | <b>\$1,016,983</b> |

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## 10% Reductions - Recommended and Governor Considering

## Attorney General

## Agency 030 ATTORNEY GENERAL'S OFFICE

| Priority                       | Description  | Impact             | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Maximum GF<br>savings | Federal Y1 | Federal Y2 | Maximum Federal | Other Y1 | Other Y2 | Maximum<br>Other |
|--------------------------------|--|--------------------|--------------------|---------|-------|-------|-----------------------|------------|------------|-----------------|----------|----------|------------------|
| 1                              | Reduce nuclear waste litigation expenditures. Current projections show a surplus of funds due to a delay in litigation court expenses in SFY10 and anticipated in SFY11.                         | No adverse impact. | 0                  | 0       |       |       | \$1,453,837           |            |            | \$0             |          |          | \$0              |
| 2                              | Reduce SFY12 prosecutive costs as follows: 1 Deputy Attorney General through March 2010 and 1 TS Deputy Attorney General, 2 legal researchers, and 1 Administrative Assistant through June 2010. |                    | 0                  | 0       |       |       | \$591,545             |            |            | \$0             |          |          | \$0              |
| <b>Attorney General Totals</b> |  |                    |                    |         |       |       |                       |            |            |                 |          |          |                  |
|                                |  |                    | 0                  | 0       |       |       | \$2,173,382           |            |            | \$0             |          |          | \$0              |

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## 10% Reductions - Recommended and Governor Considering

| Business and Industry                   |          |   |  |                 |         |       |       |                     |            |            |                  |          |                        |
|---|----------|---|--|-----------------|---------|-------|-------|---------------------|------------|------------|------------------|----------|------------------------|
| Agency                                  | Priority | Description   | Impact   | Positions elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2               |
| <b>Agency 740 BUSINESS AND INDUSTRY</b> |          |   |  |                 |         |       |       |                     |            |            |                  |          |                        |
| 2                                       |          | One vacancy savings created from the transfer of a Deputy Director to the Governor's Office.                | Affects the departmental cost account 8823 - Real Estate Administration, the remaining accounts are unaffected.  | 0               | 0       |       |       | \$543               |            | \$0        |                  |          | Minimum Other \$20,976 |
| <b>Agency 743 CONSUMER AFFAIRS DIV</b>  |          |   |  |                 |         |       |       |                     |            |            |                  |          |                        |
| 1                                       |          | Elimination of two Administrative Assistant positions and related costs.                                    | Eliminates two of five three remaining positions within the budget account. Workload statistics support the eliminations.  | 2               | 1       |       |       | \$138,000           |            | \$0        |                  |          | Biennium Other \$0     |
| <b>Agency 748 REAL ESTATE DIVISION</b>  |          |   |  |                 |         |       |       |                     |            |            |                  |          |                        |
| 2                                       |          | Savings from reduction in department cost allocation through vacancy savings to the Administration account. | Reduction in the Real Estate Budget account 1103.020. Certain cost commitments to the GF's other savings in fee-funded accounts.   | 0               | 0       |       |       | \$704               |            | \$0        |                  |          | Biennium Other \$0     |
| <b>Agency 749 ATHLETIC COMMISSION</b>   |          |   |  |                 |         |       |       |                     |            |            |                  |          |                        |
| 7                                       |          | Reduction in the Drug Testing Program.  | Reduces the agency's ability to conduct drug testing for law enforcement officers competing in Nevada drug and steroid free.   | 0               | 0       |       |       | \$29,000            |            | \$0        |                  |          | Biennium Other \$0     |
| <b>Agency 752 LABOR COMMISSION</b>      |          |   |  |                 |         |       |       |                     |            |            |                  |          |                        |
| 4                                       |          | Administrative Assistant's vacant from July 1, 2009, through the end of the fiscal year.                    | Reduction of Open 1029 Administrative Assistant's vacant from July 1, 2009, through the end of the fiscal year. The 2009 Legislative Session, to investigators and the commissioner. This results in a diversion of resources to the enforcement of actively enforcing the state's labor laws. | 0               | 0       |       |       | \$83,891            |            | \$0        |                  |          | Biennium Other \$0     |
| <b>Business and Industry Totals</b>     |          |   |  |                 |         |       |       |                     |            |            |                  |          |                        |
|   |          |   |  | 2               | 1       |       |       | \$242,838           |            | \$0        |                  |          | \$20,976               |

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## Conservation &amp; Natural Resources

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## 10% Reductions - Recommended and Governor Considering

## Conservation &amp; Natural Resources

## Agency 701 CONSERVATION DISTRICTS

| Priority | Description   | Impact  | Positions elim. | Layoffs | GF Y1 | GF Y2 | Bureau GF savings | Federal Y1 | Federal Y2 | Bureau Federal | Other Y1 | Other Y2 | Bureau Other |
|----------|---|---|-----------------|---------|-------|-------|-------------------|------------|------------|----------------|----------|----------|--------------|
| 4        | Underfill an Administrative Assistant position and reduce regulatory membership fees. | The incumbent in this position, the only person in the position, was brought in as an underfill and short-term savings are available in FY 2013.  | 0               | 0       |       |       | \$1,506           |            |            | \$0            |          |          | \$0          |
| 19       | Reduce out-of-state travel.   | Eliminates one of the two remaining out-of-state travel expenses for two professional staff positions. Participation in national conferences allows staff to work with partners in other states to identify potential funding opportunities for conservation programs in Nevada.  | 0               | 0       |       |       | \$1,590           |            |            | \$0            |          |          | \$0          |
| 20       | Reduce registration/membership fees.  | This action would result in the National Association of Conservation Agencies (NACA) and attendance at the NACA conference. Participation in the NACA conference provides an opportunity for staff to interact with federal partners and conservation agencies in other states to bring new funding opportunities to Nevada's conservation district programs.   | 0               | 0       |       |       | \$5,650           |            |            | \$0            |          |          | \$0          |
| 21       | Reduce in-state travel.   | Eliminates travel for commissioners for one of the quarterly Conservation Commission meetings (to be held via teleconference) and the bi-annual meeting of a face-to-face meeting.  | 0               | 0       |       |       | \$2,100           |            |            | \$0            |          |          | \$0          |
| 35       | Reduce grants to twenty-eight Conservation Districts.                                 | The agency would reduce state grant funding to each of the twenty-eight Nevada conservation districts by \$400 per district. This would result in a total budget reduction of \$11,200 per district already in place. Prior to this reduction, each district received \$4,000 per year. Twenty-eight districts have been able to match the state grant funds at a ratio of about \$17 to each \$1 in state grant funds. This action would result in twenty-eight districts losing the state grant funds, thereby providing job opportunities. | 0               | 0       |       |       | \$5,600           |            |            | \$0            |          |          | \$0          |

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## Conservation &amp; Natural Resources

Conservation & Natural Resources

Agency 704 PARKS DIVISION

| Priority | Description   | Impact  | Positions elim. | Layoffs | GP Y1 | GP Y2 | Biennium GF savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium Other |
|----------|---|---|-----------------|---------|-------|-------|---------------------|------------|------------|------------------|----------|----------|----------------|
| 3        | Cancel the biannual State Park Training Academy for FY 2010.  | Cancellation of State Park Training Academy will provide additional savings by allowing the staff to remain in their current positions and communicate between the various parks and organizations.   | 0               | 0       |       |       | \$6,000             |            |            | \$0              |          |          | \$0            |
| 24       | Freeze seasonal salary levels by reducing the number of seasonal hires.   | Freezing seasonal salaries will provide additional savings by decreasing the number of park employees during the busy times of this year.   | 0               | 0       |       |       | \$118,371           |            |            | \$0              |          |          | \$0            |
| 31       | Hold the Conservation Staff Specialist vacant for six months in FY 2010 and all of FY 2011.                                 | This position will significantly reduce the amount of money needed to maintain critical natural resources on approximately 140,000 acres of state park lands. Due to the critical nature of the challenges that exist in the state parks, the importance of this responsibility, and the fact that there is no other park position well suited to create this position. | 0               | 0       |       |       | \$340,839           |            |            | \$0              |          |          | \$0            |
| 33       | Hold a commissioned park ranger position vacant at Valley of the Gods for six months in FY 2010 and all of FY 2011.         | Holding this position vacant will provide additional savings by providing adequate training to all employees and will increase liability of not providing required OSHA, law enforcement, and first line supervisor training, and increase chance of successful litigation being brought against State Parks.   | 0               | 0       |       |       | \$97,570            |            |            | \$0              |          |          | \$0            |
| 34       | Hold a non-commissioned park ranger position vacant at Spring Mountain Ranch for five months in FY 2010 and all of FY 2011. | This proposal will impact the state's ability to provide adequate training to all employees and will increase liability of not providing required OSHA, law enforcement and first line supervisor training, and increase chance of successful litigation being brought against State Parks.   | 0               | 0       |       |       | \$81,165            |            |            | \$0              |          |          | \$0            |

# 10% Reductions - Recommended and Governor Considering

## Conservation & Natural Resources

### Agency 704 PARKS DIVISION

| Priority | Description  | Impact  | Positions<br>elim. | Layoffs | GP Y1 | GP Y2 | Brinkum GP<br>savings | Federal Y1 | Federal Y2 | Brinkum Federal | Other Y1 | Other Y2 | Brinkum<br>Other |
|----------|--|---|--------------------|---------|-------|-------|-----------------------|------------|------------|-----------------|----------|----------|------------------|
| 40       | Reclassify the Park Supervisor position at Echo Canyon to a lower grade position in FY 2010 at 6% and hold vacant for FY 2010 and FY 2011 at 10%.                              | Downgrading and holding vacant the Echo Canyon Park Supervisor position at 6% and 10% will be completed by 2012, which will require additional staff resources.   | 0                  | 0       |       |       | \$180,634             |            |            | \$0             |          |          | \$0              |
| 41       | Hold the Park Ranger position at Lufkin vacant for FY 2010 and FY 2011.  |   | 0                  | 0       |       |       |                       |            |            | \$0             |          |          | \$0              |
| 44       | Hold the Park Ranger position at Fort Churchill vacant for five months in FY 2010 at 6%; eleven months in FY 2010 at 8%; and all of FY 2010 and five months in FY 2011 at 10%. | Waiting to hire a park ranger position at Ft. Churchill-Buckland Station in FY 2010 would delay the position responsible for overseeing the historic site and the interpretive programming for the recently renovated historic Buckland Station. Without the position at Ft. Churchill-Buckland Station cannot be opened to the public. | 0                  | 0       |       |       | \$64,024              |            |            | \$0             |          |          | \$0              |



## 10% Reductions - Recommended and Governor Considering

## Conservation &amp; Natural Resources

## Agency 705 WATER RESOURCES

| Priority | Description   | Impact  | Positions elim. | Layoffs | GP Y1 | GP Y2 | Bureau GP savings | Federal Y1 | Federal Y2 | Other Y1 | Other Y2 | Maximum Other |
|----------|---|---|-----------------|---------|-------|-------|-------------------|------------|------------|----------|----------|---------------|
| 1        | Staff from Research Unit are savings as a result of the agency receiving a federal grant to do the work that was budgeted with General Fund.  | No impact.  | 0               | 0       |       |       | \$137,240         |            | \$0        |          |          | \$0           |
| 7        | Discontinue the United State Geological Survey (USGS) Agreement in FY 2011.   | This would result in a loss of improvements to the division's water resources. The division would be unable to continue to work with USGS on water resources and would be unable to assist the public and help staff in processing water rights applications.   | 0               | 0       |       |       | \$20,000          |            | \$0        |          |          | \$0           |
| 14       | Change the funding source for an Engineering Technician position from General Fund to the funding that is only associated with Procter Water the work.                                | This funding switch will result in delays in the processing of water rights applications and backlog reduction efforts. The delay will also result in a loss of revenue to the division.  | 0               | 0       |       |       | \$60,130          |            | \$0        |          |          | \$0           |
| 15       | Change the funding source for a Staff Associate Engineer position that is currently funded with General Fund (25% of this position will be funded with water basin assessment funds). | This funding switch will result in delays in the processing of water rights applications and backlog reduction efforts. The delay will also result in a loss of revenue to the division.  | 0               | 0       |       |       | \$15,800          |            | \$0        |          |          | \$0           |
| 16       | Change the funding source for an Engineering Technician position from General Fund to the water basin assessment.   | This funding switch will result in delays in the processing of water rights applications and backlog reduction efforts. The delay will also result in a loss of revenue to the division.  | 0               | 0       |       |       | \$60,130          |            | \$0        |          |          | \$0           |
| 23       | Reallocate Staff Engineer in Las Vegas for five months in FY 2010 and all of FY 2011.   | The impact of this proposal will create delays in responding to the division's water resources and will result in a loss of revenue to the division. These delays could also result in a reduction of fees collected, lessen the capacity of the division to process water rights applications and delay a professional hiring opportunity in Clark County. | 0               | 0       |       |       | \$96,470          |            | \$0        |          |          | \$0           |

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## 10% Reductions - Recommended and Governor Considering

## Conservation &amp; Natural Resources

## Agency 705 WATER RESOURCES

| Priority | Description   | Impact  | Positions<br>Elim. | Layoffs | GP Y1 | GP Y2 | Biennium GP<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|----------|---|---|--------------------|---------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 32       | Eliminate Deputy State Engineer in Las Vegas two months in FY 2010 and all of FY 2011.            | There will be no manager in the Las Vegas office to oversee and assign projects to the staff. This will result in delays in responding to the public and the Deputy State Engineer from Carson City will be required to make decisions regarding the projects.  | 0                  | 0       |       |       | \$88,412               |            |            | \$0              |          |          | \$0               |
| 36       | Eliminate Engineering Tech in Carson City for six months in FY 2010 and twelve months in FY 2011. | Holding this position open will result in delays in responding to the general public's questions, the processing of water rights and backlog reduction efforts. This could result in a reduction to fees collected which directly results in less revenue to the General Fund.  | 0                  | 0       |       |       | \$93,435               |            |            | \$0              |          |          | \$0               |
| 43       | Eliminate Staff Engineer in Carson City for five months in FY 2010 and twelve months in FY 2011.  | Holding this position open will result in delays in responding to the general public's questions, the processing of water rights and backlog reduction efforts. This could result in a reduction to fees collected which directly results in less revenue to the General Fund.  | 0                  | 0       |       |       | \$112,955              |            |            | \$0              |          |          | \$0               |
| 45       | Eliminate Engineering Technician in Lake for six months in FY 2010 and twelve months in FY 2011.  | Delays in mine inspections, drilling overcage, surface water and ground water monitoring, water distribution inspections, water distribution, data collection, and maintenance of precipitation gauges, crop water measurement equipment. The public's questions will all result from the need to leave this position vacant to realize budget savings. | 0                  | 0       |       |       | \$108,435              |            |            | \$0              |          |          | \$0               |

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## 10% Reductions - Recommended and Governor Considering

## Conservation &amp; Natural Resources

## Agency 706 FORESTRY DIVISION

| Priority | Description   | Impact   | Positions elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium Other |
|----------|---|--|-----------------|---------|-------|-------|---------------------|------------|------------|------------------|----------|----------|----------------|
| 12       | Budget account 4138<br>Eliminate deferred facilities maintenance.     | Alternate storage space created savings for propane storage at the Forest Service site. Cut propane storage space at Forest Service site. Heavy use and an critically necessary for identification for limber management, fire and emergency response. | 0               | 0       |       |       | \$1,550             |            |            | \$0              |          |          | \$0            |
| 26       | Budget account 4135<br>Cut staff at home funding.                     | Heavy use and an critically necessary for identification for limber management, fire and emergency response.   | 0               | 0       |       |       | \$4,164             |            |            | \$0              |          |          | \$0            |
| 28       | Budget account 4136<br>Cut volunteer fire equipment physical funding. | Place volunteer firefighters with unassigned health problems into emergency situations, which could result in higher costs and costs to the state.   | 0               | 0       |       |       | \$48,020            |            |            | \$0              |          |          | \$0            |
| 30       | Budget account 4135<br>Cut HPF computer purchase funding.             | This will escalate critical challenges to computer based reporting and information sharing.  | 0               | 0       |       |       | \$10,817            |            |            | \$0              |          |          | \$0            |
| 37       | Budget account 4135<br>Delay long term Forest Coordinator position.   | Reduces the ability to coordinate with the state and emergency response agencies and the state in areas of fire prevention, education, agreements and coordinated emergency response.  | 0               | 0       |       |       | \$43,625            |            |            | (\$74,372)       |          |          | \$0            |
| 46       | Budget account 4135<br>Cut deferred health/safety maintenance.        | Statewide health projects funded in FY2010/2011 for statewide forestry facilities will not be completed thereby perpetuating life safety issues.   | 0               | 0       |       |       | \$57,747            |            |            | \$0              |          |          | \$0            |

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# 10% Reductions - Recommended and Governor Considering Conservation & Natural Resources

| Agency 707 STATE LANDS |   | Priority | Description | Impact | Positions<br>elim. | Yrly<br>Lapels | GP Y1 | GP Y2 | Budgetary<br>Savings | Federal Y1 | Federal Y2 | Budgetary<br>Federal | Other Y1 | Other Y2 | Budgetary<br>Other |
|------------------------|---|----------|-------------|--------|--------------------|----------------|-------|-------|----------------------|------------|------------|----------------------|----------|----------|--------------------|
| 2                      | The Nevada State Regional Planning Agency proposes to reduce amount budgeted for public notices.                              |          |             |        | 0                  | 0              |       |       | \$102                |            |            | \$0                  |          |          | \$0                |
| 5                      | Budget Account 4379 - (E640) - Short-Term Vacancy Awarded Accounts with new Supervisory Land Agent (available only in FY 10). |          |             |        | 0                  | 0              |       |       | \$5,110              |            |            | \$0                  |          |          | \$0                |
| 6                      | Computer hardware reductions.   |          |             |        | 0                  | 0              |       |       | \$2,000              |            |            | \$0                  |          |          | \$0                |
| 17                     | Reduction to computer software.   |          |             |        | 0                  | 0              |       |       | \$6,792              |            |            | \$0                  |          |          | \$0                |
| 18                     | Reduce out-of-state travel by eliminating attendance at meetings held in FY 2011.   |          |             |        | 0                  | 0              |       |       | \$2,850              |            |            | \$0                  |          |          | \$0                |
| 22                     | Reduce operating.   |          |             |        | 0                  | 0              |       |       | \$1,500              |            |            | \$0                  |          |          | \$0                |
| 27                     | Eliminate Administrative Assistant position vacant for nine months in FY 2010 and eleven months in FY 2011.                   |          |             |        | 0                  | 0              |       |       | \$75,699             |            |            | \$0                  |          |          | \$0                |
| 29                     | Reduce in-state travel.   |          |             |        | 0                  | 0              |       |       | \$4,150              |            |            | \$0                  |          |          | \$0                |

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## 10% Reductions - Recommended and Governor Considering

## Conservation &amp; Natural Resources

## Agency 707 STATE LANDS

| Priority | Description  | Impact | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Bienium GF<br>savings | Federal Y1 | Federal Y2 | Bienium Federal | Other Y1 | Other Y2 | Bienium<br>Other |
|----------|--|--------|--------------------|---------|-------|-------|-----------------------|------------|------------|-----------------|----------|----------|------------------|
| 38       | Cost-allocate 15% of the office manager's time (Management Analyst I position) to other non general fund programs. The 15% is allocated 7% to Conservation bonds/Question 1 program. |        | 0                  | 0       |       |       | \$3,863               |            |            | \$0             |          |          | \$0              |
| 39       | Cost-allocate 40% of the Deputy Administrator's time to other non-General fund revenue sources: 50% to Talise bonds and 10% to Conservation bonds/Question 1 program.                |        | 0                  | 0       |       |       | \$36,524              |            |            | \$0             |          |          | \$0              |

## Agency 708 NATURAL HERITAGE

| Priority | Description                                       | Impact   | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Bienium GF<br>savings | Federal Y1 | Federal Y2 | Bienium Federal | Other Y1 | Other Y2 | Bienium<br>Other |
|----------|---|--|--------------------|---------|-------|-------|-----------------------|------------|------------|-----------------|----------|----------|------------------|
| 8        | Reduce in-state travel for the Administrator.     | The action will limit the Administrator's ability to coordinate statewide with other state and federal partners on biological data and conservation planning for rare and special species.   | 0                  | 0       |       |       | \$1,000               |            |            | \$0             |          |          | \$0              |
| 9        | Reduce out-of-state travel for the Administrator. | This reduction will limit the administrator's ability to remain current on critical resource issues and coordinate regional and national programs and coordination meetings.   | 0                  | 0       |       |       | \$3,713               |            |            | \$0             |          |          | \$0              |
| 13       | Reduce operating.                                 | This will decrease the administrator's capacity to effectively oversee the program and coordinate meetings due to the fact other grants will cover these proposed cuts and the administrator will need to spend a portion of their salary on administrative tasks required by the grant. | 0                  | 0       |       |       | \$7,098               |            |            | \$0             |          |          | \$0              |

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## 10% Reductions - Recommended and Governor Considering

## Conservation &amp; Natural Resources

## Agency 709 ENVIRONMENTAL PROTECTION

| Priority   | Description   | Impact   | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF<br>Savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|--|---|--|--------------------|---------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 25   | Reduce contact authority in FY 2011 for Water Quality Planning  | limits ability to fund water quality and water quality standards projects which could ultimately delay implementation of appropriate water quality standards and water resource protection and economic development.       | 0                  | 0       | 0     |       | \$50,000               |            |            | \$0              |          |          | \$0               |
| 42   | The Bureau of Safe Drinking Water proposes a delay in hiring an Environmental Scientist for four months in FY 2010 and six months in FY 2011. | There will be fewer inspections of previously targeted high-risk public water systems. EPA will still meet EPA's minimum of three although the hiring delay will also result in longer timeframes to review water quality. | 0                  | 0       |       |       | \$58,678               |            |            | \$0              |          |          | \$0               |
| <b>Conservation &amp; Natural Resources Totals</b> |   |  |                    |         |       |       |                        |            |            |                  |          |          |                   |
|  |   |  | 0                  | 0       |       |       | \$2,310,034            |            |            | (\$74,323)       |          |          | \$0               |

## 10% Reductions - Recommended and Governor Considering

| Corrections                          |  |   |                 |         |       |       |                   |            |                |          |          |              |
|--------------------------------------|--|---|-----------------|---------|-------|-------|-------------------|------------|----------------|----------|----------|--------------|
| Agency 440 DEPARTMENT OF CORRECTIONS |  |   |                 |         |       |       |                   |            |                |          |          |              |
| Priority                             | Description  | Impact  | Positions elim. | Layoffs | GF Y1 | GF Y2 | Bureau GF savings | Federal Y1 | Bureau Federal | Other Y1 | Other Y2 | Bureau Other |
| 1                                    | Move ME to Building 85 which will allow for termination of the lease at the Curry Street location.   | No impact.  | 0               | 0       |       |       | \$118,379         |            | \$0            |          |          | \$0          |
| 2                                    | Charge rent to the above/coffee shops through the Inmate Welfare fund.   | Charges may not be sustainable.   | 0               | 0       |       |       | \$491,706         |            | \$0            |          |          | \$0          |
| 3                                    | Charge the Inmate Welfare Fund for rest of the year.   | Charges may not be sustainable.   | 0               | 0       |       |       | \$320,596         |            | \$0            |          |          | \$0          |
| 4                                    | Cover 50% of officer salaries for Violation Pacts with the Inmate Welfare Fund.  | This cost is not sustainable beyond FY 2011.  | 0               | 0       |       |       | \$1,691,510       |            | \$0            |          |          | \$0          |
| 5                                    | Charge inmates a one-time energy surcharge on the purchase of electronic devices effective July 1, 2010.   | This will increase the cost of electronics paid by inmates and will require tracking of the amounts paid for the one-time energy surcharge.   | 0               | 0       |       |       | \$140,098         |            | \$0            |          |          | \$0          |
| 7                                    | Reduction in Uniform Allowance in FY 2010 and FY 2011 only. Reduces the Uniform Allowance in FY 2010 by 25% and FY 2011 by 50%.  | Those receiving a uniform allowance will have a reduced amount of funds to replace necessary uniforms.  | 0               | 0       |       |       | \$962,280         |            | \$0            |          |          | \$0          |
| 10                                   | Eliminate swing shift differential pay. Assumes elimination of swing shift effective April 2010.   | Pay, morale and retention of staff.   | 0               | 0       |       |       | \$1,441,103       |            | \$0            |          |          | \$0          |
| 11                                   | Medical convert to Federal 2-028 program with Rancho Santa Ana Medical Center. This proposal privileges doctors and mid-level practitioners under one of the two facilities. | Inmate medical records become property of the facility where the treatment occurs. Requires written agreement with Rancho and UMAC. Note: this proposal is an either/or with priority #10.  | 7               | 0       |       |       | \$1,000,000       |            | \$0            |          |          | \$0          |
| 12                                   | Civil Officers contract for substance abuse services, job-search assistance, financial planning, etc., effective April 2010.   | Services available for re-entry inmates after release will be reduced. Note: this proposal is an either/or with priority #10.   | 0               | 0       |       |       | \$782,868         |            | \$0            |          |          | \$0          |
| 13                                   | Eliminate 5% Rural Pay Differential paid to Correctional Officers at El Paso Prison effective April 2010.  | Negatively impacts the pay of Correctional Officers. Many inmates in feeding employment. May increase retention rates of inmates. Combine with proposed 3% cut to non furloughed employees this would result in an 8% cut in pay for Correctional Officers. | 0               | 0       |       |       | \$871,558         |            | \$0            |          |          | \$0          |
| 14                                   | Eliminate 5% Rural Pay Differential paid to Correctional Officers at Lowcock Correctional Center effective April 2010.   | Negatively impacts the pay of Correctional Officers. Note: Combined with proposed 3% cut to non furloughed employees this would result in an 8% cut in pay for Correctional Officers.   | 0               | 0       |       |       | \$773,339         |            | \$0            |          |          | \$0          |

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## 10% Reductions - Recommended and Governor Considering

| Corrections                          |   |   |                 |         |       |       |                   |            |            |                |
|--------------------------------------|---|---|-----------------|---------|-------|-------|-------------------|------------|------------|----------------|
| Agency 440 DEPARTMENT OF CORRECTIONS |   |   |                 |         |       |       |                   |            |            |                |
| Priority                             | Description   | Impact  | Positions elim. | Layoffs | GF Y1 | GF Y2 | Bureau of savings | Federal Y1 | Federal Y2 | Bureau Federal |
| 15                                   | Eliminate Nevada Area Differential of up to \$7.50 for each day reported to work. Note: Staff who receive this differential are not required to work at the Nevada Area for each day they report to work. This proposal would be implemented at Southern District Correctional Center, Northern District Correctional Center, Southern Nevada Correctional Center and High Desert State Prison. | Employee pay.   | 0               | 0       |       |       | \$1,615,587       |            |            | \$0            |
| 16                                   | Reduce medical payments to the Medicare rate to generate savings of approximately 12% of medical. Note: this proposal is an estimate and the actual savings are estimated at \$1.1 million through June 30, 2011.   | Availability of medical providers would be reduced. Note: this proposal is an estimate and the actual savings are estimated at \$1.1 million through June 30, 2011. | 0               | 0       |       |       | \$0               |            |            | \$0            |
| 17                                   | Convert State Prison from 12 hour shifts to 8 hour shifts.  | Employee morale.  | 0               | 0       |       |       | \$375,796         |            |            | \$0            |
| 18                                   | Convert Nevada Correctional Center from 12 hour shifts to 8 hour shifts.  | Employee morale.  | 0               | 0       |       |       | \$432,220         |            |            | \$0            |
| 20                                   | Closure of Nevada State Prison. This proposal retains 53 positions.   | The community will be impacted by the loss of jobs. Note: There are currently 187 fixed positions.  | 152             | 116     |       |       | \$12,817,533      |            |            | \$0            |
| <b>Corrections Totals</b>            |   |   |                 |         |       |       |                   |            |            | \$0            |
|                                      |   |   |                 |         |       |       |                   |            |            | \$207,813      |

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# 10% Reductions - Recommended and Governor Considering

| Cultural Affairs |   |   |                      |         |       |       |                     |            |            |                  |          |          |                |
|------------------|---|---|----------------------|---------|-------|-------|---------------------|------------|------------|------------------|----------|----------|----------------|
| Agency           | 330   | DEPARTMENT OF CULTURAL AFFAIRS  |                      |         |       |       |                     |            |            |                  |          |          |                |
| Priority         | Description   | Impact  | Positions eliminated | Layoffs | GF Y1 | GF Y2 | Baseline GF savings | Federal Y1 | Federal Y2 | Baseline Federal | Other Y1 | Other Y2 | Baseline Other |
| 1                | Delay the hiring of an IT Professional II until July 1, 2021. | The Information Technology staff for the Department of Cultural Affairs is currently understaffed. The short-term solution is to delay hiring until July 1, 2021. This will result in a 10% reduction in the number of IT professionals. The long-term solution is to implement a hiring freeze and to manage an archaeological database. Having a ready database of archaeological sites is critical to the success of any archaeological project. Non-hypothetical or slow approval of construction projects will result in lost jobs and economic growth. The Department of Cultural Affairs is currently understaffed. There are only two other information technology positions in the department. This position results in a continued 10% reduction in the number of IT professionals. Staff will not be able to participate in training and information conferences out-of-state unless funded by a non-state source. | 1                    | 0       |       |       | \$165,009           |            |            | \$0              |          |          | \$0            |
| 9                | Eliminate out-of-state travel and reduce training.            | Staff will not be able to participate in training and information conferences out-of-state unless funded by a non-state source.   | 0                    | 0       |       |       | \$22,452            |            |            | \$0              |          |          | \$0            |

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### 10% Reductions - Recommended and Governor Considering

Cultural Affairs

Agency 331. MUSEUMS AND HISTORY

| Priority | Description  | Impact  | Positions<br>added | Layoffs | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |          |
|----------|--|---|--------------------|---------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|----------|
| 7        | Reduce or reflect (transfer) deferring the State, Railroad Museum and Railroad Museum of Science and Industry, utilizing budgeted terminal sick and annual leave payoffs and Public Employees Retirement System (PERS) buyout savings. | <p>The State Railroad Museums are currently operating at a deficit position serving as Active Museum Directors, which would require extension of the 15% salary increase for the next year's recurring. The proposed action also assumes that the Department of Personnel or the Department of Administration will take a "full emergency" as defined in MC 284.25(2)(a)(2) which would allow the 15% assignment for the incumbent to continue. It is essential that the Department of Personnel function without a supervisor in charge.</p> <p>Continuing to operate the Railroad Museum of Science and Industry full-time Director has considerable drawbacks, most notably in the ability to plan and execute programs which enhance public participation and increase the Museum's funds. Commencing with the current Biennium the Railroad Museum Board will be able to reduce the Museum's staff due to the budget reductions and the resulting savings in revenues. Public programming has suffered and continues to suffer as the Curator II of Education takes on the workload responsibilities of Museum Director.</p> | 0.8                | 0       |       |       |                        | \$178,684  |            |                  | \$0      |          |                   | \$15,763 |

## 10% Reductions - Recommended and Governor Considering

## Cultural Affairs

| Agency | 331 | MUSEUMS AND HISTORY | Priority | Description   | Impact   | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Budgetary<br>Savings | Federal Y1 | Federal Y2 | Bicentennial<br>Federal | Other Y1 | Other Y2 | Bicentennial<br>Other |
|--------|-----|---------------------|----------|---|--|--------------------|---------|-------|-------|----------------------|------------|------------|-------------------------|----------|----------|-----------------------|
| 8      |     |                     |          | Reduction reflects funding for the Historical Society Museum Director for all of FY 2010 and July 1, 2010 through March 31, 2011 and a Curator III for all of FY 2010 and FY 2011 and utilizing budgeted terminal annual leave pay-off savings. | Deferring the hiring of these two key management positions will result in considerable negative consequences. Due to previous budget reductions, the agency is currently at a deficit of two positions, 25% of staff. The Agency is crippled in its ability to provide professional standards in the museum field. The current situation is untenable. Furthermore, a Curator III serving as "Acting Director" at a +5% salary position which will expire soon. The Agency is also at risk of losing the Museum Director and Curator III with only further weaken the agency and its ability to meet performance standards. The agency is at risk of losing its budgeted General Fund revenue. | 0.8                | 0       |       |       | \$250,045            |            |            | \$0                     |          |          | \$0                   |
| 11     |     |                     |          | The reduction reflects agency savings realized by a Curator III position being eliminated in FY 2010 and FY 2011. The position was budgeted as a step 10. Also, reflects budgeted terminal annual leave pay-off savings.                        | <p>Also at risk is the agency's ability to maintain its accreditation with the American Association of Museums (AAM). Loss of accreditation threatens future outside funding from federal and private sources.</p> <p>These proposed actions also assume that the Department of Personnel or the Department of Administration will not be able to provide a position as defined in MAC 284.256(2)(a)(2) which would allow the +5% assignment for the incumbent to continue in the position without function without a supervisor in charge.</p>  | 0                  | 0       |       |       | \$17,624             |            |            | \$0                     |          |          | \$0                   |

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## 10% Reductions - Recommended and Governor Considering

| Cultural Affairs |     |                     |  |  |                 |         |       |       |                   |            |            |                |          |          |              |
|------------------|-----|---------------------|--|--|-----------------|---------|-------|-------|-------------------|------------|------------|----------------|----------|----------|--------------|
| Agency           | 331 | MUSEUMS AND HISTORY |  |  |                 |         |       |       |                   |            |            |                |          |          |              |
|                  |     | Money               | Description  | Impact   | Positions elim. | Layoffs | GF Y1 | GF Y2 | Bureau GF savings | Federal Y1 | Federal Y2 | Bureau Federal | Other Y1 | Other Y2 | Bureau Other |
| 14               |     |                     | This reduction reflects vacancy savings realized on a Curator position by hiring at 1 step 01 when position was budgeted at a step 10. | No negative impact   | 0               | 0       |       |       | \$32,276          |            |            | \$0            |          |          | \$0          |
| 15               |     |                     | This reduction reflects a freezing/denied hiring of an Accountant Technician from May 2010 through September 2010.                     | Operating without an Accountant Technician at the division office for an extended period such as this does have negative impacts. Workloads in various divisions increased in July 2009 when division fiscal services were centralized at the division office; this was in response to reductions in various agency divisions. Workloads on Accountant Technicians will once again increase on remaining staff. During the period this position is proposed to be eliminated, the division is on the 2011-2013 biennial budget. Also, preservation of duties will be collapsed, increasing the possibility of adverse work findings in the future. | 0               | 0       |       |       | \$31,180          |            |            | \$0            |          |          | \$0          |

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10% Reductions - Recommended and Governor Considering

Cultural Affairs

Agency 332 STATE LIBRARY AND ARCHIVES

| Priority   | Description  | Impact  | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Budgetary GF<br>savings | Federal Y1 | Federal Y2 | Minimum Federal<br>Other Y1 | Minimum Federal<br>Other Y2 |
|--|--|---|--------------------|---------|-------|-------|-------------------------|------------|------------|-----------------------------|-----------------------------|
| 5  | Relocating state records to the Nevada State Library and Archives (NSLA) building and reduction in rent paid to Building and Grounds for the 515 Meuser Street location effective January 1, 2011. Additional reductions include salary savings for a Library Assistant and a Librarian; freeing an Administrative Assistant position for a new hire; and savings from budgeted terminal leave and employee payroll. | In order to meet the reduction percentages requested, it is necessary to change the operations of the State Records Center which include: 1) eliminate an Administrative Assistant and 2) eliminate the rent paid to Building and Grounds as of January 1, 2011 by the State Records Center located at Econ building and shoving them at the NSLA location. With the elimination of this position, access to records office will not be possible. | 1                  | 0       |       |       | \$100,746               |            |            | 50                          |                             |
| <p>Other negative impacts include:</p> <ul style="list-style-type: none"><li>Records and Administrative Assistant: These duties with the exception of scheduling the meeting rooms are required to be performed by the staff in the Account Technician (ACT Tech) and Administrative Services Office (ASO) positions. This will cause a delay in the performance of the duties of these positions which include: preparing contracts, saving bills, processing federal grants, and responding to requests for information.</li><li>Librarian: This position will be delayed when from purchasing and delivery of materials. With freeing the position and adding a new hire to the ASO and ASO, the scheduling of the NSLA meeting rooms for other state agencies and the public will not be possible until this position is filled.</li></ul> |  |   |                    |         |       |       |                         |            |            |                             |                             |

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## Cultural Affairs

## Agency 332 5

| Priority | Description   | Impact   | Exp. estm. | GR Y1 | GR Y2 | Bienium GF savings | Federal Y1 | Federal Y2 | Bienium Federal | Other Y1 | Other Y2 | Bienium Other |
|----------|---|--|------------|-------|-------|--------------------|------------|------------|-----------------|----------|----------|---------------|
| 6        | Elimination of the Literacy Coordinator position and closure of the Nevada Literacy Office, which will also include the transfer of an Administrative Assistant II to the Nevada State Library Agency Program to the Nevada State Library to continue support for rural literacy initiatives. | State agencies will have to find and fund the use of meeting room bookshelves. | 1          | 0     |       | \$228,472          |            |            | \$93,266        |          |          | \$0           |

## Agency 332 STATE LIBRARY AND ARCHIVES

| Agency   | 332   | STATE LIBRARY AND ARCHIVES  |                    |        |        |        |                       |             |             |                 |           |           |               |
|----------|---|---|--------------------|--------|--------|--------|-----------------------|-------------|-------------|-----------------|-----------|-----------|---------------|
| Priority | Description   | Impact  | Positions<br>elim. | Layoff | GF 'Y1 | GF 'Y2 | Billion GF<br>savings | Federal 'Y1 | Federal 'Y2 | Billion Federal | Other 'Y1 | Other 'Y2 | Billion Other |
| 12       | Freeing of the State Archives Manager for the position of Administrative Assistant in the State Records Office effective March 1, 2011. | The State Archives Manager position will be freed from the current search has been completed, interviews are done and an offer has been accepted but the offer was rescinded due to budget reduction needs.<br><br>The elimination of the Administrative Assistant position at the State Center to gradually reduce the following services until the position is re-established and funded. 1) no new records accepted from state agencies (boxes accepted from state agencies for storage); 2) current records stored in the records center are micro-filmed, but access to them by state agencies will be by appointment only; 3) back-up tape copies of records currently being offered to state agencies including DoIT, LCB, and the Supreme Court will no longer be available and 4) records currently held at the Elson building (6112 Mission Street) will have to be relocated within the SOA Records Center (100 N Stewart St). The cost of relocation of records start to access these records office. It will also be necessary to eliminate the records in the existing at the Governor's residence working in the NSA proposed budget reductions. | 2                  | 1      |        |        | \$195,397             |             |             | \$0             |           |           | \$0           |

## 10% Reductions - Recommended and Governor Considering

## Cultural Affairs

## Agency 332 STATE LIBRARY AND ARCHIVES

| Priority | Description  | Impact   | elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF Savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium Other |
|----------|--|--|-------|---------|-------|-------|---------------------|------------|------------|------------------|----------|----------|----------------|
| 16       | Bookmobile funding - reduction of pass through General Fund used for rural bookmobile services and reduction of Federal Library Services and Technology Grant funds. | The consequences are the potential reduction of library services to underserved rural Nevada through the restriction of bookmobile runs to Elko, Ely, Gardnerville, Reno, Lander, Lamoille, White Pine, and the Southeast Corner of Pershing counties. This proposal also reflects the reduction of Federal Library Services and Technology Act funding. NSLA is unable to meet the Maintenance of Effort requirements of the grant and any grant will be a request for waiver is not accepted. The Nevada State Library and Archives requires Library Services and Technology Act funding and the maintenance of effort is determined by a three year average. Nevada must make match to receive the funding. With previous cuts and the proposed reductions, Nevada will not be able to meet the Maintenance of Effort. To meet Maintenance of Effort Nevada is able to use Library related funding to meet the Maintenance of Effort made to the Nevada State Library or the Nevada State Library Archery Program and affect the ability to meet Maintenance of Effort. | 0     | 0       |       |       | \$21,775            |            | \$270,819  |                  |          |          | 50             |

# 10% Reductions - Recommended and Governor Considering

## Cultural Affairs

### Agency 333 NEVADA ARTS COUNCIL

| Priority | Description                           | Impact   | Positions<br>elim. | Legends | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|----------|---------------------------------------|--|--------------------|---------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 3        | Reductions to challenge grant monies. | There's no negative impact to challenge grant monies balanced budget. There are no other monies were factored by grants. | 0                  | 0       |       |       | \$32,863               |            |            | \$0              |          |          | \$0               |

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10% Reductions - Recommended and Governor Considering

| Cultural Affairs               |  |   |                 |         |       |       |                     |            |            |                  |          |          |                 |
|--------------------------------|--|---|-----------------|---------|-------|-------|---------------------|------------|------------|------------------|----------|----------|-----------------|
| Agency 333 NEVADA ARTS COUNCIL |  |   |                 |         |       |       |                     |            |            |                  |          |          |                 |
| Priority                       | Description  | Impact  | Positions elim. | Layoffs | GP Y1 | GP Y2 | Baseline GP savings | Federal Y1 | Federal Y2 | Baseline Federal | Other Y1 | Other Y2 | Reversion Other |
| 4                              | Suspension of Design Arts Grants; eliminate an Administrative Assistant; fund approximately 25% of the cost of the Nevada Arts Council's administrative expenses and reductions to in-state travel and operating in FY 2011. | <p>The consequences of suspending the Design Arts Grants is that applicants will be unable to apply and compete for a FY 2011 Project Grant, a Grants category that has already been depleted due to previous budget cuts.</p> <p>Staff will not be able to participate in training and information conferences and other staff will be needed by a non-union staff. The suspension of the grant will reduce a minimal supply inventory and agency marketing effort.</p> <p>The consequences of eliminating the Administrative Assistant is great as that is the agency's sole administrative support staff. Duties of web editor, blog editor, receptionist, office management, travel arrangements and other job functions will be assigned to the Administrative Services Officer and other professional staff members. The agency's professional staff, which are already with a very limited budget, will be required to ensure oversight and grant compliance.</p> <p>Reductions include partially funding two positions with federal dollars. If federal monies are not realized, the positions will be reduced to a .8 FTE. In this scenario, the agency will preserve its professional staff and deal directly with a very broad client base to ensure: (1) quality technical assistance is provided to a statewide constituency during this particularly challenging period for nonprofit organizations and educational institutions; and (2) experienced</p> | 1               | 1       |       |       | \$200,392           |            |            | (\$45,342)       |          |          | \$0             |

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## Cultural Affairs

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## 10% Reductions - Recommended and Governor Considering

| Education                          |   |  |                 |         |       |       |                    |            |            |                 |
|------------------------------------|---|--|-----------------|---------|-------|-------|--------------------|------------|------------|-----------------|
| Agency 300 DEPARTMENT OF EDUCATION |   |  |                 |         |       |       |                    |            |            |                 |
| Priority                           | Description   | Impact   | Positions elim. | Layoffs | GP Y1 | GP Y2 | Bracium GP savings | Federal Y1 | Federal Y2 | Bracium Federal |
|                                    |   |  | 0               | 0       |       |       | \$1,233,358        |            |            | \$0             |
| 1                                  | Utilize funding for school support team leaders for schools that failed to make adequate yearly progress for 3 or more years in a row to make AYP then were projected in the budget.  | None anticipated.  | 0               | 0       |       |       |                    |            |            | \$0             |
| 1                                  | Revert projected excess funds for the incomes for Licensed Educational Personnel.   | These funds are anticipated to be available after paying costs for FY 2009 and FY 2011. This reduction is for the 2010-2011 period of the F-12 budget reduction.   | 0               | 0       |       |       | \$7,000,000        |            |            | \$0             |
| 4                                  | Reduce Basic Support to meet budget reduction target. Once fiscal reduction target is determined, the individual districts will be asked to submit specific plans to meet the target. | You will need to be mindful of maintenance of effort requirements for both ALEA funding and other federal funding. If these proposals are considered they will result in a dollar for dollar reduction to this target cut. | 0               | 0       |       |       | \$131,105,822      |            |            | \$0             |
| Education Totals                   |   |  | 0               | 0       |       |       | \$139,329,200      |            |            | \$0             |

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## 10% Reductions - Recommended and Governor Considering

## Employment, Training &amp; Rehabilitation (DETR)

| Agency 901 REHABILITATION DIVISION |   | Impact  | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|------------------------------------|---|---|--------------------|---------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 1                                  | DETR proposes an increase to client services for Vocational Rehabilitation and Services to the Blind, which would increase the number of clients in the Nevada Equal Rights Commission (NERC) Program in order to meet the 100% target reserve. | Increasing client services provides access to more federal funding and increases the number of clients with disabilities desiring to return to work, which would improve well. Lists and describes the outcomes for clients. New program outcomes to the Vocational Rehabilitation Division are related to reductions to the Administrative Services Division, the Vocational Rehabilitation Division (Agency 908) and should be considered together. | 0                  | 0       |       |       | (\$431,227)            |            |            | (\$1,592,265)    |          |          | \$0               |

## 10% Reductions - Recommended and Governor Considering

## Employment, Training &amp; Rehabilitation (DETR)

| Agency   | 908  | DETR ADMINISTRATIVE SERVICES   | Impact | Positions<br>elim. | Levy% | OP Y1 | OP Y2       | Baseline of<br>savings | Federal Y1 | Federal Y2 | Baseline Federal | Other Y1 | Other Y2 | Baseline<br>Other |
|--|--|--|--------|--------------------|-------|-------|-------------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 1  | DETR proposes elimination of the Nevada Equal Rights Commission and termination of twenty FTE in order to meet the 20% target reduction. | The Nevada Equal Rights Commission is currently dealing with severe budget cuts and is unable to maintain the level of federal and state funding and will be unable to continue in its current capacity at any level of funding. The Commission is dependent on the reported number of closures and bankruptcies, and the rate paid by FDOC for each. The Commission's budget will fluctuate every year and will not support NEERC in the absence of general funds since federal funding is not guaranteed. The Commission is currently in a state of uncertainty as to whether to designate other agencies to absorb commission or employment services in order to avoid discrimination and complaints of discrimination in places of public accommodation or amend legislation to allow for the elimination of NEERC. Proposed reductions to NEERC are related to reductions to the Vocational Rehabilitation Division. NEERC and VRD should be considered together. | 20     | 0                  |       |       | \$1,091,547 |                        |            |            | \$594,246        |          |          | \$600             |
| <b>Employment, Training &amp; Rehabilitation (DETR) Totals</b> |  |  |        |                    |       |       |             |                        |            |            |                  |          |          |                   |
|  |  |  |        | 20                 | 0     |       |             | \$460,390              |            |            | (\$598,439)      |          |          | \$600             |

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### 10% Reductions - Recommended and Governor Considering

| Gaming Commission and State Gaming Control Board |  |   |                    |        |       |       |                       |            |            |                 |          |          |                  |
|--|--|---|--------------------|--------|-------|-------|-----------------------|------------|------------|-----------------|----------|----------|------------------|
| Agency 611 GAMING CONTROL BOARD                  |  |   |                    |        |       |       |                       |            |            |                 |          |          |                  |
| Priority   | Descriptions   | Impact  | Positions<br>elim. | Length | GF Y1 | GF Y2 | Maximum GF<br>savings | Federal Y1 | Federal Y2 | Maximum Federal | Other Y1 | Other Y2 | Maximum<br>Other |
| 1  | Project pay of reversists due to vacancy, merit increase savings, and cost sharing of positions. | No negative impact.   | 0                  | 0      |       |       | \$258,751             |            | \$0        |                 |          |          | \$0              |
| 1  | Investigative fee reversion for 1.4% pay increase  | The original includes no reductions to expenditures. It is a revenue transfer from one "reverting" account to another. An Investigative Fee Reversion was approved by the Gaming Control Board and the Gaming Control Board account in 2016/2017. Temporary BKS Salary Reversion was approved by the approved budget, both of these accounts revert to the General Fund. However, during is requesting to transfer the pay increase from the Investigative fund to fund a transfer to the Gaming Control Board account. This proposal accounts for the decrease in the salary reduction and the 4.6% followup taken for those employees funded through the Investigative Fund. No additional savings are being applied to be needed unless additional, unanticipated turnover occurs. Imprints the amount of Investigative Fund reversion at fiscal year end. | 0                  | 0      |       |       | \$221,275             |            | \$0        |                 |          |          | (\$221,275)      |
| 1  | Revert Investigative fee.  | This proposal includes no reductions to expenditures. It is a revenue transfer from one "reverting" account to another. There is no revenue impact. There is no revenue increase, attributable to increased regulatory demands, in the Investigative Fund. The transfer to the Gaming Control Board account. Impact the amount of Investigative Fund reversion at fiscal year end.  | 0                  | 0      |       |       | \$243,518             |            | \$0        |                 |          |          | (\$243,518)      |
| 2  | IT COBAL back up purchased under the amount budgeted, which resulted in savings.                 | There is no negative impact.  | 0                  | 0      |       |       | \$20,000              |            | \$0        |                 |          |          | \$0              |

## 10% Reductions - Recommended and Governor Considering

## Gaming Commission and State Gaming Control Board

| Agency 611 GAMING CONTROL BOARD |   | Impact   |  | Positions<br>Elim. |  | Layoffs |  | GF Y1 |  | GF Y2 |  | Biennium GF<br>savings |  | Federal Y1 |  | Federal Y2 |  | Biennium Federal |  | Other Y1 |  | Other Y2 |  | Biennium<br>Other |  |
|---------------------------------|---|--|--|--------------------|--|---------|--|-------|--|-------|--|------------------------|--|------------|--|------------|--|------------------|--|----------|--|----------|--|-------------------|--|
| Priority                        | Description   |  |  |                    |  |         |  |       |  |       |  |                        |  |            |  |            |  |                  |  |          |  |          |  |                   |  |
| 3                               | Revert commission's out-of-state travel.  | Eliminates participation in international and national conferences and regional meetings of Nevada and diminishes ability to travel to Washington, DC, New York, and elsewhere to represent Nevada's gaming interests.   |  | 0                  |  | 0       |  | 0     |  | 0     |  | \$24,339               |  | \$0        |  | \$0        |  | \$0              |  | \$0      |  | \$0      |  | \$0               |  |
| 4                               | Revert COPRA enhancement.   | No negative impact.  |  | 0                  |  | 0       |  | 0     |  | 0     |  | \$4,576                |  | \$0        |  | \$0        |  | \$0              |  | \$0      |  | \$0      |  | \$0               |  |
| 5                               | Revert audit and lab in-state travel and lab vehicle.                           | This reduction allows for fewer regional and national meetings and conferences in outlying areas. Greater exposure for licensees in areas outside of Las Vegas (Innovo, Reno/Sparks, Carson City, Primm, Mesquite, etc.) and external perpetrated fraud and theft. Greater likelihood of licensees in outlying areas making undetected mistakes resulting in underpayment of taxes here. |  | 0                  |  | 0       |  | 0     |  | 0     |  | \$710,681              |  | \$0        |  | \$0        |  | \$0              |  | \$0      |  | \$0      |  | \$0               |  |
| 6                               | Revert information technology budget.   | Reduction to information technology program would eliminate any enhancement and only maintain current level of service.  |  | 0                  |  | 0       |  | 0     |  | 0     |  | \$50,000               |  | \$0        |  | \$0        |  | \$0              |  | \$0      |  | \$0      |  | \$0               |  |
| 7                               | Revert training budget and lab training.  | Reduced training budget decreases liability to the state and agency and reduces efficiency.  |  | 0                  |  | 0       |  | 0     |  | 0     |  | \$98,682               |  | \$0        |  | \$0        |  | \$0              |  | \$0      |  | \$0      |  | \$0               |  |
| 8                               | Reduce Gaming Control Board and Nevada Gaming Commission credential pay by 50%. | Adverse to retaining CPA, engineers, and lawyers.  |  | 0                  |  | 0       |  | 0     |  | 0     |  | \$263,945              |  | \$0        |  | \$0        |  | \$0              |  | \$0      |  | \$0      |  | \$0               |  |

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## 10% Reductions - Recommended and Governor Considering

## Gaming Commission and State Gaming Control Board

| Agency 611 GAMING CONTROL BOARD |   |  |                 |         |       |       |                   |            |            |          |          |              |
|---------------------------------|---|--|-----------------|---------|-------|-------|-------------------|------------|------------|----------|----------|--------------|
| Priority                        | Description   | Impact   | Positions elim. | Layoffs | GF Y1 | GF Y2 | Bureau GP savings | Federal Y1 | Federal Y2 | Other Y1 | Other Y2 | Bureau Other |
| 9                               | Leave five unclassified agent positions vacant and reduce current staffing by 33.06 unclassified positions. The current staffing level is 100.00. The estimated FY23 budget would be \$423,550, which was not included in the General Fund Savings calculation since the agency does not anticipate needing to fund this cost due to staffing reductions. | Employees in the division that rely upon self-funding would be laid off in excess of 6% (even if temporary) would threaten the board's ability to maintain the public trust and confidence in the conduct of gaming through sound regulation of the industry. Thus, the board requests that the legislature consider designating remaining staff as essential employees (per AB 589 of 2007 Legislative Session) and providing for the funding of any reductions in excess of those that would be required through cutting its General Fund budget allocation by 6%.   | 33.06           | 28.06   |       |       | \$2,845,551       | \$0        |            |          |          | \$0          |
|                                 |   | Additional reductions in staffing that would be required to achieve cuts in excess of 6% (even if temporary) would threaten the board's ability to maintain the public trust and confidence in the conduct of gaming through sound regulation of the industry. Thus, the board requests that consideration be given to designating remaining staff as essential employees (per AB 589 of 2007 Legislative Session) and providing for the funding of any reductions in excess of those that would be required through cutting its General Fund budget allocation by 6%. |                 |         |       |       |                   |            |            |          |          |              |
|                                 |   | Additional reductions in staffing that would be required to achieve cuts in excess of 6% (even if temporary) would threaten the board's ability to maintain the public trust and confidence in the conduct of gaming through sound regulation of the industry. Thus, the board requests that consideration be given to designating remaining staff as essential employees (per AB 589 of 2007 Legislative Session) and providing for the funding of any reductions in excess of those that would be required through cutting its General Fund budget allocation by 6%. |                 |         |       |       |                   |            |            |          |          |              |

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## 10% Reductions - Recommended and Governor Considering

| Gaming Commission and State Gaming Control Board |     |   |        |                    |        |       |       |                      |            |            |                |          |          |                 |
|--|-----|---|--------|--------------------|--------|-------|-------|----------------------|------------|------------|----------------|----------|----------|-----------------|
| Agency   | 611 | GAMING CONTROL BOARD  | Impact | Positions<br>elim. | Length | OF Y1 | OF Y2 | Bureau GF<br>savings | Federal Y1 | Federal Y2 | Bureau Federal | Other Y1 | Other Y2 | Bureau<br>Other |
| Priority   |     | Description   | 6%.    |                    |        |       |       |                      |            |            |                |          |          |                 |
|  |     | <p>Impact includes reduced Enforcement Division's Operations Unit, slowing processing/approvals of table games and surveillance license applications, reduced "spot" checks on licensees between audits, resulting in no contact with licensees for as much as six months. Loss of Deputy Chief in the Investigations Division will require administrative duties to be spread among other employees and reducing supervision of licensing investigations and slowing investigations slot inspection cycles (routine and random inspections performed by Las Vegas Division) and the 24-hour house resulting in greater liability to the State and agency, and reduces efficiency. Professional staff will have to perform more clerical functions, reducing the performance of professional duties and responsibilities. Slowed turnaround time for license applications and commission office. Finally, the graveyard shift in the Las Vegas Enforcement Office would be eliminated. The Las Vegas Social Investigations Unit, Licensee Appeal, and Illegal Bookmaking and other cases.</p> |        |                    |        |       |       |                      |            |            |                |          |          |                 |
|  |     | Gaming Commission and State Gaming Control Board Totals   |        | 31.56              | 26.96  |       |       | \$4,236,650          |            |            | \$0            |          |          | (\$464,893)     |

## 10% Reductions - Recommended and Governor Considering

## Health and Human Services

## Agency 400 DEPARTMENT OF HUMAN RESOURCES

| Priority | Description   | Impact  | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|----------|---|---|--------------------|---------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 1        | Grants Management Unit - Save an Administrative Assistant vacant for the Biennium.  |   | 1                  | 0       |       |       | \$82,556               |            |            | \$0              |          |          | \$0               |
| 1        | The Problem Gambling Fund is being swept to address severe revenue shortfalls.  |   | 0                  | 0       |       |       | \$1,842,062            |            |            | \$0              |          |          | \$0               |
| 1        | FY13 - 20 percent cut in all positions except for the Family Resource Center grantee's position to cut by 100 percent due to budget reductions. |   | 0                  | 0       |       |       | \$0                    |            |            | \$0              |          |          | \$3,279,099       |
| 3        | Grants Management Unit - Switch the Family Resource Center's funding from General funds to Title XX and Children's Trust Funds.                 | The Family Resource Center grantee's will not be affected by this scenario. | 0                  | 0       |       |       | \$1,215,363            |            |            | (\$971,410)      |          |          | (\$153,839)       |

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## 10% Reductions - Recommended and Governor Considering

## Health and Human Services

| Agency 402 AGING SERVICES DIVISION |  |        |                 |         |       |       |                    |            |            |                    |
|------------------------------------|--|--------|-----------------|---------|-------|-------|--------------------|------------|------------|--------------------|
| Priority                           | Description  | Impact | Positions elim. | Layoffs | GR Y1 | GR Y2 | Bioscience savings | Federal Y1 | Federal Y2 | Bioscience Federal |
| 1                                  | Reduction to the Home and Community Based Program including care management, attendant care, respite care, day care, and other services. This will impact 63 potential candidates.   |        | 1               | 0       |       |       | \$1,196,152        |            | \$0        |                    |
| 1                                  | This surplus is due to the attrition of the Family Support Workers who had been providing the homecare services. Please note, the program began transitioning to the FY2009 budget. The program is currently less costly than the FY2010, thereby reducing General Fund and Title XX by that amount. There is an additional Title XX reduction for this unit totaling \$0. |        | 0               | 0       |       |       | \$50,270           |            | \$405,694  |                    |
| 1                                  | Net savings due to reduced caseload in the Independent Living Program. In addition, the program will revert the unspent personal assistance services funds unused during FY10.   |        | 0               | 0       |       |       | \$712,300          |            | \$0        |                    |
| 1                                  | Of the 223 Personal Assistance Services user funded by the Department, only 239 slots will be filled over the biennium.  |        | 0               | 0       |       |       | \$440,604          |            | \$0        |                    |
| 1                                  | Reduces the Independent Living grants by 10 percent in FY 11.  |        | 0               | 0       |       |       | \$0                |            | \$0        | \$465,992          |
| 3                                  | This budget reduction reduces the senior property tax average refunds for those applicants above the poverty level from \$268 to \$262 totaling \$96, or 27%.  |        | 0               | 0       |       |       | \$1,206,599        |            | \$0        |                    |
| 3                                  | Reduces the Personal Assistance services rate from \$43.406 per hour to \$43.406 per hour. The rate continues with the rate paid in DCHCP.   |        | 0               | 0       |       |       | \$433,406          |            | \$0        |                    |
| 3                                  | Reduces the Personal Care Attendant rate from \$4.25 per quarter hour to \$3.86 for a total reduction of \$.37 per quarter hour of service.  |        | 0               | 0       |       |       | \$712,317          |            | \$0        |                    |

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## Health and Human Services

## Positions

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## Health and Human Services

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# 10% Reductions - Recommended and Governor Considering

## Health and Human Services

| Agency 406 HEALTH DIVISION |   |   |                 |         |       |       |                     |            |            |          |          |                |
|----------------------------|---|---|-----------------|---------|-------|-------|---------------------|------------|------------|----------|----------|----------------|
| Priority                   | Description   | Impact  | Positions elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF savings | Federal Y1 | Federal Y2 | Other Y1 | Other Y2 | Biennium Other |
| 3                          | Eliminate GF support for the Office of Minority Health. | Eliminate one filled PGN, and terminate all GF supported activity. The PGN position is currently a federal function. Federal function is up for reconsideration September, 2010. Elimination of GF support for this position is necessary for this federal grant. | 1               | 1       |       |       | \$155,182           |            |            |          |          | \$0            |

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## Health and Human Services

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## 10% Reductions - Recommended and Governor Considering

## Health and Human Services

## Agency 407 WELFARE DIVISION

| Priority | Description  | Impact  | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Burden of<br>savings | Federal Y1 | Federal Y2 | Minimium Federal | Other Y1 | Other Y2 | Burden<br>Other |
|----------|--|---|--------------------|---------|-------|-------|----------------------|------------|------------|------------------|----------|----------|-----------------|
|          |  |   | 0                  | 0       |       |       | \$1,500,000          |            |            | (\$1,500,000)    |          |          | \$0             |
| 1        | Reduce general funds for administration of the Supplemental Nutrition Assistance Program (SNAP) due to an increase in federal administration funds for 2010. | This reduction has no impact as it is a new and unanticipated federal funding increase.   | 0                  | 0       |       |       |                      |            |            |                  |          |          |                 |
| 3        | Eliminate funding for new technology staff to include federal staff from the general funds originally used in lieu of TANF.                                  | As long as other state funds to TANF are not reduced, this reduction will not create a problem. However, if the other TANF reductions are not made, this increases the TANF burden. | 0                  | 0       |       |       | \$478,873            |            |            | (\$478,873)      |          |          | \$0             |
| 3        | Revert anticipated savings from staff turnover and a reduction in travel and training.   | Reverts anticipated savings from staff turnover and a small reduction in travel and training.   | 0                  | 0       |       |       | \$1,394,156          |            |            | \$1,394,156      |          |          | \$0             |
| 3        | Replace general funds with state share of collections for Child Support Enforcement Administrative Costs.  | This does not reduce positions of enforcement staff. Reverts federal funds available in mid-level AB 130 recommendations regarding child support enforcement.                       | 0                  | 0       |       |       | \$2,247,912          |            |            | \$0              |          |          | (\$2,247,912)   |
| 3        | Revert state share of collection in lieu of general funds.   | Reverts funds available to the state share of collection in lieu of general funds.  | 0                  | 0       |       |       | \$825,518            |            |            | \$0              |          |          | (\$825,518)     |
| 3        | Revert general fund and associated Federal Child Care grant funds.   | This will reduce the number of children served in FY 2011 by approximately 507.   | 0                  | 0       |       |       | \$738,390            |            |            | \$738,390        |          |          | \$0             |

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## Health and Human Services

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## 10% Reductions - Recommended and Governor Considering

## Health and Human Services

| Agency 408 MH/OS DIVISION |  |  |                 |         |       |       |                    |            |            |                 |          |          |               |
|---------------------------|--|--|-----------------|---------|-------|-------|--------------------|------------|------------|-----------------|----------|----------|---------------|
| Priority                  | Description  | Impact   | Positions Elim. | Layoffs | GF Y1 | GF Y2 | Balance of savings | Federal Y1 | Federal Y2 | Balance Federal | Other Y1 | Other Y2 | Bernium Other |
| 1                         | Reduce monthly support rates for Autism and self-directed support programs by 25% (Autism > 25 people, self-directed < 40 people in Northern Nevada).  |  | 0               | 0       |       |       | \$0                |            |            | \$264,285       |          |          | \$0           |
| 2                         | This reduction is a natural savings since the agency will be able to utilize all funds prior to the end of the 2009-2011 biennium. This reduction will allow for new placements in the second year of the full funding in the second year of the biennium will allow 500MHS to serve projected caseload.   | Although this decision will reduce the total number of possible placements the restoration of full funding in the second year of the biennium will allow 500MHS to serve projected caseload.     | 0               | 0       |       |       | \$1,250,000        |            |            | \$222,500       |          |          | \$0           |
| 2                         | Reduce funding for co-occurring disorders treatment for 60 clients over the biennium.  |  | 0               | 0       |       |       | \$550,944          |            |            | \$0             |          |          | \$0           |
| 2                         | This reduction is a natural savings since the agency will be able to utilize these funds prior to the end of the 2009-2011 biennium. This reduction will allow for new placements this decision unit will allow the agency to serve the projected increase in caseload through the biennium.               | Due to reduced current caseload and reduced number of applications for new placements this decision unit will allow the agency to serve the projected increase in caseload through the biennium. | 0               | 0       |       |       | \$5,799,829        |            |            | \$1,906,224     |          |          | \$0           |
| 2                         | Reduce funding for co-occurring disorders treatment for 60 clients over the biennium.  |  | 0               | 0       |       |       | \$550,944          |            |            | \$0             |          |          | \$0           |
| 2                         | This reduction is a natural savings since the agency will be able to utilize these funds prior to the end of the 2009-2011 biennium. This reduction will allow for new placements in the second year of the full funding in the second year of the biennium will allow 500MHS to serve projected caseload. | Due to reduced current caseload and reduced number of applications for new placements this decision unit will allow the agency to serve the projected increase in caseload through the biennium. | 0               | 0       |       |       | \$1,947,010        |            |            | \$1,763,062     |          |          | \$0           |

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## Health and Human Services

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# 10% Reductions - Recommended and Governor Considering Health and Human Services

| Agency 408 MH/DS DIVISION |   |   |                 |         |       |       |                     |            |            |                  |          |          |                |
|---------------------------|---|---|-----------------|---------|-------|-------|---------------------|------------|------------|------------------|----------|----------|----------------|
| Priority                  | Description   | Impact  | Positions elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium Other |
| 1                         | This reduction is a natural savings since the agency will be unable to utilize these funds prior to the end of the 2009 fiscal year. This reduction is necessary for the current budget. This reduction will eliminate the current waiting list of 55 placements through the biennium. This growth will eliminate the current waiting list of 33 and accommodate the projected number of new applications through June 2011. There are no other programs in the current budget that have a waiting list of 33. This decision will reduce the total number of possible placements there will be a sufficient number of placements to meet program demands. | Due to reduced current caseload and reduced number of applications for new placements, the agency will allow the agency to serve the projected increase in caseload through the biennium. | 0               | 0       |       |       | \$1,800,722         |            |            | \$1,781,631      |          |          | \$0            |
| 3                         | This reduction is a natural savings since the agency will be unable to utilize these funds prior to the end of the 2009 fiscal year. This reduction is necessary for the current budget. This reduction will eliminate the current waiting list of 33 and accommodate the projected number of new applications through June 2011. There are no other programs in the current budget that have a waiting list of 33. This decision will reduce the total number of possible placements there will be a sufficient number of placements to meet program demands.  | Due to reduced current caseload and reduced number of applications for new placements, the agency will allow the agency to serve the projected increase in caseload through the biennium. | 0               | 0       |       |       | \$1,860,247         |            |            | \$0              |          |          | \$0            |

Budgetary at Lakes Crossing

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### 10% Reductions - Recommended and Governor Considering

## Health and Human Services

## Agency 409 CHILD AND FAMILY DIVISION

| Priority | Description  | Impact   | elim. | Layoffs | GP Y1 | GP Y2 | Biennium GF savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium Other |
|----------|--|--|-------|---------|-------|-------|---------------------|------------|------------|------------------|----------|----------|----------------|
|          |  |  |       |         |       |       | \$176,598           |            |            | \$0              |          |          | \$0            |
| 1        | Reduction of 10% in the general fund money passed to the Spring/Autumn Youth Camp in Clark County, and Spring Mountain Youth Camp in Clark County.   | This reduction will have a direct impact on services to all camps.   | 0     | 0       |       |       |                     |            |            |                  |          |          |                |
| 1        | Reduces the residential care category for non-DCHFS custody youth by \$1,100,000 in each year of the biennium. \$550,000 represents a general fund reduction and \$550,000 represents a reduction in Title XX transfer from the Director's Office. This is a companion decision unit with E640 in BA 3195: Grants Management Unit and in BA 3250 TANF. | The legislative budget for residential care was approved based on an average monthly caseload of 276 for FY 2010 and 284 in FY 2011. The projected average monthly caseload is 221 in FY 2010 and 241 in FY 2011.  | 0     | 0       |       |       | \$700,000           |            |            | \$1,550,000      |          |          | \$0            |
|          |  | These reductions will have no impact on services to children in the residential care caseload for non-custody youth are currently lower than projected in the budget.  |       |         |       |       |                     |            |            |                  |          |          |                |
| 2        | Reduces the youth at risk care category by \$550,000 in FY 2010 and \$550,000 in FY 2011. Also reduces the residential care category by \$450,000 in each year of the biennium.  | The legislative budget for residential care was approved based on an average monthly caseload of 269 for FY 2010 and 297 for FY 2011. The projected average monthly caseload is 244 in FY 2010 and 272 in FY 2011. | 0     | 0       |       |       | \$1,110,000         |            |            | \$475,849        |          |          | \$0            |
|          |  | The legislative budget for residential care was approved based on an average monthly caseload of 110 for FY 2010 and 122 for FY 2011. The projected average monthly caseload is 80 in FY 2010 and 88 in FY 2011.   |       |         |       |       |                     |            |            |                  |          |          |                |
| 3        | Increases projected Medicaid revenue by \$400,000 in FY 2010 and \$320,000 in FY 2011 based on the current approved Public Assistance Cost Allocation Plan.  | This reduction will have no direct impact on services to children.   | 0     | 0       |       |       | \$720,000           |            |            | (\$720,000)      |          |          | \$0            |



## 10% Reductions - Recommended and Governor Considering

## Health and Human Services

## Agency 409 CHILD AND FAMILY DIVISION

| Priority | Description  | Impact  | Positions<br>elim. | Levies | GF Y1 | GF Y2 | Biennium GF<br>Savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|----------|--|---|--------------------|--------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 2        | Delay hiring an Accounting Assistant, a Management Analyst, and an Administrative Assistant in the position, which are vacant, through the end of the biennium.                  | These reductions will have no direct impact on the Division's ability to provide residential care as the Division's caseload is projected to decrease. The Division's caseload is currently lower than projected in the budget, but will impact the Division's ability to make improvements in the Division's caseload management processes used by the child welfare caseworkers statewide.  | 0                  | 0      |       |       | \$199,234              |            |            | \$19,214         |          |          | \$0               |
| 2        | Reduces the Rural Child Welfare's portion of the 2009 Legislature's budget by \$251,429 in FY 2010 and \$266,727 in FY 2011.   | These funds were appropriated for the Rural Child Welfare's portion of the 2009 Legislature's budget. The Rural Child Welfare's portion of the 2009 Legislature's budget is projected to decrease by \$251,429 in FY 2010 and \$266,727 in FY 2011. The Rural Child Welfare's portion of the 2009 Legislature's budget is projected to decrease by \$251,429 in FY 2010 and \$266,727 in FY 2011. The Rural Child Welfare's portion of the 2009 Legislature's budget is projected to decrease by \$251,429 in FY 2010 and \$266,727 in FY 2011. | 0                  | 0      |       |       | \$518,356              |            |            | \$89,465         |          |          | \$0               |
| 2        | Delay hiring two vacant Information Technology positions through the end of the biennium and reduce the out-of-state travel budget by \$6,378 in FY 2010 and \$6,378 in FY 2011. | This will have no direct impact on the Division's ability to provide residential care as the Division's caseload is projected to decrease. The Division's caseload is currently lower than projected in the budget, but will impact the Division's ability to make improvements in the Division's caseload management processes used by the child welfare caseworkers statewide.  | 0                  | 3      |       |       | \$24,347               |            |            | \$19,622         |          |          | \$0               |
| 3        | Reduces the residential care category for Youth People by \$500,000 in FY 2010 and \$500,000 in FY 2011.   | Residential care was approved based on the projected average monthly caseload in FY 2010 and FY 2011. The projected average monthly caseload in FY 2010 and FY 2011 is projected to decrease by \$500,000 in FY 2010 and \$500,000 in FY 2011. The projected average monthly caseload in FY 2010 and FY 2011 is projected to decrease by \$500,000 in FY 2010 and \$500,000 in FY 2011.   | 0                  | 0      |       |       | \$500,000              |            |            | \$0              |          |          | \$0               |

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## Health and Human Services

| Category                         | Percentage | Count | Total        |
|----------------------------------|------------|-------|--------------|
| Health and Human Services Totals | 17         | 32.5  | \$91,693,844 |
| Judicial Discipline Commission   |            |       | \$79,964,675 |
|                                  |            |       | \$1,213,551  |

## Judicial Discipline Commission

|                                       |   |   |          |     |
|---------------------------------------|---|---|----------|-----|
| Judicial Discipline Commission Totals | 0 | 0 | \$95,072 | \$0 |
|---------------------------------------|---|---|----------|-----|

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## 10% Reductions - Recommended and Governor Considering

Lieutenant Governor

Agency 020

LIEUTENANT GOVERNOR'S OFFICE

| Priority                   | Description  | Impact   | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|----------------------------|--|--|--------------------|---------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 3                          | Eliminate the Assistant to the Lt. Governor position, reduce Out-of-State Travel to State Travel, and reduce the number of employees in the Governor's office. This will impact the Lt. Governor in his capacity as chairman of Nevada Commission on Tourism and Nevada Development. | The elimination of the position will reduce the staff from 6,000 FTE to 5,000 FTE. This will impact the Lt. Governor in his capacity as chairman of Nevada Commission on Tourism and Nevada Development. | 1                  | 1       |       |       | \$80,445               |            |            | \$0              |          |          | \$0               |
| Lieutenant Governor Totals |  |  | 1                  | 1       |       |       | \$80,445               |            |            | \$0              |          |          | \$0               |

Motor Vehicles

Agency 810

DEPT OF MOTOR VEHICLES

| Priority              | Description  | Impact     | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|-----------------------|--|------------|--------------------|---------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 1                     | This proposal reduces funding provided for voter registration forms. | No impact. | 0                  | 0       |       |       | \$2,431                |            |            | \$0              |          |          | \$0               |
| Motor Vehicles Totals |  |            | 0                  | 0       |       |       | \$2,431                |            |            | \$0              |          |          | \$0               |

| Motor Vehicles                    |  |            |                    |         |       |       |                        |            |            |                  |          |          |                   |
|-----------------------------------|--|------------|--------------------|---------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| Agency 810 DEPT OF MOTOR VEHICLES |  |            |                    |         |       |       |                        |            |            |                  |          |          |                   |
| Priority                          | Description  | Impact     | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
| 1                                 | This proposal reduces funding provided for voter registration forms. | No impact. | 0                  | 0       |       |       | \$2,431                |            |            | \$0              |          |          | \$0               |
| Motor Vehicles Totals             |  |            | 0                  | 0       |       |       | \$2,431                |            |            | \$0              |          |          | \$0               |

## 10% Reductions - Recommended and Governor Considering

## Office of the Governor

| Agency 010 GOVERNOR'S OFFICE |   |   |                 |         |       |       |                      |            |            |                   |
|------------------------------|---|---|-----------------|---------|-------|-------|----------------------|------------|------------|-------------------|
| Priority                     | Description   | Impact  | Positions elim. | Layoffs | GF Y1 | GF Y2 | Bureaucratic savings | Federal Y1 | Federal Y2 | Minuteman Federal |
| 1                            | Governor's Office - Miscellaneous operating expenses reduction.   | There will not be a major impact on the department.   | 0               | 0       |       |       | \$7,333              |            |            | \$0               |
| 1                            | Governor's Mansion - Eliminate the Assistant to the First Lady.   | The office of First Lady will be vacant. Therefore, the Assistant to the First Lady will not be necessary.  | 1               | 1       |       |       | \$61,688             |            |            | \$0               |
| 1                            | Governor's Office - Reduced assignment paid to Administrative Services; 25% reduction in FY10 and 15% reduction in FY11.  | No adverse impact.  | 0               | 0       |       |       | \$11,900             |            |            | \$0               |
| 1                            | Governor's Mansion - Reduced assignment paid to Administrative Services; 25% reduction in FY10 and 15% reduction in FY11.   | No adverse impact.  | 0               | 0       |       |       | \$5,216              |            |            | \$0               |
| 2                            | Consumer Health Assistance - Elimination of one vacant Commission position; vacancy savings from (6/6/09-9/30/09) and (7/7/09-7/31/09); and a reduction to operating expenditures.  | The agency states, "The anticipated capital increase is approximately 15% per year. We are currently operating with a 20% reduction of staff and are currently struggling to meet time frames needed to resolve appeal and billing issues to the benefit of the consumer. Reducing staff will have an adverse impact on the consumer without another Commission member by 25%. We could not function at this staffing level." | 1               | 0       |       |       | \$54,090             |            |            | \$0               |
| 1                            | The Ethics Commission will reduce salary savings associated with the turnover of the Executive Director and Commission Counsel positions, apply the reduction to Administrative Services Assignment, and close the position of the Executive Director effective July 1, 2010 to meet the 10% savings objective. | The agency states, "The transfer of one FT (Lead) Research Assistant to the Carson City Office and the issue of minimal non-stable positions to the Carson City Office (Researcher) will remain in Las Vegas."  | 0               | 0       |       |       | \$11,950             |            |            | \$0               |
| 2                            | Governor's Office - Miscellaneous Information services reduction.   | There will not be a major impact on the department.   | 0               | 0       |       |       | \$11,586             |            |            | \$0               |
| 2                            | Consumer Health Assistance - Reduce to State Travel   | Further cuts here would eliminate the position of the Executive Director to Nevada, who already deal with the limitations of access to care and limited in person communication. The lead Counsel will perform statutory mandated outreach, any continuing to Carson City during legislative sessions.  | 0               | 0       |       |       | \$107                |            |            | \$0               |

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## 10% Reductions - Recommended and Governor Considering

## Office of the Governor

## Agency 010 GOVERNOR'S OFFICE

| Priority | Description  | Impact   | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|----------|--|--|--------------------|---------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 3        | Governor's Office - Miscellaneous Out-of-State Travel reduction. | There will not be a major impact on the department.  | 0                  | 0       | 0     | 0     | \$23,600               |            | \$0        | \$0              |          |          | \$0               |
| 3        | Consumer Health Assistant - Reduce operating expenditures.       | This will reduce the agency's ability to provide services to consumers, including folders, postage, copier, and office supplies to manage the over 3000 cases we will open throughout the calendar year. | 0                  | 0       | 0     | 0     | \$2,373                |            | \$0        | \$0              |          |          | \$2,385           |

|   |   |   |      |      |  |  |           |  |     |     |  |  |     |
|---|---|---|------|------|--|--|-----------|--|-----|-----|--|--|-----|
| 4 | Governor's Office - Salary savings due to vacancies, maternity leave (WOPR) in FY10, and elimination of one position. | The salary reduction will result in a 10% reduction in the Governor's Office. | 0.51 | 0.51 |  |  | \$146,599 |  | \$0 | \$0 |  |  | \$0 |
|---|---|---|------|------|--|--|-----------|--|-----|-----|--|--|-----|

|   |  |   |   |   |   |   |          |  |     |     |  |  |     |
|---|--|---|---|---|---|---|----------|--|-----|-----|--|--|-----|
| 5 | Governor's Office - Miscellaneous In-State Travel reduction. | There will not be a major impact on the department. | 0 | 0 | 0 | 0 | \$13,150 |  | \$0 | \$0 |  |  | \$0 |
|---|--|---|---|---|---|---|----------|--|-----|-----|--|--|-----|

## Agency 011 STATE ENERGY OFFICE

| Priority | Description   | Impact   | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|----------|---|--|--------------------|---------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 1        | In FY10, received salary savings from vacancy of the Director of the Department of Energy and Environmental Protection (DEEP) through the Renewable Energy Act (RSA) 1717/09 through 11/20/09. In FY11, reduces the General Fund contribution towards the State Energy Program and to non-profit organizations. | The FY11 salary savings were already realized in FY10. The savings are taken into account in the budget requirement. In FY11 and at 10%, the reduction is not to non-profit organizations. The overall category reduction of 22%. This agency does not indicate a significant impact on the environment. | 0                  | 0       | 0     | 0     | \$4,536                |            | \$0        | \$0              |          |          | \$0               |

## Agency 012 NUCLEAR PROJECTS OFFICE

| Priority | Description  | Impact  | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|----------|--|---|--------------------|---------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 1        | Reduce funding for contracts related to the licensing proceedings for NuScale Mountain.  | This would directly impact the agency's ability to challenge DOE's license application by filing back on the environmental and legal consultations. | 0                  | 0       | 0     | 0     | \$230,504              |            | \$0        | \$0              |          |          | \$0               |
| 1        | Nuclear Waste Project Office - Reduced assessment, paid to Administrative Services; 25% reduction in FY10 and 15% reduction in FY11. | No adverse impact.  | 0                  | 0       | 0     | 0     | \$5,852                |            | \$0        | \$0              |          |          | \$0               |

**Office of the Governor Totals** 2.51 1.51 \$716,484 \$0 \$133,840

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## 10% Reductions - Recommended and Governor Considering

## Office of Veterans Services

## Agency 240 OFFICE OF VETERAN'S SERVICES

| Priority                                  | Description  | Impact  | Positions elim. | Layoffs | GF Y1 | GF Y2 | Balance of savings | Federal Y1 | Federal Y2 | Balance Federal | Other Y1 | Other Y2 | Balance Other |
|---|--|---|-----------------|---------|-------|-------|--------------------|------------|------------|-----------------|----------|----------|---------------|
| 1   | Vacancy savings in the Commissioner for Veterans' Affairs account associated with a Program Officer position (1 position) and an Administrative Assistant position (2 months).   | No impact provided by agency.   | 0               | 0       |       |       | \$18,250           |            |            | \$0             |          |          | \$0           |
| 1   | Vacancy savings in the Veterans' Home Account associated with a Health Information Coordinator (2 months) and an Administrative Assistant 2 position (2 months).   | No impact.  | 0               | 0       |       |       | \$17,035           |            |            | \$0             |          |          | \$0           |
| 2   | Increase Veterans Private Pay Rate from \$105 per day to \$110 per day and the Non-Veteran Private Pay Rate from \$179 to \$187 per day. The rate increase would not result in operating expenditure reductions but would allow the agency to revert General Funds in FY 2011. | The rate increase would not result in operating expenditure reductions but would allow the agency to revert General Funds in FY 2011. | 0               | 0       |       |       | \$146,978          |            |            | \$0             |          |          | \$0           |
| 2   | Increase Veterans Private Pay Rate from \$105 per day to \$110 per day and the Non-Veteran Private Pay Rate from \$179 to \$187 per day. The rate increase would not result in operating expenditure reductions but would allow the agency to revert General Funds in FY 2011. | The rate increase would not result in operating expenditure reductions but would allow the agency to revert General Funds in FY 2011. | 0               | 0       |       |       | \$48,992           |            |            | \$0             |          |          | \$0           |
| 2   | Vacancy savings in the Veterans' Home Account associated with a Registered Nurse position (2 months) in FY 2010.   | No impact provided by agency.   | 0               | 0       |       |       | \$11,730           |            |            | \$0             |          |          | \$0           |
| 3   | Vacancy savings in the Veterans' Home Account associated with a Certified Nursing Assistant position (5 months) in FY 2010.  | No impact provided by agency.   | 0               | 0       |       |       | \$1,972            |            |            | \$0             |          |          | \$0           |
| 3   | Increase Veterans Private Pay Rate from \$105 per day to \$110 per day and the Non-Veteran Private Pay Rate from \$179 to \$187 per day. The rate increase would not result in operating expenditure reductions but would allow the agency to revert General Funds in FY 2011. | The rate increase would not result in operating expenditure reductions but would allow the agency to revert General Funds in FY 2011. | 0               | 0       |       |       | \$48,998           |            |            | \$0             |          |          | \$0           |
| <b>Office of Veterans Services Totals</b> |  |   |                 |         |       |       |                    |            |            |                 |          |          | \$331,790     |

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## 10% Reductions - Recommended and Governor Considering

## Peace Officers Standards

## Agency 230 PEACE OFFICERS STANDARDS &amp; TRA

| Priority | Description                            | Impact  | Positions<br>elim. | Layoffs  | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|----------|--|---|--------------------|----------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
|          | Building improvements.                 | Building repairs and/or project improvements would be deferred.   | 0                  | 0        |       |       | \$0                    |            |            | \$0              |          |          | \$13,200          |
|          | Court and Registrations.               | Additional personnel to be hired to update their skills, however, this will be maintained to meet budget. | 0                  | 0        |       |       | \$0                    |            |            | \$0              |          |          | \$7,337           |
|          | Reduction to Operating Expenses.       | Reduction in the number of officers and the availability of call phones.                                  | 0                  | 0        |       |       | \$0                    |            |            | \$0              |          |          | \$5,500           |
|          | Reduction to Reserve.                  | Reduction to reserve would decrease operations and efficiency of the division.                            | 0                  | 0        |       |       | \$0                    |            |            | \$0              |          |          | \$17,645          |
|          | <b>Peace Officers Standards Totals</b> |   | <b>0</b>           | <b>0</b> |       |       | <b>\$0</b>             |            |            | <b>\$0</b>       |          |          | <b>\$42,282</b>   |

## Personnel

## Agency 070 DEPARTMENT OF PERSONNEL

| Priority | Description  | Impact   | Positions<br>elim. | Layoffs  | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other  |
|----------|--|--|--------------------|----------|-------|-------|------------------------|------------|------------|------------------|----------|----------|--------------------|
| 3        | Utilize reserves in FY 10 to cover 10% reduction and reserves and non-owned lease savings (\$82,430 - Northgate) for a total of \$111. | There is no impact - The Department of Personnel's FY 10 Reserve account is currently at a 10% reserve rate due to a budget reduction of \$503,296 from FY09 and have already moved from Northgate location. | 0                  | 0        |       |       | \$0                    |            |            | \$0              |          |          | \$1,303,063        |
|          | <b>Personnel Totals</b>  |  | <b>0</b>           | <b>0</b> |       |       | <b>\$0</b>             |            |            | <b>\$0</b>       |          |          | <b>\$1,303,063</b> |

## Postsecondary Education

## Agency 360 POST SECONDARY COMMISSION

| Priority | Description   | Impact   | Positions<br>elim. | Layoffs  | GF Y1 | GF Y2 | Biennium GF<br>savings | Federal Y1 | Federal Y2 | Biennium Federal | Other Y1 | Other Y2 | Biennium<br>Other |
|----------|---|--|--------------------|----------|-------|-------|------------------------|------------|------------|------------------|----------|----------|-------------------|
| 1        | This agency will meet its 10% biennial reduction target by keeping the part time Administrative Assistant position report for all of fiscal year 2010 and through February of calendar year 2011. | The agency currently does not have any administrative staff to answer telephone or provide general office assistance or complete these duties. | 0                  | 0        |       |       | \$46,400               |            |            | \$0              |          |          | \$0               |
|          | <b>Postsecondary Education Totals</b>   |  | <b>0</b>           | <b>0</b> |       |       | <b>\$46,400</b>        |            |            | <b>\$0</b>       |          |          | <b>\$0</b>        |

## 10% Reductions - Recommended and Governor Considering

| Public Safety |   |  |                 |       |       |                    |            |            |          |                  |
|---------------|---|--|-----------------|-------|-------|--------------------|------------|------------|----------|------------------|
| Agency        | 650   | DEPARTMENT OF PUBLIC SAFETY  |                 |       |       |                    |            |            |          |                  |
| Priority      | Description   | Impact   | Positions elim. | GF Y1 | GF Y2 | Bismium GP savings | Federal Y1 | Federal Y2 | Other Y1 | Bismium Other Y2 |
|               | The Office of Revenue and Security is realigning the 20% of the non-emergency positions from the general funds to 25% general funds and 75% federal funds.  | Overall fund will be impacted by 25% of the non-emergency positions which is approximately \$17,357 in FY10 and \$14,706 in FY11.  | 0               | 0     |       | \$155,188          | \$0        | \$0        |          | \$0              |
| 1             | Child Vial Background Check (BA 4710) Reduce funds available for Non-Profit Organizations to receive background checks on potential volunteers.   | Organizations/Applicants will have to pay the background check fees when they are not receiving a budget Account are depleted.   | 0               | 0     |       | \$2,821            | \$0        | \$0        |          | \$0              |
| 3             | Justice Assistant (BA 4735) A Grants & Project Analyst position was vacated in November 2009 and will be filled in January 2010 at a lower step than originally projected.  | This reduction will have minimal impact on the Division.   | 0               | 0     |       | \$8,286            | \$0        |            |          | \$27,846         |
| 5             | Travel Assistant (BA 4760) This request changes the funding source for ASBA related travel from general funds to ASBA funds. In FY11, approximately 25% of OCA's travel will be ASBA related. Since ASBA funds are not available until January 1, 2010, the request for general fund monies originally funding this travel can be utilized for the 10% budget reduction proposal. | This reduction will have minimal impact on the Division.   | 0               | 0     |       | \$601              | \$0        |            |          | \$601            |
| 7             | Emergency Mgrt (BA 3073) Reduction of the Division Administrator effective February 1, 2010 through the end of the fiscal year. The vacant Division Administrator position will be filled by a vacant position in the Division.   | There will be no impact to the agency.   | 1               | 0     |       | \$48,190           | \$0        | \$0        |          | \$0              |
| 9             | Deputy Director (BA 4736) Reduction of lead and uniform expenses.   |  | 0               | 0     |       | \$28,922           | \$0        | \$0        |          | \$0              |
| 11            | Training Div (BA 3779) A GPS Officer II position was vacant effective November 2009 and will be held vacant for the remainder of the biennium. A second GPS Officer II position was vacant from January 2009 and will be held vacant until February 2011.   | Heading FCN 00013 vacant through the biennium will result in the risk of losing the position in the next biennium. The Division will no longer have the ability to accommodate any future academy in the Las Vegas area. The Division will no longer have a designated instructor coordinator (Hazardous materials/personal protection equipment). | 0               | 0     |       | \$133,071          | \$0        | \$0        |          | \$199,608        |
| 13            | Emergency Mgrt (BA 3073) Reduction of the Crisis Center 48 port switch, laptop and desktop computers.   | The request will be an increased use of equipment failure, which could impact Division operations or response to an emergency or disaster.   | 0               | 0     |       | \$18,104           | \$0        | \$0        |          | \$0              |

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## 10% Reductions - Recommended and Governor Considering

| Public Safety                          |  |  |                    |         |       |       |                       |            |            |                 |
|--|--|--|--------------------|---------|-------|-------|-----------------------|------------|------------|-----------------|
| Agency 650 DEPARTMENT OF PUBLIC SAFETY |  |  |                    |         |       |       |                       |            |            |                 |
| Priority                               | Description  | Impact   | Positions<br>elim. | Layoffs | GP Y1 | GP Y2 | Bienium GP<br>savings | Federal Y1 | Federal Y2 | Bienium Federal |
| Other Y1                               | Other Y2   | Bienium<br>Other   |                    |         |       |       |                       |            |            |                 |
| 15                                     | Fire Marshal (EA 3816)-This decision unit reduces the Administrative Service Officer from a grade 37, step 10 to a grade 36, step 10. The current incumbent is paid at a 37-07.  | There is no impact for this reduction in this bienium.   | 0                  | 0       |       |       | \$2,830               |            | \$0        | \$0             |
| 17                                     | Fire Marshal (EA 3816)-This request considers the vacancy savings for a Training Officer 2 position which was vacant from July 2009 until December 1, 2009.  | There is no ongoing impact for this budget reduction.  | 0                  | 0       |       |       | \$6,283               |            | \$0        | \$0             |
| 21                                     | Fire Marshal (EA 3816)-This decision unit proposes a reduction in the Fire Marshal's Training Officer 2 position. The current cost allocation is 25% General Fund, 37.5% State Emergency Response Commission (SERC) funding, and 37.5% Nevada Division of Emergency Services (NDES) funding. The reduction would result in a 10% reduction in the position's funding. The position would be funded by 40.75% SERC funding and 40.75% NDES funding. | There is a program impact for this reduction. The Fire Marshal's Training Officer 2 position would vacate the Fire Marshal's Training Officer 2 position. Training resources on hazardous materials, fire investigation, and fire suppression for standard fire fighter training, rescue and vehicle extrication, company officer and chief training, and incident command training. In addition, the Fire Marshal's Training Officer 2 position would increase in the SERC and NDES funding requests that could require a growth in SERC and/or NDES's. | 0                  | 0       |       |       | \$19,684              |            | \$0        | \$0             |
| 23                                     | Fire Marshal (EA 3816)-One DPS Officer 2 position has been vacant since September 8, 2008 and will remain vacant through May 31, 2011 with a hire date of June 1, 2011.  | Holding PCN 0013 vacant through the bienium will result in the risk of losing the position in the next bienium.  | 0                  | 0       |       |       | \$132,813             |            | \$0        | \$0             |
| 27                                     | Legislative Protection (EA 4718)-Reduction to overtime, per diem and travel expenses.  | The consequences of these reductions are the cases that are currently on the administrative banks in the Las Vegas office will remain in the Las Vegas office and not be done away with for the remainder of this bienium.   | 0                  | 0       |       |       | \$16,990              |            | \$0        | \$0             |
| 29                                     | Fire Marshal (EA 3816)-Reduction in FY 10 includes savings from 12 vacant DPS Officer 3 positions and 50% of overtime. In FY 11, an additional 10 DPS Officer 3 positions are reduced, overtime is reduced by 25% and with a vacant position pool manager, 25% of overtime is reduced. All positions are currently vacant.   | The consequences of these reductions are the cases that are currently on the administrative banks in the Las Vegas office will remain in the Las Vegas office and not be done away with for the remainder of this bienium.   | 20                 | 0       |       |       | \$1,139,874           |            | \$0        | \$0             |
| 31                                     | Private & Probation (EA 3740)-Reduction of seven vacant DPS Officer 3 positions, and related motor pool mileage, your mail and phone line costs.   | The consequences of these reductions are the cases that are currently on the administrative banks in the Las Vegas office will remain in the Las Vegas office and not be done away with for the remainder of this bienium.   | 7                  | 0       |       |       | \$1,011,168           |            | \$0        | \$0             |

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## 10% Reductions - Recommended and Governor Considering

| Public Safety                          |   |  |                 |         |       |       |                    |            |            |                 |               |
|--|---|--|-----------------|---------|-------|-------|--------------------|------------|------------|-----------------|---------------|
| Agency 650 DEPARTMENT OF PUBLIC SAFETY |   |  |                 |         |       |       |                    |            |            |                 |               |
| Priority                               | Description   | Impact   | Positions elim. | Layoffs | GF Y1 | GF Y2 | Bienium GF savings | Federal Y1 | Federal Y2 | Bienium Federal | Bienium Other |
| 33                                     | The Division (DA) FY18 reduction of six vacant positions and the elimination of one vacant position will result in a net reduction of seven positions. The Division is currently on the Administrative Bank & Technology cost allocation and union training by 50% in FY18 and 75% in FY19. | The consequences of these reductions are minimal. The Division is currently on the Administrative Bank & Technology cost allocation and union training by 50% in FY18 and 75% in FY19. | 6               | 0       |       |       | \$1,062,521        |            | \$0        |                 | \$0           |
| 37                                     | Investigation Div. (DA) FY18 Reduction to operating and elimination of training, uniforms, the crash fund, and one DPS Officer 2 position.  | This reduction will have minimal impact on the agency.   | 1               | 0       |       |       | \$170,023          |            | \$0        |                 | \$0           |
| <b>Public Safety Totals</b>            |   |  |                 |         |       |       |                    |            |            |                 |               |
|  |   |  | 25              | 0       |       |       | \$3,971,099        |            | \$0        |                 | \$282,422     |
| Public Works Board                     |   |  |                 |         |       |       |                    |            |            |                 |               |
| Agency 190 PUBLIC WORKS BOARD          |   |  |                 |         |       |       |                    |            |            |                 |               |
| Priority                               | Description   | Impact   | Positions elim. | Layoffs | GF Y1 | GF Y2 | Bienium GF savings | Federal Y1 | Federal Y2 | Bienium Federal | Bienium Other |
| 1                                      | This proposal reduces operating.  |  | 0               | 0       |       |       | \$3,000            |            | \$0        |                 | \$0           |
| 1                                      | This proposal reduces the Administrative Services Assessment charge by 25% in FY 2018 and 50% in FY 2019.   |  | 0               | 0       |       |       | \$2,566            |            | \$0        |                 | \$0           |
| 2                                      | This proposal reduces board member pay.   |  | 0               | 0       |       |       | \$7,004            |            | \$0        |                 | \$0           |
| 3                                      | This proposal eliminates a replacement desktop computer and surge protector.  |  | 0               | 0       |       |       | \$2,060            |            | \$0        |                 | \$0           |
| 4                                      | This proposal reduces in-state travel.  |  | 0               | 0       |       |       | \$4,000            |            | \$0        |                 | \$0           |
| 5                                      | This proposal reduces a full-time Administrative Assistant position to part-time 87% in the 6th version, 83% in the 5th version and 75% in the 10th version.  |  | 0               | 0       |       |       | \$21,288           |            | \$0        |                 | \$0           |
| <b>Public Works Board Totals</b>       |   |  |                 |         |       |       |                    |            |            |                 |               |
|  |   |  | 0               | 0       |       |       | \$38,916           |            | \$0        |                 | \$0           |

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## 10% Reductions - Recommended and Governor Considering

| Taxation                          |  |   |                    |         |       |       |                       |            |            |                            |                    |
|-----------------------------------|--|---|--------------------|---------|-------|-------|-----------------------|------------|------------|----------------------------|--------------------|
| Agency 130 DEPARTMENT OF TAXATION |  |   |                    |         |       |       |                       |            |            |                            |                    |
| Priority                          | Description  | Impact  | Positions<br>elim. | Layoffs | GF Y1 | GF Y2 | Minimum GF<br>savings | Federal Y1 | Federal Y2 | Barium Federal<br>Other Y1 | Barium<br>Other Y2 |
| 1                                 | Closure of the Hilo Office, effective July 1, 2010   | Department of Taxation will not have a presence in a rural community and taxpayers would need to conduct business with the Department in person at the Hilo office. The first completed by this office would be completed by Hilo based auditors. Estimated revenue loss of \$720,000 with the closure. | 5                  | 5       |       |       | \$237,434             |            |            | 50                         | 50                 |
| 6                                 | This proposal reduces staffing in the Division of Assessment Standards, Policy and Publications section and will result in the elimination of the section's function effective March 1, 2010 | The Policy and Publications section is responsible for developing and publishing manuals, drafting regulations and proposed policy guidance and directing for the Division of Assessment Standards.   | 3                  | 3       |       |       | \$258,074             |            | 50         |                            | 50                 |
| Taxation Totals                   |  |   | 8                  | 8       |       |       | \$495,508             |            | 50         |                            | 50                 |

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## 10% Reductions - Recommended and Governor Considering

| Wildlife   |  |  |                 |         |       |       |                     |              |            |          |                |
|--|--|--|-----------------|---------|-------|-------|---------------------|--------------|------------|----------|----------------|
| Agency   | 702  | WILDLIFE   |                 |         |       |       |                     |              |            |          |                |
| Priority   | Description  | Impact   | Positions elim. | Layoffs | GF Y1 | GF Y2 | Biennium GF savings | Federal Y1   | Federal Y2 | Other Y1 | Biennium Other |
| 1  | Use accrued salary savings from vacant positions in FY 2010 and take an advance of an anticipated increase in the federal match rate for the State Wildlife Grant in FY2011. | Sufficient savings exists to meet FY10 obligations. FY2011: Shift priorities and work to eliminate positions or grant money to the Governor's available federal funds or to perform all priority projects under Nevada's Wildlife Action Plan; may be an opportunity to increase funding for some of the species of conservation priority under the Endangered Species Act.<br><br>The FY 2010 grant (starting January 2011) will benefit the state by increasing the federal match rate for the Wildlife Grant. The Governor's General Fund for the same overall expenditures. However, this is dependent upon the ability to secure the FY2010 award. FY 2011 and the total amount of savings is uncertain. Additionally, an increase of approximately 10% in BWD funding is pending in Congress. The Governor's General Fund reduction may further exacerbate the inability to spend all available federal funds. | 0               | 0       |       |       | \$113,927           |              |            |          | \$0            |
| Wildlife Totals  |  |  | 0               | 0       |       |       | \$113,927           |              |            |          | \$0            |
| Grand Totals for 10% Reductions - Recommended and Governor Considering |  |  | 285.27          | 215     |       |       | \$27,551,044        |              |            |          | \$1,782,208    |
|  |  |  |                 |         |       |       |                     | (\$52,422)   |            |          |                |
|  |  |  |                 |         |       |       |                     | \$70,223,596 |            |          |                |

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## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

## Administration

## Agency 080 BUDGET AND PLANNING DIVISION

| Priority | Description  | Impact   | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Maximum Total |
|----------|--|--|---------------------|---------------------|---------------|
| 6        | <p><b>1340 BUDGET AND PLANNING</b></p> <p>Budget Account: 101-2505- Construction Education Account (NS 624-770-580)</p> <p>This account was created in 2003 to provide grants to construction education programs. This account is administered by the Commission on Construction Education which is a 7 member commission appointed by the Governor. The Commission reviews programs of education which are eligible for grants from the Construction Education Account and makes recommendations to those programs that apply and qualify.</p> <p>This account is funded by fines and interest. The funds must be used solely for the purpose of providing grants to construction education programs. The funds are not to be used for the business of the Commission.</p>  | <p>The transfer of \$3,284,647 from this fund to the General Fund will result in fewer grants available to construction education programs.</p> <p>The transfer of this money to the General Fund will not significantly impact this account.</p> <p>Transfer of these funds to the General Fund will require legislative action to change NS 624-580.</p> | \$0                 | \$3,284,647         | \$3,284,647   |
| 7        | <p><b>1340 BUDGET AND PLANNING</b></p> <p>Budget Account: 101-2505- Controlled Substance Grants (NS 372A-010-372A-130)</p> <p>This account is used for administering the taxes and fees collected by the State Board of Pharmacy from the registered dealers of controlled substances. The registered dealers are required to pay a fee to the State Board of Pharmacy for the privilege of doing business as a registered dealer. The State Board of Pharmacy also produces revenue stamps that are serially numbered that they sell to the registered dealers. The Pharmacy Board maintains records of the number of each stamp and the name of the dealer when it was sold.</p> <p>The taxes and fees collected by the State Board of Pharmacy, after deducting the actual cost of producing the stamps and administering this account, must be deposited with the State Treasurer for credit to the State General Fund and accounted for separately. The money collected from this account, including the penalties may be expended only for grants to county and city law enforcement agencies for the enforcement of NS 031 Controlled Substances.</p> | <p>The transfer of \$3,796 from this fund to the General Fund will result in less grant money available to law enforcement agencies.</p> <p>The transfer of this money to the General Fund will not significantly impact this account.</p> <p>Transfer of these funds to the General Fund will require legislative action to change NS 372A-130.</p>       | \$0                 | \$3,796             | \$3,796       |

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Andrew Clinger-Administration #3

## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

| Administration                          |  |  |                  |                  |
|---|--|--|------------------|------------------|
| Agency 080 BUDGET AND PLANNING DIVISION |  |  |                  |                  |
| Priority                                | Description  | Impact   | Fiscal Year 2010 | Fiscal Year 2011 |
|   |  |  |                  | Maximum Total    |
| 8                                       | <p><b>1340 BUDGET AND PLANNING</b></p> <p>Budget Account: 101-1344 - Griffith Fund (MS 206-005-206-340)</p> <p>This account is used to administer administrative assessments, fine and fees from persons found guilty of vandalizing, placing graffiti upon, or defacing public or private property, real or personal or another.</p> <p>The account is funded from assessments, fees and fines and the money must go into the Griffith Reward Fund. The fund must be used to pay a reward to a person who in response to an offer of reward, provides information which results in the identification, apprehension and conviction of a person who violates MS 206-125, 206-339 or 206-339.</p>   | <p>The transfer of \$10,000 from the Griffith Reward Fund to the General Fund will result in less reward money available.</p> <p>The transfer of this money to the General Fund will not significantly impact this account.</p> <p>Transfer of these funds to the General Fund will require legislative action to change MS 206-340.</p>                       | \$0              | \$10,000         |
| 9                                       | <p><b>1340 BUDGET AND PLANNING</b></p> <p>Budget Account: 101-4809 - DOE Emergency Fund (MS 353-251)</p> <p>This account was created on July 1, 2003 and is used to allocate funds to state agencies for emergency repairs to state-owned buildings. The account is funded by the Department of Energy and Environmental Protection. The account is used to pay for emergency repairs to state-owned buildings. The account is used to pay for emergency repairs to state-owned buildings. The account is used to pay for emergency repairs to state-owned buildings.</p> <p>The transfer of this money to the General Fund will not significantly impact this account.</p> <p>Transfer of these funds to the General Fund will require legislative action to change MS 353-251.</p> | <p>The transfer of \$200,000 from the Emergency Fund to the General Fund will result in less money available to state agencies for emergencies.</p> <p>The transfer of this money to the General Fund will not significantly impact this account.</p> <p>Transfer of these funds to the General Fund will require legislative action to change MS 353-251.</p> | \$0              | \$200,000        |
| <b>Administration Totals</b>            |  |  | <b>\$0</b>       | <b>\$410,000</b> |

## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

| Agriculture               |   | Agency 550 AGRICULTURE   |   | Impact   | Fiscal Year 2010   | Fiscal Year 2011 | Biennium Total     |
|---------------------------|---|--|---|--|--------------------|------------------|--------------------|
| Priority                  | Description   |  |   |  |                    |                  |                    |
| 14                        | <p><b>4537 AGR - GAS POLLUTION STANDARDS</b><br/>Budget Account: 101-4537 - Gas Pollution Standards (NRS 590, 510, 598, 150)</p> <p>This account is used for the protection of the public's health by reduction of air pollution components produced during fuel combustion. The public benefits from proper operation of internal combustion engines that use gasoline or diesel fuel. Proper operation of engines provides less air pollution, and helps to ensure the engine performs as the manufacturer intended.</p> <p>The funding for this account consists of a transfer from the Department of Motor Vehicles, Motor Vehicle Pollution Control to carry out the provisions of the Nevada Petroleum Products Inspection Act administered by this Division.</p> | Transferring the reserve to the General Fund results in an approximately 50% reduction, which may affect the productivity of programs.   | This account is replenished through a fee transferred from the DMV.                                 | Transfer of funds will require legislative action. | \$250,000          | \$0              | \$250,000          |
| 61                        | <p><b>4545 AGR - AGRICULTURE REGISTRATION/INSPECTION</b><br/>Budget Account: 101-4545 - Agriculture Registration/Inspection (NRS 506, 508, and 590)</p> <p>This account supports the registration, inspection, sampling and laboratory analysis of antifreezes, fertilizers and pesticide products offered for sale.</p> <p>The funding for this account consists of Environmental Protection Agency (EPA) and United States Department of Agriculture (USDA) Cooperative Agreements, Pesticide Registration Fees, Fertilizer Tonnage Fees and Antifreeze Registration Fees.</p>  | Transferring the reserve to the General Fund results in an approximately 40% reduction, however as long as fees continue to come in as projected this account should not be jeopardized. | This account is replenished through fees and ongoing cooperative agreements.                        | Transfer of funds will require legislative action. | \$400,000          | \$0              | \$400,000          |
| 20                        | <p><b>4551 AGR - WEIGHTS &amp; MEASURES</b><br/>Budget Account: 101-4551 - Weights &amp; Measures (NRS 581, 582, and 590)</p> <p>This account is used to license, test and deem correct, all commercially used weighing and measuring devices. It is also used to test the State Sealer inspect packaged goods to determine whether the stated amounts, dates, pricing, etc. are correct. In addition, the bureau obtains samples of motor fuels, and delivers them to the petroleum chemists for analysis.</p> <p>The funding for this account consists of license and fees related to registered service agents, Public Weighmaster Licenses, Device Testing Fees, Petroleum Inspection Fees, and a transfer from the DMV for Motor Vehicle Pollution.</p>            | Transferring the reserve to the General Fund results in a 50% reduction, and as long as fees come in as projected this account will not be jeopardized.                                  | This account is replenished through fees and the transfer from the DMV for Motor Vehicle Pollution. | Transfer of funds will require legislative action. | \$450,000          | \$0              | \$450,000          |
| <b>Agriculture Totals</b> |   |  |   |  | <b>\$1,100,000</b> | <b>\$0</b>       | <b>\$1,100,000</b> |

## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

| Attorney General               |  |  |                  |                    |
|--------------------------------|--|--|------------------|--------------------|
| Agency                         | 030  | ATTORNEY GENERAL'S OFFICE  |                  |                    |
| Priority                       | Description  | Impact   | Fiscal Year 2020 | Fiscal Year 2021   |
| 1038 AG                        | CONSUMER ADVOCATE  |  |                  |                    |
| 11                             | Budget Account: 330-1038 Bureau of Consumer Protection (NS 228.340 to NS 228.350).<br><br>This account provides professional representation, public education, and progressive advocacy services to consumers. The Bureau of Consumer Protection (BCP) also serves to protect Nevada consumers from unfair and deceptive trade practices and telemarketing fraud through criminal and civil enforcement and provides consumer education and public outreach.<br><br>This account is primarily funded with not more than 75 mill collected by the Public Utilities Commission, the state General fund, balanced forward cash, and to a much lesser degree, recoveries and gifts and donations. The cash transferred to the General fund represents the mill assessments as apportioned forward throughout the last several years. | Transferring the reserve to the General fund results in a reduction in the accumulation of reserve funds.<br><br>The impact of the sweep is minimal since the account has consistently balanced forward over \$1 million since 2004 and the account will maintain a more than 45-day reserve going forward.<br><br>The life expectancy of the account is not anticipated to diminish with this one-time sweep especially since reserves will still remain in this account and be allowed to accrue.<br><br>Transfer of these funds will require legislative action. Additional legislative changes to NS 228.340 are required. | \$0              | \$500,000          |
|                                |  |  |                  | \$500,000          |
| 2                              | Budget Account: 735-330 Attorney General Tort Claim Fund (NS 331.187).<br><br>The Tort Claim Fund is established to pay claims, including those pursuant to NS 41.0349 and NS 41.037. Typical claims include automobile accidents, injuries on the state's premises or highways, and earnings claimed for violation of the civil rights of contracts, state employees, or the general population.<br><br>An independent actuary calculates the potential vehicle and general liability for the Tort Claim Fund every two years. The Tort Claim Fund is paid by state agencies based on the number of participating departments and positions.  | Transferring the reserve to the General fund results in reduction in the accumulation of reserve funds in this account.<br><br>The account may require an infusion of cash at fiscal year end closing in 2021, or having a rate adjustment in FY 2022-2023 based on the actuarial report. The only other reason the account may be compromised by this transfer would be unforeseen circumstances that would warrant a large claim payment.<br><br>Transfer of these funds will require legislative action. Legislative changes to NS 331.187 are required.  | \$0              | \$1,000,000        |
|                                |  |  |                  | \$1,000,000        |
| <b>Attorney General Totals</b> |  |  | <b>\$0</b>       | <b>\$2,500,000</b> |
|                                |  |  |                  | \$2,500,000        |

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## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

## Business and Industry

## Agency 741 INSURANCE DIVISION

| Priority | Description   | Impact  | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Reserve Total |
|----------|---|---|---------------------|---------------------|---------------|
| 27       | <p><b>3813 BUI - INSURANCE REGULATION</b><br/>           Budget account: 220-3804 - Self-Insured Associations (NRS 616B.443).</p> <p>This account was created for the purpose of paying claims of a licensed association of self-insured public, or private employees.</p> <p>This account is funded through an initial and annual assessments paid by all associations of self-insured public (NRS 616B.443) and from the interest earned on the assets of this fund (NRS 616B.443). The account is used to pay claims of self-insured public or private employees. The account is initially required to place a security deposit with the Division equal to one half of the association's expected annual incurred cost of claims. Thereafter, they are assessed an annual amount equal to 25% of the original security deposit. Associations of self-insured public or private employees are required to maintain a security deposit with the Division equal to the aggregate amount of the security required to be deposited by all certified associations (NAC 616B.576(3)).</p> | <p>Transferring the reserve to the General Fund results in a reduction to the subsequent year balance forward.</p> <p>The longevity of this account is projected to be healthy through state fiscal year 2025.</p> <p>Transfer of these funds will require legislative action. Additional legislative change to NRS 616B.443 is also required.</p>  | \$500,000           | 50                  | \$500,000     |
| 28       | <p><b>3813 BUI - INSURANCE REGULATION</b><br/>           Budget account: 220-3802 - Insurance Endowment Fund (NRS 616B.443).</p> <p>This account was created for the purpose of paying claims of a licensed self-insured public or private employees.</p> <p>This account is funded through an initial and annual assessments paid by all associations of self-insured public (NRS 616B.443) and from the interest earned on the assets of this fund (NRS 616B.443). The account is used to pay claims of self-insured public or private employees. The account is initially required to place a security deposit with the Division equal to one half of the association's expected annual incurred cost of claims. Thereafter, they are assessed an annual amount equal to 25% of the original security deposit. Associations of self-insured public or private employees are required to maintain a security deposit with the Division equal to the aggregate amount of the security required to be deposited by all certified associations (NAC 616B.576(3)).</p>                  | <p>Transferring the reserve to the General Fund results in a reduction to the subsequent year balance forward.</p> <p>The longevity of this account is projected to be healthy through the end of state fiscal year 2025.</p> <p>Transfer of these funds will require legislative action. Additional legislative change to NRS 616B.443 is also required.</p>   | \$4,000,000         | 50                  | \$4,000,000   |
| 4        | <p><b>3817 BUI - INSURANCE EXAMINERS</b><br/>           Budget account: 220-3817 - Insurance Examiners (NRS 679B.230-679B.300).</p> <p>This account was established to provide for examination of the affairs, transaction accounts, records, and assets of each authorized insurer. Each authorized insurer is examined not less than every two years and each insurer applying for an initial Certificate of Authority is examined. Examinations are of financial or market conduct and the examined company pays the examination fee. The account is used to pay the examination fee. The account is also used to pay the examination fee for the examination of the affairs, transaction accounts, records, and assets of each authorized insurer.</p> <p>The account is funded by examination and administration fees. The component is transferred to the General Fund as an accumulation of these fees.</p>  | <p>Transferring the reserve to the General Fund results in a reduction to the reserve category similar to the level experienced in state fiscal year 2006.</p> <p>The longevity of this account has been projected to be healthy through state fiscal year 2025.</p> <p>Transfer of these funds will require legislative action. Additional legislative change to NRS 679B.230-679B.300 is also required.</p> | \$600,000           | \$700,000           | \$1,300,000   |

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## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

## Business and Industry

## Agency 741 INSURANCE DIVISION

| Priority                    | Description  | Impact   | Fiscal Year 2010 | Fiscal Year 2011 | Biennium Total |
|-----------------------------|--|--|------------------|------------------|----------------|
| 3818 RBJ - CAPTIVE INSURERS |  |  |                  |                  |                |
| 10                          | Budget account: 303-3818 - Captive insurers (NCS 694C).<br>This account, established by the 1993 legislative action, requires and supervises captive insurers domiciled in the state of Nevada. A Captive insurer is an insurance company established and owned by a parent firm in order to insure its loss exposures while reducing premium costs, providing easier access to a re insurer, and perhaps easing tax burdens. This budget is self-funded through fees, assessments, and 25 percent of the state's insurance premium tax paid by for-profit captive insurers. The remaining 75 percent of captive insurer premium tax receipts are deposited into the state General Fund. | Transferring the reserve to the General Fund results in approximately a six week reserve. The longevity of this budget account is projected to be healthy through state fiscal year 2015. Transfer of these funds will require legislative action. Additional legislative change to NCS 694C is also required. | \$400,000        | \$100,000        | \$500,000      |

## 3821 RBJ - INSURANCE RECOVERY

|   |   |   |     |           |           |
|---|---|---|-----|-----------|-----------|
| 1 | Budget account: 303-3821 - Insurance Recovery (NCS 679A, 305, 683A, 684A, 685A and 692A).<br>This account was created to provide a means of partially satisfying claims against persons licensed under NCS 683A, 684A, 685A and 692A, by reducing the bonding requirements for brokers, surplus lines brokers and adjusters.<br>The account is funded by a fee not to exceed \$15 which a licensee pays upon initial licensure and renewal. | Transferring the reserve to the General Fund results in a reduction to budget account 303-3821 - Insurance Education and Research.<br>The longevity of this account has been projected to be healthy through the end of state fiscal year 2015.<br>Transfer of these funds will require legislative action. Additional legislative change to NCS 679A, 305, 683A, 684A, 685A and 692A is also required. | \$0 | \$100,000 | \$100,000 |
|---|---|---|-----|-----------|-----------|

## Agency 742 INDUSTRIAL RELATIONS DIV

| Priority                        | Description  | Impact   | Fiscal Year 2010 | Fiscal Year 2011 | Biennium Total |
|---------------------------------|--|--|------------------|------------------|----------------|
| 4600 RBJ - INDUSTRIAL RELATIONS |  |  |                  |                  |                |
| 7                               | Budget account: 21C-6029 - Uninjured Employee Claim Account (NCS 616A, 440 and 616C-463).<br>This account provides disability benefits and medical expenses to workers suffering from compensable injuries while working for employers who fail to provide workers compensation.<br>This account is funded by fees, recovery funds, and interest earnings. The component transferred to the General Fund is the interest earnings. | Transferring the reserve to the General Fund results in a reduction to funding balance forward at the subsequent state fiscal year.<br>The longevity of this account appears to be healthy and is not projected to need a replenishment from the General Fund.<br>Transfer of these funds will require legislative action. Additional legislative change to NCS 616A, 440 and 616C-463 is also required. | \$0              | \$100,000        | \$100,000      |

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Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

Business and Industry

Agency 744 HOUSING DIVISION

| Priority | Description   | Impact   | Fiscal Year 2010 | Fiscal Year 2011 | Minimum Total |
|----------|---|--|------------------|------------------|---------------|
| 5        | <p><b>3018 B4 - LOW INCOME HOUSING TRUST FUND</b></p> <p>Budget account: 301-8888 - Low Income Housing Trust Fund (NWS 319,500 319,500).</p> <p>This account assets and encourages the private sector and other governmental entities to create and maintain affordable housing throughout the state, serving as the main source of matching funds for federal public housing program. This program supports black and senior initiatives or projects that are in the process of being developed. The program also provides for the purchase of 319,500 in state requests.</p> <p>Additionally, the fund provides down payment assistance for first time home buyers in those same income restricted categories.</p> <p>The account is funded through federal grants, interest savings and a transfer from the Department of Tradition of a portion of the real property transfer tax. The program receives tax revenue of 10 cents per \$500 of assessed unencumbered real estate transfer value. The component transferred to the General Fund is from the real property tax funds.</p> | <p>Transferring the reserve to the General Fund results in a reduction to the transfer to local jurisdictions. The longevity of this budget account has been projected to be healthy through state fiscal year 2026.</p> <p>Transfer of these funds will require legislative action. Additional legislative changes to NWS 319,500 through NWS 319,500 is also required.</p> | \$750,000        | \$2,250,000      | \$3,000,000   |

# Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions Business and Industry

| Agency | 748 | REAL ESTATE DIVISION | Priority | Description  | Impact  | Fiscal Year<br>2018 | Fiscal Year<br>2017 | Reserve Total |
|--------|-----|----------------------|----------|--|---|---------------------|---------------------|---------------|
|        |     |                      |          | <b>8401-841 - COMMON INTEREST COMMUNITIES</b>  |   |                     |                     |               |
|        |     |                      |          | Budget account: 101-3820 - Common Interest Communities (NRS 38.200-38.300, 116-615, 116-795, and 116B-800-116A.815).   | Transferring the reserve to the General Fund results in a reduction to the balance forward to the subsequent state fiscal year.   | \$500,000           | \$0                 | \$500,000     |
| 14     |     |                      |          | The account assists and educates board and owner who are with a common interest community and condominium markets in understanding and properly applying the laws that regulate them and investigates and assists in resolving disputes.   | The longevity of this budget account has been projected to be healthy through state fiscal year 2027.   |                     |                     |               |
|        |     |                      |          | This fee-based budget supports the Office of the Commissioner for Common Interest Communities and the Commission for Common Interest Communities and Condominiums. This program is funded by fees collected annually from each registered homeowner association and from filing fees for Alternative Dispute Resolution, along with the interest generated on these funds. The component transferred to the General Fund is the accumulation of the reserve. | Transfer of these funds will require legislative action. Additional legislative change to NRS 38.300-38.390, 116-615-116-795, and 116B-800-116A.815 is also required.   |                     |                     |               |
|        |     |                      |          | <b>8401-842 - REAL ESTATE ADMINISTRATION</b>   |   |                     |                     |               |
| 105    |     |                      |          | Budget account: 101-3821 - Real Estate Administration (NRS 118.120, 118.114, 119A.02, 119B.380, 115.615, 116A.200, 116B.805, 645.045, 645C.170, 645C.110, and 645C.111).   | The Real Estate Division is a licensing and regulatory agency. Through the issuance of licenses, permits, certificates and registrations, the Real Estate Division seeks to ensure that the public is not harmed by any improper action constituting a violation of law or regulation under its authority or by individuals performing unlicensed activity. Adequate resources for the broad range of programs under the Real Estate Division enable the agency to promote development and commerce in the state while protecting the public in those transactions.   | \$24,471            | \$125,456           | \$149,927     |
|        |     |                      |          | This account regulates real estate brokers and salespersons, property managers, appraisers, title companies, and escrow agents. The division also monitors the enforcement of the statutory and regulatory provisions regarding the sale of subdivided lands, time shares, and campground memberships and also administers continuing education programs for real estate licensees in Nevada.  | There is a direct nexus between the Common Interest Communities, budget account, 101-3820, and the Real Estate Administration budget account 101-3821. The Common Interest Communities, budget account, 101-3820, does not have a direct nexus with the Real Estate Administration, budget account, 101-3821, and the Real Estate Division account for operational, administrative, legal administrative, fiscal and personnel functions. Additionally, a cost allocation is paid for rent in both the Bradley Building (Las Vegas) office and the Carson City office and to maintain the state integrated data system which is used by all sections of the division. The licensing section handles all licensing and registration for the Common Interest Communities Program. After its completion division unit 1040 in budget account 8820. |                     |                     |               |
|        |     |                      |          | The budget account is funded through a combination of fees, inter-agency transfers, and General Funds. The agency proposes to transfer funds from the Common Interest Communities budget account, 101-3820, and reduce the General Fund appropriation.   | Transfer of these funds will require legislative approval. Additional legislative change to NRS 118.120, 118.114, 119A.02, 119B.380, 115.615, 116A.200, 116B.805, 645.045, 645C.170, 645C.110, and 645C.111 may also be required.   |                     |                     |               |

# Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

## Business and Industry

| Agency 748 REAL ESTATE DIVISION |   | Impact   | Fiscal Year 2010 | Fiscal Year 2011 | Biennium Total |
|---------------------------------|---|--|------------------|------------------|----------------|
| Priority                        | Description   |  |                  |                  |                |
| 9                               | <p><b>3805 681 - REAL ESTATE EDUCATION AND RESEARCH</b></p> <p>Budget account: 216-3826 - Real Estate Education and Research (NRS 645.641-645.6492).</p> <p>This account promotes and ensures awareness of relevant laws and practices required of real estate licensees, and provides information to the public regarding their said requirements of licensees and all parties in a real estate transaction. This is accomplished through publication of printed materials, the division's web site, public information initiatives, education programs, and research reports. This program processes pre-licensing, post-licensing and continuing education courses for licensees, provides information on current real estate laws, rules, and regulations, conducts audits of approved courses, develops educational programs, and provides immediate accessibility to division forms and information through the internet.</p> <p>The account is funded by any balance in budget account 216-3827 - Real Estate Recovery Account over \$200,000 remaining at the end of any fiscal year.</p> | Transferring the reserve to the General Fund results in a reduction to the balance forward of funds to the subsequent state fiscal year.   | \$0              | \$200,000        | \$200,000      |
| 1                               | <p><b>3827 681 - REAL ESTATE RECOVERY ACCOUNT</b></p> <p>Budget account: 216-3827 - Real Estate Recovery Account (NRS 645.641-645.6491).</p> <p>This account is used to satisfy claims against persons licensed under NRS 645. The budget account is funded by a \$400 fee which is charged with each original and renewal of a real estate salesperson or broker's license for the purpose of education, research and recovery. The fees totally flow into this budget for the purpose of education, research and recovery.</p> <p>The fees totally flow into this budget for the purpose of education, research and recovery. At the end of the fiscal year, the balance of this fund is \$200,000. If the balance is less than \$200,000, the balance of this fund is \$200,000. If the balance is more than \$200,000, the balance of this fund is the amount over \$200,000.</p>   | <p>Transferring the reserve to the General Fund results in a reduction of the transfer to the Education and Research budget account, 216-3826.</p> <p>The integrity of the budget account is projected to be healthy through state fiscal year 2015.</p> <p>Transfer of these funds will require legislative action. Additional legislative change to NRS 645.641-645.6491 is also required.</p> | \$0              | \$100,000        | \$100,000      |

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## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

| Business and Industry |  | Impact |  | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Biennium Total |
|-----------------------|--|--------|--|---------------------|---------------------|----------------|
| Priority              | Description  |        |  |                     |                     |                |
| Agency 749            | <b>ATHLETIC COMMISSION</b>   |        |  |                     |                     |                |
|                       | <b>392.3 BMJ - ATHLETIC COMMISSION</b>   |        |  |                     |                     |                |
| 8                     | Budget account: 101-3952 - Athletic Commission (NRS 467 and NAC 467).<br><br>This budget account regulates all contests or exhibitions of unarmed combat including boxing, kickboxing, and full-contact martial arts. It supervises and regulates boxers, kickboxers, mixed martial arts contestants, ring officials, managers, promoters and matchmakers. The commission is comprised of five members appointed by the governor for staggered three year terms. The commission is authorized to receive and expend funds for the promotion and regulation of amateur boxing contests and exhibitions in Nevada through the Amateur Boxing Program transfer fund to compensate staff for time spent on the program.<br><br><b>392.3 BMJ - ATHLETIC COMMISSION</b><br>Budget account: 101-3952 - Athletic Commission (NRS 467 and NAC 467).<br><br>This budget account regulates all contests or exhibitions of unarmed combat including boxing, kickboxing, and full-contact martial arts. It supervises and regulates boxers, kickboxers, mixed martial arts contestants, ring officials, managers, promoters and matchmakers. The commission is comprised of five members appointed by the governor for staggered three year terms. The commission is authorized to receive and expend funds for the promotion and regulation of amateur boxing contests and exhibitions in Nevada through the Amateur Boxing Program transfer fund to compensate staff for time spent on the program.<br><br>Fees are collected from the sale of tickets to view boxing, kickboxing, and mixed martial arts, and from the sale or lease of television or motion picture rights. All revenue collected is deposited to the state general fund, with the exception of the sporting events ticket surcharge revenue, which is used to award grants to organizations that promote amateur boxing contests or exhibitions in Nevada through the Amateur Boxing Program. The agency proposes a new annual assessment against the Amateur Boxing Program revenue fund to compensate staff for time spent on the program. |        |  |                     |                     |                |
|                       |  |        |  | \$15,941            | \$14,072            | \$32,555       |
| 9                     | Budget account: 101-3952 - Athletic Commission (NRS 467 and NAC 467).<br><br>This budget account regulates all contests or exhibitions of unarmed combat including boxing, kickboxing, and full-contact martial arts. It supervises and regulates boxers, kickboxers, mixed martial arts contestants, ring officials, managers, promoters and matchmakers. The commission is comprised of five members appointed by the governor for staggered three year terms. The commission is authorized to receive and expend funds for the promotion and regulation of amateur boxing contests and exhibitions in Nevada through the Amateur Boxing Program transfer fund to compensate staff for time spent on the program.<br><br><b>392.3 BMJ - ATHLETIC COMMISSION</b><br>Budget account: 101-3952 - Athletic Commission (NRS 467 and NAC 467).<br><br>This budget account regulates all contests or exhibitions of unarmed combat including boxing, kickboxing, and full-contact martial arts. It supervises and regulates boxers, kickboxers, mixed martial arts contestants, ring officials, managers, promoters and matchmakers. The commission is comprised of five members appointed by the governor for staggered three year terms. The commission is authorized to receive and expend funds for the promotion and regulation of amateur boxing contests and exhibitions in Nevada through the Amateur Boxing Program transfer fund to compensate staff for time spent on the program.<br><br>Fees are collected from the sale of tickets to view boxing, kickboxing, and mixed martial arts, and from the sale or lease of television or motion picture rights. All revenue collected is deposited to the state general fund, with the exception of the sporting events ticket surcharge revenue, which is used to award grants to organizations that promote amateur boxing contests or exhibitions in Nevada through the Amateur Boxing Program. The agency proposes a one-time transfer to the General Fund.   |        |  | \$0                 | \$20,500            | \$20,500       |

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## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

| Business and Industry                        |          |   |  | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Biennium Total      |
|--|----------|---|--|---------------------|---------------------|---------------------|
| Agency                                       | Priority | Description   | Impact   |                     |                     |                     |
| <b>Agency 755 FINANCIAL INSTITUTIONS DIV</b> |          |   |  |                     |                     |                     |
| <b>3493 864 - FINANCIAL INSTITUTIONS</b>     |          |   |  |                     |                     |                     |
| 6  |          | <p>Budget account: 201-382-071 Financial Institutions (NYS OGA, 6456, 648, 657-668, 669, 670, 671A, 674, 675, 676, 677, 678, 679)</p> <p>This account is to maintain a safe and sound financial institutions system that promotes a conducive business environment, protects consumers and defends the public interest through licensing, supervision, and enforcement of depositary, lending, debt collection and money transmission activities.</p> <p>The account is self-funded through licensing, licensing fees and industry assessments.</p> | <p>Transferring the reserve to the General Fund results in an operating reserve of approximately eight months. The longevity of the budget account has been projected to be healthy through fiscal year 2015.</p> <p>Transfer of these funds will require legislative action. Additional legislative change to NYS OGA, 6556, 648, 657-668, 669, 674, 675, 676, 677, and 678 is also required.</p> | \$250,000           | \$0                 | \$250,000           |
| 3  |          | <p><b>3493 864 - FINANCIAL INSTITUTIONS AUDIT</b></p> <p>Budget account: 101-3912-7 Financial Institutions Audit (NYS OGA, 655)</p> <p>This account is responsible for conducting independent audits of division licensees, upon request of the commissioner. The program also reviews annual financial information provided by existing licensees and for applicants for new licenses.</p> <p>The account is funded by assessment to the industry. The portion transferred to the General Fund is an accumulation of reserve funds.</p>            | <p>Transferring the reserve to the General Fund results in a reduction to the reserve forward to the subsequent fiscal year.</p> <p>The longevity of the account has been projected to be healthy through fiscal year 2015.</p> <p>Transfer of these funds will require legislative action. Additional legislative change to NYS OGA, 655 is also required.</p>                                    | \$150,000           | \$100,000           | \$250,000           |
| <b>Business and Industry Totals</b>          |          |   |  | <b>\$11,100,314</b> | <b>\$3,400,968</b>  | <b>\$15,001,282</b> |

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## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

## Commission on Mineral Resources Division of Minerals

## Agency 500 COMMISSION ON MINERAL RESOURCE

| Priority   | Description   | Impact  | Fiscal Year 2010 | Fiscal Year 2011 | Biennium Total   |
|--|---|---|------------------|------------------|------------------|
| 4215 MINERALS  |   |   |                  |                  |                  |
| 3  | Budget account: 101-4220 - Bond Reclamation (NRS 519A.250).<br><br>This account manages the reclamation bond pool to allow mining and exploration operators, who would not otherwise be able to obtain required reclamation bonding, an opportunity to participate in the state bond pool, subject to specific requirements established by regulation.<br><br>The bond pool is a fund which has been developed through mining company participants' deposits, premiums, and interest earned to cover an event where a participant fails to perform reclamation on mined land, as required by a regulatory authority (Nevada Division of Environmental Protection, the U.S. Bureau of Land Management or the U.S. Forest Service). The Division of the ASR, pursuant to NRS 519A.250, is the administrator of the bond pool.<br><br>Transfer of these funds will require legislative action. Additional legislative change to NRS 519A.250 is also required. | Transferring the reserve to the General Fund results in a reduction to the reserve without additional risk to the state, assuming no additional bonds are issued.<br><br>The longevity of this account is projected to remain healthy through state fiscal year 2015.<br><br>Transfer of these funds will require legislative action. Additional legislative change to NRS 519A.250 is also required. | \$427,817        | \$0              | \$427,817        |
| 4215 MINERALS  |   |   |                  |                  |                  |
| 5  | Budget account: 101-4201 - Cash Pooled Bond Investments (NRS 716.46).<br><br>This account consists of cash and certificates of deposit which bond call, tax, and governmental operations in the state.<br><br>The account is funded by cash bond receipts and interest earnings. The interest earnings component is being transferred to the General Fund.  | Transferring the reserve to the General Fund results in a reduction to the amount to be balanced forward into the subsequent fiscal year.<br><br>The longevity of the account is to healthy through the current biennium.<br><br>Transfer of these funds will require legislative action. Additional legislative change to NRS 716.46 is also required.   | \$138,557        | \$0              | \$138,557        |
| <b>Commission on Mineral Resources Division of Minerals Totals</b> |   |   | <b>\$566,374</b> | <b>\$0</b>       | <b>\$566,374</b> |



# Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions Conservation & Natural Resources

| Agency 700 CONSERVATION/NATURAL RESOURCES     |   | Billion Total   |                  |                  |               |
|---|---|---|------------------|------------------|---------------|
| Priority                                      | Description   | Impact  | Fiscal Year 2010 | Fiscal Year 2011 | Billion Total |
| 12  | <p><b>4159 DCM - ADMINISTRATION</b></p> <p>Budget Account: 101-4144 - ABN/CI Bonds Chapter 6, Statutes of Nevada 2021, 1791 Special Session.</p> <p>This account maintains the bond sale credit for the CI program along with earned interest. The interest is used to protect and preserve the property or natural resources of this state or to obtain the benefits thereof for the following purposes (a) for the acquisition of real or personal property or interests therein; (b) for the acquisition of real or personal property or interests therein; (c) for the acquisition of real or personal property or interests therein; or (d) to support extraordinary capital improvements and renovations of facilities in state parks.</p> <p>Funding for this account is provided from the occasional sale of bonds up to \$200,000,000 in any one fiscal year. To date a total of \$16,000,000 in bonds have been sold and funds are accumulated in the account. It is the unobligated interest in this account that is proposed to be transferred to the General Fund.</p> | <p>Transferring the unobligated accumulated interest in this account to the General Fund could potentially result in the inability to fully administer in the future the ABN/CI Bonds to protect, preserve and obtain the benefits of the property and natural resources of Nevada. It is critical to acknowledge that a one-time bonded transfer of interest and that the account could not sustain a recurring transfer of interest funds.</p> <p>The life expectancy of the balance of the fund is undefined and will continue until the balance of the \$200 million in bond proceeds has been exhausted for its intended purpose. No General Funds are required in the future to replenish this account.</p> <p>Transfer of these funds will require legislative action.</p> | \$150,000        | \$400,000        | \$750,000     |
| <b>Agency 704 PARKS DIVISION</b>              |   |   |                  |                  |               |
| 36  | <p><b>4162 DCM - STATE PARKS</b></p> <p>Budget Account: 101-6100 - Performance Guarantees.</p> <p>The funding in this account is the balance of a \$6,000 performance guarantee received in fiscal year 2000. There have not been any expenditures from this account since fiscal year 2001.</p>  | <p>Transfer of these funds will not require legislative action.</p>   | \$2,002          | \$0              | \$2,002       |
| <b>Agency 705 DIVISION OF WATER RESOURCES</b> |   |   |                  |                  |               |
| 29  | <p><b>4171 DCM - WATER RESOURCES</b></p> <p>Budget Account: 101-4218 - Flood Repairs and Disaster Relief (WRS 541.150)</p> <p>This account is established by the Legislature to provide emergency loans to repair damage caused to the system for the distribution of water of a governmental subdivision of this state where that damage has been caused by flooding or other acts of God, resulting in an emergency condition of a shortage of water for public use.</p> <p>The account was established by legislative appropriation.</p>   | <p>Transferring the reserve to the General Fund would result in the unavailability of these emergency funds in the event flood damage was raised and emergency repairs for a subdivision's water system was necessary.</p> <p>The life expectancy of the balance of the fund is undefined and available as long as there is a principal balance in the account. A General Fund appropriation would be required in the future to re-establish the fund.</p> <p>Transfer of these funds will require legislative action.</p>  | \$50,000         | \$0              | \$50,000      |

# Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions Conservation & Natural Resources

| Agency                                | 709 | PRIORITY | DESCRIPTION  | IMPACT   | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Revenue Total |
|---------------------------------------|-----|----------|--|--|---------------------|---------------------|---------------|
| <b>ENVIRONMENTAL PROTECTION</b>       |     |          |  |  |                     |                     |               |
| <b>3173 DCNR - DEP ADMINISTRATION</b> |     |          |  |  |                     |                     |               |
| 3                                     |     |          | <p><b>Budget Account: 101-3184 - Air Quality Management Account (NRS 445A.410)</b></p> <p>This account funds the air quality management and regulatory functions of the state. Funds in this account are needed for operating and enforcing all laws.</p> <p>The account is funded from air pollution control operating fees and interest income generated on those fees. It is the undesignated interest in this account that is proposed to be transferred to the General Fund.</p>  | <p>Transferring the undesignated interest to the General Fund would result in reduced funding available over the long term for air pollution control programs.</p> <p>The life expectancy of the balance of the fund is undefined. Since the fund is supported through fees and penalties the fund is self-generating and would not require General Funds to replenish the transfer amounts.</p> <p>Transfer of these funds will require legislative action.</p>   | \$0                 | \$184,164           | \$184,164     |
| <b>3174 DCNR - DEP ADMINISTRATION</b> |     |          |  |  |                     |                     |               |
| 4                                     |     |          | <p><b>Budget Account: 101-4147 - Hazardous Waste Management Account (NRS 445A.330)</b></p> <p>For the continued observation or other management of hazardous waste, including, but not limited to, establishing and maintaining a program of confinement of contaminants involved in the clean up of oil and hazardous waste spills, and the removal of oil and hazardous waste from the environment. This account is also used for the clean up of oil and hazardous waste, hazardous material or a regulated substance; the training of persons to respond to accidents or other emergencies related to hazardous materials; establishing and maintaining a program by the Hazardous Waste Management Division of Florida to inspect and enforce compliance with any provisions of the Florida Hazardous Waste Management Act and any other laws that may apply; and to provide financial incentives and grants made in furtherance of the program.</p> <p>The program is funded from proceeds from agreements entered into regarding where state land is used for hazardous waste management and from the Hazardous Waste Management Fund. The Voluntary Cleanup of Hazardous Substances and Relief from Liability program, reimbursements and penalties recovered responding to leaks, spills or accidents of hazardous waste, and all fees collected and all civil penalties imposed for improper disposal of hazardous waste. In addition to the above, the account is also used for the management of hazardous waste and the collection of income on those balances. It is the undesignated interest in this account that is proposed to be transferred to the General Fund.</p> | <p>Transferring the undesignated interest to the General Fund could result in reduced funding available over the long term, for regulation of hazardous waste and environmental cleanup program.</p> <p>The life expectancy of the balance of the fund is undefined. Since the fund is supported through fees, reimbursements and penalties the fund is self-generating and would not require General Funds to replenish the transfer amounts.</p> <p>Transfer of these funds will require legislative action.</p> | \$0                 | \$382,896           | \$382,896     |
| <b>3186 DCNR - DEP MINING</b>         |     |          |  |  |                     |                     |               |
| 3                                     |     |          | <p><b>REGULATION/RECLAMATION</b></p> <p><b>Budget Account: 101-3185 - Bureau of Mining Regulation/Reclamation (NRS 445A.300-445A.320)</b></p> <p>This account is responsible for the state's mining regulatory program. Nevada's mining regulatory program addresses the design, construction, operation, closure and reclamation of mining and exploration operations. Mining operations are subject to a permit, inspection, compliance monitoring, enforcement, and state and report review.</p> <p>The account is funded from mining fees, charges for services and interest income generated on those fees. It is the undesignated interest in this account that is proposed to be transferred to the General Fund.</p>   | <p>Transferring the undesignated interest to the General Fund would result in reduced funding, available over the long term, for mining reclamation program.</p> <p>The life expectancy of the balance of the fund is undefined. Since the fund is supported through fees and other charges the fund is self-generating and would not require General Funds to replenish the transfer amounts.</p> <p>Transfer of these funds will require legislative action.</p>   | \$0                 | \$80,752            | \$80,752      |

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| Agency   | 709  | ENVIRONMENTAL PROTECTION |
|----------|--|--------------------------|
| Priority | Description  |                          |
|          | <p>1. The Agency shall develop and implement a program to protect the environment from the effects of the proposed project. The program shall include the following:</p> <ul style="list-style-type: none"> <li>a. A study of the potential impacts of the proposed project on the environment.</li> <li>b. A plan to avoid, minimize, and compensate for the adverse effects of the proposed project.</li> <li>c. A system of monitoring and reporting on the progress of the program.</li> </ul> |                          |

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## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

| Conservation & Natural Resources                   |     |   |   | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Biennium Total   |
|--|-----|---|---|---------------------|---------------------|------------------|
| Agency   | 709 | ENVIRONMENTAL PROTECTION  |   |                     |                     |                  |
| Priority   |     | Description   | Impact  |                     |                     |                  |
| 16   |     | <p><b>3157 BODC - DEP SAFE DRINKING WATER</b></p> <p><b>REGULATORY PROGRAM</b> (NSC 200.3107 - Nevada Division of Environmental Protection (NDEP) - Bureau of Safe Drinking Water (BSDW) (NS 445A.800 - NS 445A.853)</p> <p>This account is responsible for implementing the Public Water System Supervision Program (PWS3) for the State of Nevada to ensure that the State's public water systems comply with state and federal drinking water standards. The program assesses water sources (including identification of potential contaminant sources), conducts annual sanitary surveys, certifies the qualifications of personnel responsible for the program, and monitors the quality of the water supply for compliance. The BSDW also reviews engineering plans for public water systems and the substitution of lead.</p> <p>Funding for this account is provided by various federal grants, including changes to a small General Fund appropriation that is used to support the monitoring and water quality standards program and provides the required state match for the Federal 106 grant. The agency is proposing to offset the General Fund appropriation to this account with a transfer of 200-generals interest generated in the Hazardous Waste Management Account, Budget Account 101-4147, which would appear for the transfer of the General Fund 1005 to this account.</p> | <p>Transferring the unobligated interest income from budget account 101-4147 - Hazardous Waste Management Account (NS 445.335) to the Bureau of Safe Drinking Water account will allow the reversion of the General Fund appropriation made to the account. The transfer of interest income from the Hazardous Waste Management Account to the Bureau of Safe Drinking Water account would reduce funding available, over the long-term, for regulation of hazardous water and environmental cleanup programs.</p> <p>The Hazardous Waste Management Account (NS 101-4147) is funded from proceeds from agreements entered into regarding where state land is used for the disposal of hazardous waste, application fees collected associated with the disposal of hazardous waste, and the disposal of hazardous waste. The account is also used to pay for the recovery of hazardous waste, in addition to the various fees, reimbursement and penalties imposed for improper disposal of hazardous waste. In addition to the various fees, reimbursement and penalties indicated this account is to generate interest income on these balances. It is the unobligated interest in this account that is proposed to be transferred.</p> <p>The life expectancy of the balance of the fund is undefined. Since the fund is supported through fees, reimbursements and penalties the fund is self-generating and would not require General Funds to replenish the transfer account.</p> <p>Transfer of these funds will require legislative action.</p> | \$66,439            | \$98,523            | \$164,962        |
| <b>Conservation &amp; Natural Resources Totals</b> |     |   |   | <b>\$66,439</b>     | <b>\$98,523</b>     | <b>\$164,962</b> |
| Corrections  |     |   |   | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Biennium Total   |
| Agency   | 440 | DEPARTMENT OF CORRECTIONS   |   |                     |                     |                  |
| Priority   |     | Description   | Impact  |                     |                     |                  |
| 2  |     | <p><b>3719 INDC - PRISON INDUSTRY</b></p> <p><b>Budget account: 325-3728 - Prison Industries Capital Projects (NS 200.322)</b></p> <p>This account is used for new construction or the expansion of facilities to house new industries or expand existing industries in the industrial program for employment of offenders.</p> <p>This account is funded through a portion of offender income from those who are employed in the Prison Industry program and interest earned on those funds. The proposal would transfer a portion of the reserve to the General Fund.</p>   | <p>Transferring a portion of this reserve to the General Fund results in funds for Capital Projects being reduced to an amount that is just over the average expenditures from the last five years.</p> <p>It is estimated that the balance of the fund will be replenished through offender income over five years with no new expansion or construction. This fund may need to be replenished by the General Fund if expansion or new construction is needed during that time.</p> <p>The transfer of these funds will require legislative action. Additionally, a legislative charge to NSC 200.322 will be required.</p>  | \$0                 | \$948,000           | \$948,000        |
| <b>Corrections Totals</b>                          |     |   |   | <b>\$0</b>          | <b>\$948,000</b>    | <b>\$948,000</b> |

## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

| Education  |  |   | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Biennium Total     |
|--|--|---|---------------------|---------------------|--------------------|
| Agency   | 300  | DEPARTMENT OF EDUCATION   |                     |                     |                    |
| Priority   | Description  | Impact  |                     |                     |                    |
| 305  | 2706 NON - OTHER UNRESTRICTED ACCOUNTS<br>Budget Account: 301-2706 - Other Unrestricted Accounts (NYS 385.570)<br><br>This account provides technical support to Charter Schools, Private School Learning and Needs History programs as well as the following federal grants: The National Cooperative Statistics Task Order, National Assessment of Education Proficiency and the National Community Service program.<br><br>This account is funded through federal grants and fees from charter schools. This proposal would transfer a portion of the reserve to the General Fund.  | Transferring these funds to the General Fund will result in no significant impact.<br><br>This transfer takes into consideration projected expenditures for the remainder of the biennium and leaves a sufficient reserve to start fiscal year 2012. Fees are collected from charter schools sponsored by the State Board of Education and will not need to be replenished.<br><br>The transfer of these funds will require legislative action. Additionally, a legislative change to NYS 385.570 will be required.   | \$300,000           | \$300,000           | \$600,000          |
| <b>Education Totals</b>  |  |   | <b>\$300,000</b>    | <b>\$300,000</b>    | <b>\$600,000</b>   |
| Employment, Training & Rehabilitation (DETR)                   |  |   | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Biennium Total     |
| Agency   | 902  | EMPLOYMENT SECURITY DIVISION  |                     |                     |                    |
| Priority   | Description  | Impact  |                     |                     |                    |
| 7  | 4771 DETR - EMPLOYMENT SECURITY - SPECIAL FUND<br>Budget Account: 235-4771 - Employment Security - Special Fund (NYS 612.615)<br><br>This account is used to cover expenditures for which federal funds have been requested but not received, and to pay costs for which federal funds are not available. The account is used to pay for maintenance of agency-owned buildings and technological advances to systems for which federal funds are not available. In addition, this account is being used to finance Phase II of the Unemployment Insurance (UI) Modernization Project with federal bond ACT funds.<br><br>Sources of revenue for this fund are all interests and forfeitures collected from employers for late or non-payment of unemployment taxes. Additionally, this account also includes federal bond ACT funding from the UI Trust Fund to finance Phase II of the UI Modernization Project. All interest and principal payments on the federal bonds are paid from the UI Trust Fund.<br><br>The proposed transfer from this account to the General Fund would utilize reserved funding from penalties and interest. | Transferring a portion of the Reserve from this account to the General Fund may result in increased assessments that employers will have to pay towards its trust fund loan interests, as the division expects to borrow nearly \$1.66 billion by the end of 2011. Additionally, this may impact the division's ability to address significant and unexpected building maintenance and other expenses that may occur over the biennium. No loss of federal or matching funds will result from this transfer.<br><br>The reserve balance as the end of fiscal year 2011 is projected to be approximately \$1,660,000 based on how this fund is currently budgeted and will eventually be replenished through the collection of penalties and interest.<br><br>Transfer of these funds will require legislative action. Additionally, a legislative change to NYS 612.615 may be required since penalty and interest funds are required to be used for costs associated with administering the unemployment program not funded by the federal government. | \$0                 | \$6,500,000         | \$6,500,000        |
| <b>Employment, Training &amp; Rehabilitation (DETR) Totals</b> |  |   | <b>\$0</b>          | <b>\$6,500,000</b>  | <b>\$6,500,000</b> |

# Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions Health and Human Services

## Agency 406 HEALTH DIVISION

| Priority     | Description  | Impact   | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Bienium Total |
|--------------|--|--|---------------------|---------------------|---------------|
| <b>WASTE</b> |  |  |                     |                     |               |
| 3            | <b>3152 HHS - HEALTH RADIOACTIVE &amp; HAZARDOUS</b><br><br>Budget Account: 251-3152- HHS - Health Radioactive & Hazardous Waste (HRS 459)<br><br>This account provides a trust fund for post closure assessment and periodic maintenance of the state owned low level radioactive waste disposal site near Beatty, Nevada. The trust fund provides for staff salaries, periodic sampling, periodic cap repair, maintenance of existing monitoring wells, and establishing new monitoring wells when required. These anticipated periodic costs exclude any control or containment issues in the subsurface should they occur. The low level waste generators in the Rocky Mountain Company paid burial fees to provide for the long-term care of the site. Since the site is closed no additional funding from this source will be received. The non-refundable waste burial fees provide approximately \$1.4 million in current year revenue to the trust fund. The trust fund is used to pay the periodic maintenance costs. This proposal is to transfer the majority of the trust fund to the General Fund, leaving a minimal principal balance to accrue interest. The non-refundable waste burial fees, the minimal interest, and now a portion of the declining principle will be required to cover operating costs of the site. | Transferring the revenue to the General Fund changes the status of how operating expenditures are covered by the trust fund. Historically, the accrued interest and fee revenue provided for the operating expenditures. Once the trust fund is depleted, the General Fund will be required to cover the operating expenditures. The remaining principle will be sufficient to cover four to seven years of operating expenditures assuming the non-refundable waste burial fees continue to be received. The transfer of the trust fund to the General Fund will require legislative action. Additional legislative change to HRS 459 may also be required. | \$8,990,050         | \$0                 | \$8,990,050   |

|   |   |  |           |     |           |
|---|---|--|-----------|-----|-----------|
| 3 | <b>400 MARIJUANA HEALTH REGISTRY</b><br><br>Budget Account: 110-400- HHS - Marijuana Health Registry (HRS 434A 754)<br><br>This account provides a registry of clients with prescriptions for possession and use of marijuana for medical conditions. The fund provides for staff salaries and operating costs associated with the registry.<br><br>Registration fees are collected from clients to fund the ongoing expenditures of the program. Interest is accrued on the balance of the fund. | Transferring the revenue to the General Fund will result in a lower balance of the reserve and will reduce the interest received.<br><br>The balance of the reserve will be reduced to a six month operating reserve level. The funds that would be received from the interest on the reserve will be transferred to the Health Division during the 2011 legislative session resulting in unstable revenue and expenditure patterns but the appears to be realistic with current data.<br><br>Transfer of these funds will require legislative action. Additional legislative change to HRS 434A 754 may also be required. | \$757,293 | \$0 | \$757,293 |
|---|---|--|-----------|-----|-----------|

## Agency 408 MH/DS DIVISION

|   |   |   |           |           |           |
|---|---|---|-----------|-----------|-----------|
| 2 | <b>3255 HHS - ALCOHOL TAX PROGRAM</b><br><br>Budget Account: 110-3255- Alcohol Tax Program (HRS 369.174 and 458.097)<br><br>This account is used to treat alcohol and drug abuse in Nevada through detoxification and rehabilitation services.<br><br>This account is funded with the tax of \$3.45 per wine gallon on liquor containing more than twenty-two percent of alcohol by volume. | Transferring the revenue to the General Fund will result in awarding fewer contracts to organizations that provide detoxification and rehabilitation services for individuals with drug and alcohol addictions. There is no loss of federal funds or matching funds in this account.<br><br>The transfer of these funds will require legislative action. Additional legislative change to HRS 458.097 is also required. | \$105,000 | \$206,493 | \$311,493 |
|---|---|---|-----------|-----------|-----------|

## Health and Human Services Totals

|  |  |  |             |           |             |
|--|--|--|-------------|-----------|-------------|
|  |  |  | \$9,342,343 | \$206,493 | \$9,548,836 |
|--|--|--|-------------|-----------|-------------|

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## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

| Agency 170 LEGISLATIVE COUNSEL BUREAU<br>Legislative Council Bureau |  | Impact   | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Minimum Total      |
|---|--|--|---------------------|---------------------|--------------------|
| Priority  | Description  |  |                     |                     |                    |
| 3   | <p><b>2009 INTERIM FINANCE COMMITTEE</b><br/>Budget Account 332-2630 - Interim Finance Committee (NRS 353.269).</p> <p>This account is a special revenue fund that receives direct legislative appropriations for emergency use to supplement regular legislative appropriations which fail to cover unforeseen expenses, to meet expenses pursuant to right requirements or as provided by specific statute.</p> <p>This account is funded by direct legislative appropriation of General and Highway funds and by transfers from other accounts. The General Fund portion of the unrestricted balance will be transferred.</p>   | <p>Transferring the unrestricted balance to the General Fund results in the reduction of the unrestricted reserve balance. Sufficient funding exists to support the reserve transfer. Depending on unforeseen circumstances, the unrestricted balance of the account may require a replenishment in the 2011 legislative session.</p> <p>Transfer of these funds required legislative action, changing Senate Bill 403, Chapter 465 from the 2009 legislative session.</p> | \$0,000,000         | \$0                 | \$0,000,000        |
| 6   | <p><b>2010 INTERIM FINANCE COMMITTEE</b><br/>Budget Account 601-1385 - Disaster Relief Account (NRS 353.2735).</p> <p>This account is a special account in the fund to balance the Operation of the State Government, as defined in NRS 353.271 as "a fire, flood, earthquake, drought, recession, civil disturbance, crisis involving violence on school property, at a school activity or on a school bus, or any other occurrence or threatened occurrence that, regardless of cause results in, or may result in, the death or injury of persons, or the destruction or threatened destruction of property, or the impairment or threatened impairment of the health, safety or welfare of the residents of the State, or the emergency management within the Department of Public Safety requires immediate action to protect the health, safety and welfare of the residents of the State.</p> <p>This account is funded by direct legislative appropriation, interest, and may accept grants, gifts or donations.</p> | <p>Transferring the unrestricted balance to the General Fund results in the reduction of the unrestricted reserve balance and possibly a reduction in the amount of interest earned in the account.</p> <p>Current statute allows for deposits to be made into this account at fiscal year-end closing.</p> <p>Transfer of these funds will require legislative action. Additional legislative change to NRS 353.271, NRS 353.2735 and NRS 353.475 may be required.</p>    | \$4,000,000         | \$0                 | \$4,000,000        |
| <b>Legislative Council Bureau Totals</b>                            |  |  | <b>\$4,000,000</b>  | <b>\$0</b>          | <b>\$4,000,000</b> |



## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

| Motor Vehicles                           |      |  |  |   | Fiscal Year 2010 | Fiscal Year 2011 | Bicentium Total |
|--|------|--|--|---|------------------|------------------|-----------------|
| Agency                                   | 810  | DEPT OF MOTOR VEHICLES   |  | Impact  |                  |                  |                 |
| Priority                                 | 4722 | DMV - MOTOR VEHICLE POLLUTION CONTROL  |  |   |                  |                  |                 |
|  | 6    | Budget Account: 201-4222 - Motor Vehicle Pollution Control (NRS Chapter 463, 461.0475, 461.0477, 461.0481, 461.061, 461.063)   |  | Transferring a portion of this account to the General Fund will reduce the grant funds available to the counties. This action would result in a decrease in the quality of air when the reserve balance exceeds \$1 million. This action would divert excess funds to the General Fund. | \$0              | \$700,000        | \$700,000       |
|  |      | The Compliance Enforcement Division, through this account, is responsible for ensuring compliance with Nevada's laws and regulations as they relate to the vehicle emission standards in Clark and Washoe counties. This account also oversees the annual vehicle emissions testing program and the state's Air Quality Program.   |  | As this is a one-time transfer of excess reserves, it is not anticipated to have a long term effect. Excess reserves could be available to grant to counties during the fiscal year subsequent to the transfer.   |                  |                  |                 |
|  |      | Funding for this account consists of pollution control and license fees and this proposal would transfer a portion of this account to the General Fund.  |  | Transfer of these funds will require legislative action. Additionally, a legislative change may be required to NRS 463.061, which defines the use of excess reserves.   |                  |                  |                 |
| Motor Vehicles Totals                    |      |  |  |   | \$0              | \$700,000        | \$700,000       |
| Nevada System of Higher Education        |      |  |  |   | Fiscal Year 2010 | Fiscal Year 2011 | Bicentium Total |
| Agency                                   | 350  | UCCSN  |  | Impact  |                  |                  |                 |
| Priority                                 | 2386 | NSHE - SYSTEM ADMINISTRATION   |  |   |                  |                  |                 |
|  | 15   | Budget Account: 405-6110 - Transfers/Appropriations (NRS 463.385).   |  | Transferring the anticipated 10% for receipt to the General Fund delays certain Lampas improvements. The life expectancy of this account is not expected to diminish as a result of this transfer.  | \$0              | \$2,500,000      | \$2,500,000     |
|  |      | The purpose of this account is to cover costs associated with books issued pursuant to legislative action. The account is also used to cover costs for specific capital improvement projects authorized by the Legislature.  |  | Transfer of these funds will require legislative action. Additional legislative change to NRS 463.385 and to Assembly Bill 564, Section 25, Chapter 465, 2009 legislative session.  |                  |                  |                 |
|  |      | The account receives 25% of lot tax receipts after \$5 million is allocated to it. Capital improvement projects are funded from the account's remaining funds. The amount transferred to the General Fund consists of annual lot tax receipts authorized for certain capital improvement projects in the 2009 legislative session. |  |   |                  |                  |                 |
| Nevada System of Higher Education Totals |      |  |  |   | \$0              | \$2,500,000      | \$2,500,000     |

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## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

## Peace Officers Standards

## Agency 230 PEACE OFFICERS STANDARDS &amp; TRA

| Priority                        | Description  | Impact   | Fiscal Year 2010 | Fiscal Year 2011 | Biennium Total |
|---------------------------------|--|--|------------------|------------------|----------------|
| 374A                            | PEACE OFFICERS STANDARDS & TRAINING COMMISSION   |  |                  |                  |                |
| 37                              | Budget Account: 101-3774 Peace Officers Standards and Training (NCS 285,500)<br><br>The Commission on Peace Officers Standards and Training (CPOST) establishes and regulates professional standards for peace officers within the State of Nevada. CPOST certifies police officers, conducts basic law enforcement academy training, provides and audits continuing education courses and certifies audits for 133 criminal justice agencies a not 24-hour law enforcement training academy.<br><br>This account is funded by 99% Court Assessments and 1% Registration Fees. | Transferring the Reserves to the General Fund would not result in the loss of any federal and/or matching funds. The impact would result in a difference of building maintenance, staff training and other multiple operating expenses to future periods.<br><br>There would not be a need to replenish these funds.<br><br>Transfer of these funds would not require any legislative action to amend NCS 285,500. | 50               | \$62,282         | \$62,282       |
| Peace Officers Standards Totals |  |  | 50               | \$62,282         | \$62,282       |

## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

| Public Safety |  |   | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Biennium Total |
|---------------|--|---|---------------------|---------------------|----------------|
| Agency        | 650  | DEPARTMENT OF PUBLIC SAFETY   | Impact              |                     |                |
| Priority      | Description  |   |                     |                     |                |
| 1             | <p><b>3672 DPS - HOME DISASTER ASSISTANCE PROGRAM</b></p> <p>Budget Account: 131-3672 - Homeowners Disaster Assistance Program (NS 432-2205 Section)</p> <p>This account is used to make grants to persons who own and occupy homes damaged by a disaster and are not eligible for other forms of assistance.</p> <p>The funding for this account is a General Fund reversion from a one-time rebate approved by the 2005 legislature in AS 572.</p>   | Transferring the reserve to the General Fund results in the depletion of this account. Homeowners who are affected by a disaster and do not have another form of assistance will not be afforded state assistance.  | \$0                 | \$436,300           | \$436,300      |
| 2             | <p><b>3672 DPS - HOME DISASTER ASSISTANCE PROGRAM</b></p> <p>Budget Account: 601-1386 - Emergency Assistance Subaccount (NRS 444-116)</p> <p>The Emergency Assistance Subaccount within the Disaster Relief Account is used to: "(a) Provide supplementary emergency assistance to this state or to local governments in this state that are victims of a disaster; and (b) provide emergency assistance to local governments in this state that are victims of a disaster for which available resources of this state or the local government are inadequate to provide a satisfactory remedy; and (c) pay any action expenses incurred by the Division for administration during a natural, technological or man-made emergency or disaster."</p> <p>The funding for this account is interest earned during the previous fiscal year on the money in the Disaster Relief Account in an amount not to exceed \$500,000.</p> | Transferring the reserve to the General Fund results in less funding available for the purpose previously stated. This account is replenished through interest earned during the previous fiscal year on the money in the Disaster Relief Account in an amount not to exceed \$500,000. | \$0                 | \$500,000           | \$500,000      |
| 4             | <p><b>4689 DPS - BICYCLE SAFETY PROGRAM</b></p> <p>Budget Account: 201-4689 - Bicycle Safety Program (NRS 483-221 and 483-415)</p> <p>This account administers a safety program, which includes safety information concerning operation of motor vehicles, bicycles and pedestrians. It provides grants to local government entities, including school districts, to carry out programs on safety education.</p> <p>The funding for this account is from a fifty per cent charge for every other's license issued or renewed, of which it receives 65%. Unexpended funds balance forward from year to year.</p>  | Transferring the reserve to the General Fund results in an approximate 50% reduction and depending on how fees are received going forward could affect a possible rate increase.  | \$0                 | \$46,611            | \$46,611       |
| 6             | <p><b>4691 DPS - MOTORCYCLE SAFETY PROGRAM</b></p> <p>Budget Account: 201-4691 - Motorcycle Safety Program (NRS 486-372-377 and 482-480)</p> <p>This account plans and administers a safety program that includes motorcycle training for new and experienced riders. The program also includes education of the driving public to increase awareness of motorcycles on our highways.</p> <p>The funding for this account is provided by a \$6.00 fee charged on every motorcycle registration or transfer (provided by the DMV) as well as interest earned on the cash balance in this account.</p>   | Transferring the reserve to the General Fund results in a 50% reduction, which could result in a rate increase since the reserve is from savings due to the receipt of federal funds over the previous four years and has now expired.  | \$0                 | \$126,418           | \$126,418      |

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## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

| Public Safety  |   |  | Fiscal Year |             | Minimum Total |
|--|---|--|-------------|-------------|---------------|
| Agency   | 650   | DEPARTMENT OF PUBLIC SAFETY  | Impact      | 2010        | 2011          |
| Priority   | Description   |  |             |             |               |
| <b>4000 DPS - FORENSICS - LAW ENFORCEMENT</b>  |   |  |             |             |               |
| Budget Account: 101-4703 - Forensics (NRS 129.1156-129.1159)                                     |   |  |             |             |               |
| 3  | This account is used to support on-route and specialized law enforcement activities. The funding for this account comes from state revenues of cash which occur from criminal cases conducted by the investigations Division, Highway Patrol, or Prisons and Probation.   | Transferring the reserve to the General Fund results in replacing the state seizure cash balance. This account will be replenished with state revenues transferred from budget account 201-4000 - State Seizures, which is a future holding account. Funds are held until the case has been adjudicated.   | \$0         | \$65,279    | \$55,729      |
| <b>4000 DPS - CRIMINAL HISTORY REPOSITORY</b>  |   |  |             |             |               |
| Budget Account: 101-4709 - Criminal History Repository (NRS 179A and 179D)                       |   |  |             |             |               |
| 8  | This account is used to administer the Nevada Criminal Justice Information System (NCJIS) and is the primary clearinghouse for criminal history record information, crime statistics, and information and activities that support a wide variety of public safety interests. In addition, it is the portal through which law enforcement, statewide access criminal history records and the public can access criminal history records. It also provides a central repository for criminal history records and other criminal history data. | Transferring the reserve to the General Fund results in the possibility of putting off the re-write of the Criminal History database for another timeline as well as the possibility of reducing services such as the offender operations, which are paid for by Nevada.   | \$0         | \$1,556,216 | \$1,556,216   |
| <b>4000 DPS - STATE EMERGENCY RESPONSE</b>   |   |  |             |             |               |
| Budget Account: 201-4720 - State Emergency Response Commission (NRS 450.735-450.744)             |   |  |             |             |               |
| 13   | This account is used to protect the citizens of the State of Nevada against the negative effects of hazardous materials. The information is provided to the public and first responders for both Nevada and California through a combined database coordinated with the National Highway Traffic Safety Administration.   | Transferring the reserve to the General Fund results in reduced funding available to grant to State agencies and Local Emergency Planning Committees throughout the State to support hazardous materials incident prevention, mitigation, and response. Funds are used for training, and equipment purchases. This may also reduce the amount of funding available for the 200% match. | \$0         | \$301,035   | \$301,035     |
| <b>4000 DPS - STATE EMERGENCY RESPONSE COMMISSION</b>  |   |  |             |             |               |
| Budget Account: 201-4728 - Contingency Account for Hazardous Materials (NRS 450.735 and 450.736) |   |  |             |             |               |
| 15   | This account is used to provide funding to Local Emergency Planning Committees to support preparations to combat terrorism. The funding for this account consists of highway funds, Certificate fees, Program fees, and other funds.  | Transferring the reserve to the General Fund results in reduced funding available to State agencies and Local Emergency Planning Committees to support preparations to combat terrorism. This account is replenished through license plate fees and interest.  | \$0         | \$218,794   | \$218,794     |
| <b>Public Safety Totals</b>  |   |  |             |             |               |
|  |   |  |             | \$0         | \$1,881,110   |

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## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

## Public Utilities Commission

| Agency   | 580  | PUBLIC UTILITIES COMMISSION  |     |             |             | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Biennium Total |
|----------|--|--|-----|-------------|-------------|---------------------|---------------------|----------------|
| Priority | Description  | Impact   |     |             |             |                     |                     |                |
| 5        | 3800 PUBLIC UTILITIES COMMISSION<br>Budget Account: 224-3200 - Public Utilities Commission of Nevada (NRS 708-705, 707-710).<br>"This account is used for regulating public companies engaged in electric, natural gas, telephone, water, and sewer services. It includes the costs of the Public Utilities Commission's regulatory assessment." In addition, it monitors gas pipeline and railroad safety.<br>The Commission is funded primarily through an annual regulatory assessment levied against public utilities. The assessment is based on the Public Utilities Commission's 2009-11 Biennium Budget was built around the regulatory assessment set at 1.95 mills, but the Commission set the assessment rate at 1.50 mills for the biennium. | Transferring this reserve to the General Fund could result in the Commission raising the assessment rate in Fiscal Year 2011. There is no loss of federal funds or matching funds as this budget is funded primarily with the annual regulatory assessment.<br>The transfer of these funds will require legislative action. Additional legislative change to NRS 703.147 is also required. | \$0 | \$1,000,000 | \$1,000,000 |                     |                     |                |

## Public Utilities Commission Totals

\$0 \$1,000,000 \$1,000,000

## Secretary of State

## Agency 040 SECRETARY OF STATE'S OFFICE

| Agency                    | 040   | SECRETARY OF STATE'S OFFICE  |     |           |           | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Biennium Total |
|---------------------------|---|--|-----|-----------|-----------|---------------------|---------------------|----------------|
| Priority                  | Description   | Impact   |     |           |           |                     |                     |                |
| 30                        | 1500 SECRETARY OF STATE<br>Budget Account: 101-1057 - History Training (NRS 240-020).<br><br>This account is used for providing courses of study for the mandatory training of notaries public.<br><br>This account is funded by fees charged for each person who applies to become a notary for the first time. Currently, the fee is \$15. The fee for a Certificate of Appointment is \$15.<br><br>The transfer of these funds will require legislative action. Additional legislative change to NRS 240-020 is also required. | Transferring this reserve to the General Fund may result in the Secretary of State's Office increasing the application fee or there may be fewer training classes offered.<br><br>There is no loss of federal funds or matching funds as this account is funded entirely by application fees.<br><br>The transfer of these funds will require legislative action. Additional legislative change to NRS 240-020 is also required. | \$0 | \$100,000 | \$100,000 |                     |                     |                |
| Secretary of State Totals |   |  |     |           |           | \$0                 | \$100,000           | \$100,000      |

## Secretary of State Totals

\$0 \$100,000 \$100,000

### State Treasurer

| Priority | Description |
|----------|-------------|
|----------|-------------|

|                        |           |     |           |
|------------------------|-----------|-----|-----------|
| State Treasurer Totals | \$200,000 | \$0 | \$200,000 |
|------------------------|-----------|-----|-----------|

## Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions

| Taxation   |   | Impact  | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Biennium Total      |
|--|---|---|---------------------|---------------------|---------------------|
| <b>Agency 130</b>  | <b>DEPARTMENT OF TAXATION</b>   |   |                     |                     |                     |
| Priority   | Description   |   |                     |                     |                     |
|  | <b>2961 DEPARTMENT OF TAXATION</b>  |   |                     |                     |                     |
| 20   | Budget Account: 101-0568 - Seventy Financial Emergency Account (NS 354.271)   | Transferring the reserve to the General Fund results in less funds available to loan to local governments in severe financial emergency status.   | \$0                 | \$225,000           | \$225,000           |
|  | This account is a revolving short term loan account for local governments who are under the emergency status of NS 354.271. The account is used to provide loans to local governments for operating expenses until the local government receives revenues.  | As this is a short term loan account, the balance of the account will continue to grow by the interest earned on existing funds.  |                     |                     |                     |
|  | The only source of revenue for this account is interest earnings.   | Transfer of these funds will require legislative action. Additional legislative changes may be required for NS 354.271 to allow the transfer of the funds to the General Fund.  |                     |                     |                     |
|  | <b>2962 DEPARTMENT OF TAXATION</b>  |   |                     |                     |                     |
| 21   | Budget Account: 615-0569 - Department of Taxation Bond Account (NS 322.51)  | Transferring the reserve to the General Fund results in less cash available to refund cash bonds or other claims. The General Fund would be liable for any refund or claims that cannot be covered by the account.  | \$0                 | \$15,000,000        | \$15,000,000        |
|  | This account is an agency bond account used to record cash bonds received from taxpayers as security. If after three years the taxpayer is in good standing with the department or the taxpayer is delinquent on their taxes, the security can be sold to cover outstanding claims. Funds in this account are taxpayer property and the liability associated with the funds would be transferred to the General Fund. | A balance of \$15,000,000 should be sufficient to maintain this account. The department has requested a reallocation of funds to NS 322.51 to cover expenses from about security. The requested security is \$1,000 per tax. This change could have a significant impact on this account as many cash bonds received are less than \$1,000.   |                     |                     |                     |
|  | This account is funded exclusively through cash bond receipts.  | Transfer of these funds will require legislative action. The bill draft request (RJR) should include language such as the following: "The Department of Taxation is authorized to transfer the amount of \$15,000,000 from the account to NS 322.51." Also recommend the following language added to the BDR: "If there is an insufficient amount of money in the account to pay any cost or charge pursuant to subsection 174, the State Board of Examiners shall, upon the request of the Department of Taxation, transfer the amount of \$15,000,000 from the General Fund to the account or an amount necessary to pay those costs or charges." (Similar to NS 320A.0260) |                     |                     |                     |
| <b>Taxation Totals</b>   |   |   | <b>\$0</b>          | <b>\$15,225,000</b> | <b>\$15,225,000</b> |
| <b>Wildlife</b>  |   |   |                     |                     |                     |
| <b>Agency 702</b>  | <b>WILDLIFE</b>   |   |                     |                     |                     |
| Priority   | Description   | Impact  | Fiscal Year<br>2010 | Fiscal Year<br>2011 | Biennium Total      |
| 25   | 4402 WILDLIFE - ADMINISTRATION<br>Budget Account: 101-4457 - Nevada Department of Wildlife Heritage Account (NS 501.3555)   | Transferring the reserve to the General Fund results in a decrease in funding for the activities in this account.   | \$0                 | \$5,600,000         | \$5,600,000         |
|  | This account was created to provide special fundings to projects or activities that enhance the propagation, restoration, translocation, and management of any game mammal, game bird, game fish, or fur-bearing mammal in the State of Nevada, and the management and control of predatory wildlife in the State of Nevada.  | The life expectancy of the account is through the current biennium.   |                     |                     |                     |
|  | This account is funded through gifts, donations, and interest earnings.   | Transfer of these funds will require legislative action. Additional legislative change to NS 501.3575 is also required.   |                     |                     |                     |
| <b>Wildlife Totals</b>   |   |   | <b>\$0</b>          | <b>\$5,600,000</b>  | <b>\$5,600,000</b>  |
| <b>Grand Totals for Executive Budget Office Recommended Non-Executive Budget and Reserves Reductions</b> |   |   | <b>\$0</b>          | <b>\$20,825,000</b> | <b>\$20,825,000</b> |

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| General Fund Totals |                |   |                                    |                |
|---------------------|----------------|---|------------------------------------|----------------|
| Fiscal Year 2010:   |                |   |                                    |                |
|                     | \$ 20,666,720  | R | 10% Cuts                           | \$ 31,698,848  |
|                     |                | V | EOB Staffing                       | \$ 3,081,190   |
|                     | \$ 102,351,234 | T | EOB TAT                            | \$ 807,547     |
| Fiscal Year 2011    |                | O | EOB Other                          | \$ 3,079,409   |
|                     | \$ 132,017,964 | S | SWEEP'S                            | \$ 9,668,838   |
|                     |                |   | Proposed Cuts Approved By Governor | \$ 108,216,626 |

| Grants Management Unit & Director's Office |  | Proposed Cut |              | GF Savings   |
|--|--|--------------|--------------|--------------|
|  |  | Total        | \$           |              |
| R -  | Freeze open administrative assistant position for biennium.  |              | 3,139,003    | \$ 81,558    |
| R -  | Revert unallocated grant funding to Family Resource Centers.   |              |              | \$ 90,114    |
| R -  | Replace and revert General Funds budgeted for family resource centers with Title XX originally allocated to the Division for Aging & Disability Services's EPS/Homemaker program due to the attrition of Family Support Workers along with a one time gift from the Gleeson-Offen Trust.   |              |              | \$ 605,694   |
| R -  | Replace and revert General Funds budgeted for family resource centers with Title XX funds realized from new Federal Grant reauthorization.   |              |              | \$ 395,725   |
| R -  | Replace and revert General Funds budgeted for family resource centers with Children's Trust Fund reserves.   |              |              | \$ 153,830   |
| R -  | Eliminate problem gambling program funding in FY11.  |              |              | \$ 1,842,062 |
| <b>Aging and Disability Services</b>       |  | Total        | \$ 4,752,855 |              |
| R -  | Revert surplus Title XX money and modest General Funds from the EPS/Homemaker program and sweep the Gleeson-Offen trust gift account. The savings are generated through the action of family support workers when the division began using contracted services to save funds. In addition, the number of persons receiving homemaker services has been reduced from a budgeted caseload of 637 to an actual caseload of 255 in January 2010. |              |              | \$ 80,270    |
| R -  | Savings due to reduced caseload in the Office of Disability Services' Independent Living Program. This savings accounts for a reduction in the number of clients receiving services by 57 each year of the biennium from a budgeted 280 clients to a project 223 clients.  |              |              | \$ 714,300   |

### Nevada Department of Health and Human Services Proposed Budget Cuts

|   | Proposed Cut  | GF Savings   |
|---|---|--------------|
| R •                                     | Revert unspent personal assistance services funds, awarded by the Board of Disability Services during FY2010 because actual caseload of 160 was smaller than budgeted caseload of 223. Maintains adequate funding to ramp up to 199 slots.  | \$ 440,694   |
| R •                                     | Reduce the legislatively approved number of cases in the division's Community Services Options Program for the Elderly (COPE). Program was budgeted at 187 slots in FY10 and 193 slots in FY11. This cuts 62 slots, leaving a balance of 126 slots in FY10 and 137 slots in FY11. Actual served in Dec. 2009 was 105. Average served YTD is 118. Current wait list of 2.              | \$ 1,196,352 |
| R •                                     | Reduce reimbursement rate for personal care attendants for both the senior and disability clients. This cut reduces reimbursement rate from \$15.00 per hour to \$14.00 per hour. The division has contracts with 34 agencies to provide personal care under the CHIP and COPE programs and one agency employing approximately 150 PCAs for the PAS program.                          | \$ 503,733   |
| O •                                     | Revert General Fund in lieu of civil monetary penalties assessed against nursing facilities as a part of federal inspections the state conducts on behalf of CMS. The state can use the funds for a variety of purposes. The division will use the money to fund the ombudsman program for nursing homes.   | \$ 420,968   |
| R •                                     | Reduce senior property tax assistance program benefit. Average benefit will reduce 27% from \$353 to \$262 in FY 2011.<br><i>Reduction requires approval by Interim Finance Committee</i>   | \$ 1,209,389 |
| V •                                     | Eliminate six vacant positions in the Home and Community Based Program (CHIP) budget due to lower than budgeted caseload. 5 Social Workers and 1 Social Work Supervisor   | \$ 187,229   |
| <b>Health Care Financing and Policy</b> |   |              |
|   | Total \$ 31,532,284   |              |
| R •                                     | Revise evaluation procedure for clients receiving personal care services, utilizing a physical evaluation by a physical therapist rather than relying on a statement of need by the client. Change already in process. Public workshops held in October, with public hearing held Jan. 12.  | \$ 4,030,825 |
| R •                                     | Savings from lower-than-budgeted caseload in the CHIP program. Current wait list is 106. Dec. 2009 caseload was 1,123. With the budget reductions we can continue to grow the caseload to an average of 1,241 per month. FY10 caseload was Legislatively approved at 1,313 per month and FY11 was approved at 1,430 per month.  | \$ 1,991,026 |
| R •                                     | Reduce Medicaid reimbursement for anesthesiologists, coming to scale with Medicare and eliminating some specific treatment enhancements. Will reduce payments to 629 providers statewide.   | \$ 2,469,913 |
| R •                                     | Expand Medicaid's Preferred Drug List to include atypical and typical antipsychotic drugs, certain anti-rejection medications and some cancer drugs. The category is less than during the 2009 Legislature because several antipsychotic medications are now available as generics.<br><i>Requires Legislative approval to remove the exemptions from the PDL law in NRS 422.4025</i> | \$ 766,741   |

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**Nevada Department of Health and Human Services  
Proposed Budget Cuts**

|     | Proposed Cut  | GF Savings   |
|-----|---|--------------|
| R * | Reduce the number of incontinence products, including adult diapers and bed pads, that Medicaid will pay for, bringing the state in line with national standards. The new standard will allow doctors to prescribe up to 186 diapers per month, down from 300 per month currently. The change will affect 215 providers. This change is already being made.                               | \$ 829,304   |
| R * | Eliminate disposable gloves as a reimbursable expense for personal care services clients. Medicaid currently reimburses disposable medical equipment companies for disposable gloves purchased by Medicaid clients. Personal care service agencies will now be responsible for supplying gloves when attendants use them. This change is already in process and will affect 66 providers. | \$ 834,271   |
| R * | Reduce the allowable administrative percentage for non-emergency transportation, capping it at 15%. The current provider, based on computing methodology, currently retain nearly 24% for administrative costs.   | \$ 644,149   |
| R * | Reduce reimbursement rates for behavioral health training and psychosocial rehabilitation. This change, which is already in progress, will reduce payments to 394 providers statewide.  | \$ 4,964,832 |
| R * | Require documentation when legally responsible relatives claim they are unable to provide personal care services to their family member, which then puts those individuals on the Medicaid caseload. This is the current policy, but the change will lead to stricter enforcement and some savings. The change will affect 453 clients.   | \$ 132,668   |
| R * | Reduce reimbursement rates for personal care services by \$1.50 per hour to \$15.50 per hour. The Governor's recommended budget included the \$15.50 per hour rate and the \$1.50 was added back in by the Legislature. The change will reduce reimbursements for 80 providers.   | \$ 2,993,573 |
| R * | Reduce hospital reimbursement rates by 5%. This reduction was included in the Governor's recommended budget, but was added back in by the Legislature. The proposed reduction exempts maternity, neonatal intensive care and psychiatric care because those areas were disproportionately affected by the original 5% reduction in 2008.  | \$ 5,310,880 |
| R * | Reduce reimbursement rates 5% for residential treatment centers, which are psychiatric facilities primarily serving youth. The reduction will affect 36 providers.  | \$ 924,162   |
| R * | Increase premiums for Nevada Check Up. With the change, clients who pay \$25 quarterly will pay \$75. Clients who pay \$50 quarterly will pay \$140. Clients who pay \$75 quarterly will pay \$180. Even with the increased rates, premiums remain below 3% of the clients' total income. The change will affect the families of 21,823 recipients.                                       | \$ 1,065,444 |
| R * | Eliminate optional services from Medicaid:<br>Non-medical adult vision coverage. While the change affects potential coverage for all adults enrolled in Medicaid, 6,300 recipients utilized this benefit in Fiscal Year 2009.   | \$ 716,766   |

**Nevada Department of Health and Human Services  
Proposed Budget Cuts**

|                        |   | Proposed Cut | GF Savings   |
|------------------------|---|--------------|--------------|
| □                      | Non-medical adult audiology. While the change affects potential coverage for all adults enrolled in Medicaid, 249 recipients utilized this benefit in Fiscal Year 2009.   |              | \$ 113,860   |
|                        | Hearing aids for adults. While the change affects potential coverage for all adults enrolled in Medicaid, 56 recipients utilized this benefit in Fiscal Year 2009.  |              | \$ 18,073    |
|                        | Adult therapy, including speech, physical and occupational therapies. While this change affects potential coverage for all adults enrolled in Medicaid, 1,313 recipients utilized this benefit in Fiscal Year 2009.   |              | \$ 433,377   |
| R •                    | Cut reimbursement rates for skilled nursing facilities by \$10 per day, affecting revenue for 38 nursing homes.<br><i>Requires legislative action to amend NRS 422.3785</i>   |              | \$ 3,053,113 |
| V •                    | Eliminate two vacant Health Care Coordinators in the Administration Budget.   |              | \$ 87,759    |
| V •                    | Eliminate four vacant positions in the Nevada Check Up program, 3- Family Services Specialists, 1 Administrative Assistant.   |              | \$ 50,987    |
| T •                    | Eliminate non-essential travel and training in Administration budget.   |              | \$ 79,557    |
| T •                    | Eliminate non-essential travel and training in Nevada Check Up program.   |              | \$ 984       |
| <b>Health Division</b> |   |              |              |
|                        |   | Total \$     | 10,425,490   |
| S •                    | Sweep funds from the Health Radioactive and Hazardous Waste fund, which the health division uses to test, maintain and repair both low-level radioactive waste. During the 24th Special Session of the Legislature, \$4 million was swept from this account to help balance the state's annual budget. Further analysis shows additional revenue can be swept from this fund and reverted to the state's General Fund.<br><i>Requires legislative approval to sweep the funds, similar to Assembly Bill 3 of the 24th Special Session of the Legislature.</i> |              | \$ 8,990,050 |
| R •                    | Eliminate General Funds associated with the Office of Minority Health, continuing the function using federal grants.  |              | \$ 155,162   |
| S •                    | Sweep and revert funds from the Marijuana Health Registry. This is the fund Nevadans pay in to when they apply for inclusion on the registry allowing them to grow, possess and use marijuana for medical purposes. This covers the operating expenses of maintaining the registry. With the sweep, the account will maintain a six month reserve.  |              | \$ 287,293   |
| V •                    | Eliminate one vacant Administrative Assistant position in the Chronic Disease Program.  |              | \$ 2,998     |
| V •                    | Eliminate two vacant Administrative Assistant positions in Community Health Services.   |              | \$ 106,307   |
| V •                    | Eliminate five vacant positions in Consumer Health Protection, 4 - Environmental Health Specialists and 1 Health Program Specialist.  |              | \$ 459,450   |



**Nevada Department of Health and Human Services  
Proposed Budget Cuts**

|  | Proposed Cut  | GF Savings   |
|--|---|--------------|
| V •  | Eliminate ten vacant positions in Early Intervention Services. 1 - Speech Pathologist, 5 - Administrative Assistants, 3 - Developmental Specialists, 1 - Public Service Intern  | \$ 220,304   |
| V •  | Eliminate one vacant Administrative Assistant position in Emergency Medical Services.   | \$ 47,625    |
| V •  | Eliminate one vacant Administrative Assistant position in Health Statistics and Planning.   | \$ 54,728    |
| T •  | Reduce to essential travel and training only in Cancer Control Registry.  | \$ 5,960     |
| T •  | Reduce to essential travel and training only in Consumer Health.  | \$ 14,670    |
| T •  | Reduce to essential travel and training only in Emergency Medical Services.   | \$ 46,132    |
| T •  | Reduce to essential travel and training only in Health Statistics and Planning.   | \$ 562       |
| T •  | Reduce to essential travel and training only in Maternal Child Health.  | \$ 41,971    |
| T •  | Reduce to essential travel and training only in Health Administration.  | \$ 3,348     |
| O •  | Reduce administrative costs (lease expenses) in Emergency Medical Services budget.  | \$ 6,910     |
| <b>Division of Welfare &amp; Supportive Services</b> |   |              |
| R •  | Contract savings on the IBM Enterprise License Agreement due to actual costs coming in less than quotes used to budget. Minimal impact to operations.   | \$ 106,943   |
| R •  | Save General Funds through JP Morgan Alternative Cost Proposal for the state's electronic benefit transfer system. The state will pay a lower cost-per-client in the early years to save this money now, and pay a higher cost-per-client in later years to pay back these savings.                         | \$ 640,834   |
| R •  | Revert General Funds used for administration and replace it with the state's share of collections from Child Support Enforcement. Removes an equal amount of funds from the child support enforcement program, compromising the division's ability to implement needed changes to improve customer service. | \$ 2,182,615 |
| R •  | Reduce travel and training expenses. Training for new and existing employees will be compromised.   | \$ 6,789     |
| R •  | Revert Food Stamp High Performance Bonus funds, which were intended to replace equipment and fund repairs.  | \$ 6,957     |
| R •  | Revert General Funds from additional staff turnover in administration, potentially affecting the division's ability to meet deadlines and federal performance measures.   | \$ 127,785   |

**Nevada Department of Health and Human Services  
Proposed Budget Cuts**

|     | Proposed Cut   | GF Savings   |
|-----|--|--------------|
| R • | Save General Fund by using TANF funds for staff in administration budget.  | \$ 473,872   |
| R • | Close Research Way facility and relocate Publications and IT warehouses, eliminating one maintenance position and potentially impacting the division's ability to produce printed materials in house.  | \$ 28,224    |
| R • | Savings based on caseload changes in the aged, blind and adult group care facility categories.   | \$ 300,000   |
| R • | Revert General Funds in lieu of the state's share of collections from the child support enforcement program. This takes an equal amount of funding away from child support enforcement and may compromise the division's ability to make planned program improvements. | \$ 65,307    |
| R • | Reduce travel and training 5% for field service offices.   | \$ 4,902     |
| R • | Revert General Funds from additional staff turnover in the field services budget, reducing the state's ability to process existing and new cases.  | \$ 1,259,582 |
| R • | Discontinue northern Nevada NEON pilot program, approved by the Legislature in 2007. Existing staff will now provide this case management, further stressing public assistance services in northern Nevada.  | \$ 131,757   |
| R • | Close Welfare office in Winnemucca, eliminating one vacant position and shifting applications and questions to the Family Resource Center. Application processing and client services will be transferred to the Elko office.  | \$ 22,460    |
| R • | Revert State Share of Collections from the Child Support Enforcement Program.  | \$ 825,518   |
| R • | Revert General Funds designated for child care assistance, shifting approximately 347 children now served using partial state funds to federal only funds. This shift is possible because of excess discretionary funds.   | \$ 738,390   |
| R • | Reduce General Funds for administration of SNAP due to increased federal funding.  | \$ 1,500,000 |
| V • | Eliminate one vacant Program Officer position in Field Services budget.  | \$ 22,673    |
| T • | Reduce to essential travel and training only in Administration Budget.   | \$ 11,136    |
| T • | Reduce to essential travel and training only in Child Support program.   | \$ 24,608    |
| T • | Reduce to essential travel and training only in Field Services.  | \$ 4,900     |

**Nevada Department of Health and Human Services  
Proposed Budget Cuts**

| Mental Health and Developmental Services |   | Proposed Cut | Total | \$ | 31,573,164 | GF Savings   |
|--|---|--------------|-------|----|------------|--------------|
| R •                                      | Carry forward United Health Settlement funding for a new year.  |              |       |    |            | \$ 116,555   |
| R •                                      | Vacancy savings from the Mental Health Information System budget.   |              |       |    |            | \$ 50,090    |
| R •                                      | Revert utility costs of buildings closed at NNAMHS.   |              |       |    |            | \$ 300,000   |
| R •                                      | Pharmacy savings in mental health services due to better-than-anticipated efforts to alter Medicaid and Medicare clients to private pharmacies, and the release of several popular medications in generic form.   |              |       |    |            | \$ 8,162,406 |
|  | □ NNAMHS = \$2,810,000  |              |       |    |            |              |
|  | □ SNAMHS = \$4,833,206  |              |       |    |            |              |
|  | □ Rural Clinics = \$519,200   |              |       |    |            |              |
| R •                                      | Reduce out-of-state travel for administration in FY2010.  |              |       |    |            | \$ 5,700     |
| R •                                      | Eliminate budgeted caseload growth for supportive living arrangements (supported housing ) for people with developmental disabilities.  |              |       |    |            |              |
|  | □ Desert Regional Center: Currently has a wait list of 78, but even with this cut DRC will be able to serve that wait list and additional 40 individuals. So the program can grow about 120-160 slots from current caseload.  |              |       |    |            | \$ 9,537,717 |
|  | □ Sierra Regional Center: Currently has a wait list of 33, but even with this cut SRC will be able to serve that wait list and an additional 31 individuals. So the program can grow 64 more placements that currently caseload.  |              |       |    |            | \$ 3,747,732 |
| R •                                      | Eliminate caseload growth for job and day training for developmentally disabled people at Rural Regional Center approved by the 2009 Legislature. The cut will leave 53 people without day program services during the biennium. RRC currently serves 263 clients with this service and has a wait list of 52 individuals.  |              |       |    |            | \$ 448,546   |
| R •                                      | Reduce the number of families with developmentally disabled family members the Rural Regional Center can serve through its purchase of service program, which provides one-time assistance to individuals to address emergency needs, health and safety issues or enhance quality of life. A total of 70 fewer families will receive services over the biennium and a wait list will be created for the first time. RRC is currently budgeted to serve 141 clients over the biennium.                           |              |       |    |            | \$ 100,000   |
| R •                                      | Reduce services to the co-occurring disorder treatment program, resulting in 60 fewer people receiving services statewide. Five providers are contracted to provide these services, three in northern Nevada and two in southern Nevada. Southern providers are contracted to serve 373 individuals over the biennium. In FY2010, all southern providers are contracted to serve 160 clients in FY2010. There is currently a waiting list of 35 people in the south, and there is no waiting list in the north. |              |       |    |            | \$ 350,944   |
| R •                                      | Freeze two vacant positions in the Substance Abuse Prevention and Treatment Agency and transfer one position to other funding sources. The frozen positions are a Health Program Specialist, and an Administrative Assistant. The position being funded by another funding source is a Management Analyst.  |              |       |    |            | \$ 353,035   |

**Nevada Department of Health and Human Services  
Proposed Budget Cuts**

|     | Proposed Cut   | GF Savings   |
|-----|--|--------------|
| R • | Reduce Substance Abuse Prevention and Treatment Program's prevention efforts through a 3% reduction in FY2010. Substance abuse prevention capacity will be reduced by 474 clients during the period.   | \$ 176,481   |
| R • | Reduce funding for professional services from Rural Clinics, resulting in fewer psychiatric visits for clients, putting clients at a greater risk for relapse. The reduction will also undermine the division's ability to add new caseload, so the waiting list will grow, already standing at 146 adults and 17 youth. Of the savings, \$265,000 is being achieved in FY2010.  | \$ 260,921   |
| R • | Reduce inpatient capacity at Rawson Noel Hospital by 22 beds. The daily census at the hospital has been averaging 40 beds below capacity. The 18 positions in the unit will be frozen, potentially resulting in layoffs if vacancies are not available within their job classifications. Decreasing the inpatient length of stay and increasing the efficiency of the psychiatric observation unit will compensate for the loss of these beds.   | \$ 1,533,421 |
| R • | Revert General Funds from Southern Nevada Adult Mental Health budgeted for residential placement assistance. There is currently no wait list for this service, and with the cut SNAMHS will still be able to add approximately 85 residential slots over the remainder of the biennium.  | \$ 1,250,000 |
| R • | Freeze multiple vacant positions at Lake's Crossing, including: six vacant Forensic Specialist III positions, two Forensic Specialist IV positions, one senior corrections officer, one administrative assistant, one quality assurance specialist and one psychiatric nurse. Freezing these positions may undermine the facility's ability to maintain patient and staff safety, meet minimum staffing requirements, and implement procedures to bill Medicare for patient services, among other services. If court referrals increase, the facility may be unable to comply with a court-ordered maximum wait list of 7 days. The average daily census for Lake's Crossing in January was 47.1 clients with a budgeted capacity of 76 clients. | \$ 1,366,247 |
| R • | Revert unused funds for autism treatment from Desert Regional Center during FY2010. Savings is based on new participants not fully utilizing their monthly allotment while learning how to use the program. These savings are not expected for FY2011.   | \$ 120,000   |
| V • | Eliminate three vacant positions at Sierra Regional Center. (One account technician I, one licensed clinical social worker III, one administrative assistant I).   | \$ 112,013   |
| V • | Eliminate one vacant position at Desert Regional Center. (Occupational therapist II).  | \$ 75,576    |
| V • | Eliminate 4 vacant positions at Northern Nevada Adult Mental Health Services. 1 - Licensed Clinical Social Worker III, 1 - Psychological Assistant, 1 - Substance Abuse Counselor, 1 - Mid-level Practitioner  | \$ 116,885   |
| T • | Reduce to essential travel and training only at Sierra Regional Center.  | \$ 19,394    |
| T • | Reduce to essential travel and training only at Desert Regional Center.  | \$ 33,137    |
| T • | Reduce to essential travel and training only in Mental Health Information Systems.   | \$ 9,400     |

**Nevada Department of Health and Human Services  
Proposed Budget Cuts**

|     | Proposed Cut  | GF Savings   |
|-----|---|--------------|
| T • | Reduce to essential travel and training only in Mental Health Administration.   | \$ 63,921    |
| T • | Reduce to essential travel and training only at Northern Nevada Adult Mental Health Services.   | \$ 66,450    |
| T • | Reduce to essential travel and training only at Rural Regional Center.  | \$ 13,841    |
| T • | Reduce to essential travel and training only at Southern Nevada Adult Mental Health Services.   | \$ 85,000    |
| T • | Reduce to essential travel and training only in Substance Abuse Prevention and Treatment.   | \$ 54,758    |
| O • | Revert savings in operating expenses, building maintenance, autism assistance, family support, information services, jobs and day training and utilities at Sierra Regional Center.   | \$ 970,430   |
| S • | Sweep funds from the Alcohol Tax Program. This revenue is generated by a liquor tax and is used to fund programs that treat alcohol and drug abuse through detoxification and rehabilitation services. Fewer grants for these services can be made because of this reduction. | \$ 311,493   |
| O • | Revert savings in operating expenses, building maintenance, autism assistance, family support, information services, jobs and day training and utilities at Desert Regional Center.   | \$ 1,100,334 |
| O • | Reduces travel in the Mental Health Administration budget to reduce travel for the state's Mental Health Commission.  | \$ 12,800    |
| O • | Savings in equipment and information services from Northern Nevada Adult Mental Health Services.  | \$ 54,858    |
| O • | Revert savings in operating expenses, residential supports, family support, information services and jobs and day training at Rural Regional Center.  | \$ 370,813   |
| O • | Savings in operating expenses, building maintenance and information services at Southern Nevada Adult Mental Health Services.   | \$ 104,000   |
| O • | Reduction in prevention grants from Substance Abuse Prevention & Treatment Agency.  | \$ 38,296    |

**Division of Child and Family Services**

Total \$ 18,308,548

R • Savings in funding for payments for room and board to behavioral health residential facilities that care for Medicaid-enrolled children who are not in custody of DCFS. This is based upon a lower-than-budgeted caseload. Caseload for FY2010 was budgeted at 278 but is now projected at 221. Caseload for FY2011 was budgeted at 288 but is now projected at 241. Medicaid pays for these children's behavioral health care, but does not fund room and board payments, a duty left to the state. However, this change will have no direct impact on children because the caseload is running significantly below budgeted for the current fiscal year. The reduction will also freeze three vacant social services program specialist positions through the biennium.

**Nevada Department of Health and Human Services  
Proposed Budget Cuts**

|     | Proposed Cut   | GF Savings   |
|-----|--|--------------|
| R • | Savings in foster care payments and residential care placements in Rural Child Welfare due to lower-than-budgeted caseloads. Substitute foster care category was approved with an average monthly caseload of 269 for FY2010 (currently projected at 242) and 297 for FY2011 (currently projected at 272). Residential care category was approved based on an average monthly caseload of 289 for FY2010 (currently projected at 242) and 297 for FY2011 (currently projected at 272). Also, eliminates the budgeted statewide enhancement for sibling rates approved by the 2009 Legislature through the Appropriations Act. The Legislature placed \$1.6 million in each year of the biennium in the IFC contingency fund to establish a statewide foster care rate for children in sibling groups. This cut will result in these enhancements not taking effect in the rural portions of the state. | \$ 1,629,039 |
| R • | Savings in Youth Parole based on lower-than-budgeted caseloads in the residential care category. This category was budgeted for 78 clients in FY2010 (now projected at 61) and 78 clients for FY2011 (now projected at 65). Also reduces funding for the transitional community reintegration efforts, which will reduce or eliminate services for an undetermined number of youth.  | \$ 900,000   |
| R • | Reduce General Funds for case management services provided by Wraparound in Nevada by \$720,000, due to higher-than-projected Medicaid funds based on the Division's approved Public Assistance Cost Allocation Plan. (\$720,000 in GF cut, but no net cut)  | \$ 720,000   |
| R • | Reduce funding for placement prevention and other immediate needs within the Wraparound in Nevada program designed to maintain families, reduce out-of-home placements and state custody cases. This will reduce the level of these intensive services provided to children and families.  | \$ 160,000   |
| R • | Freeze two vacant information technology positions within the UNITY/SACWIS budget, reduce in-state and out-of-state travel and training. The major impact of this reduction will be the division's restricted ability to make improvements to its technology and data system.  | \$ 224,347   |
| R • | Close Summit View Correctional Center, transferring roughly 48 youth to the Nevada Youth Training Center in Elko or the Caliente Youth Center in Caliente. A corresponding budget increase at the other two facilities is required to open one 20-bed cottage at each facility. Summit View currently has 52 filled FTE, of which 48 will be laid off. This budget will also retain funding to contract for out-of-state correctional services for up to three youth per year should the division be unable to handle their correctional needs in state.   | \$ 3,494,745 |

**Requires Interim Finance Committee approval to create additional FTEs at Nevada Youth Training Center and Caliente Youth Center**

# Nevada Department of Health and Human Services Proposed Budget Cuts

|     | Proposed Cut   | GF Savings   |
|-----|--|--------------|
| R • | Reduce by 10% the amount of General Funds passed to Washoe County in the Washoe County Integration budget in support of child welfare and child protective services. While Washoe County has indicated it could absorb the reduced budget for FY2010 with savings due to lower FY2009 budgeted foster care costs, that is not true for FY2011. The county reports that when savings are realized in FY2011, the county will not be able to contribute to adoption services. In order to absorb the reduction in all probability, the Department will cut all clinical staff positions. Funding for counseling services, reduce funding for contract home study and social summary providers, decrease foster care respite days, and reduce adoption subsidies and the sibling foster care rate increase. Each of these will directly lower the county's level of services to child welfare. It will also result in long adoption wait times. | \$ 2,046,368 |
| R • | Reduce by 10% the amount of General Funds passed to Clark County in the Clark County Integration budget in support of child welfare and child protective services. Clark County has indicated that it will absorb the reduced budget for FY2010 with savings due to lower FY2009 budgeted foster care costs, that is not true for FY2011. The county reports that when savings are realized in FY2011, the county will not be able to contribute to adoption services. In order to absorb the reduction in all probability, the Department will cut all clinical staff positions. Funding for counseling services, reduce funding for contract home study and social summary providers, decrease foster care respite days, and reduce adoption subsidies and the sibling foster care rate increase. Each of these will directly lower the county's level of services to child welfare. It will also result in long adoption wait times.      | \$ 6,101,647 |
| R • | Reduce by 10% the General Funds passed to counties to support the operations of the China Springs / Aurora Pines Youth Camp in Douglas County and the Spring Mountain Youth Camp in Clark County. If counties do not backfill funding, services (youth served) may be reduced.   | \$ 170,498   |
| R • | Reduce contract mental health rehabilitative services for uninsured children in Clark County.  | \$ 180,000   |
| R • | Eliminate two part-time jobs and layoff one current employee from Southern Nevada Child & Adolescent Services.   | \$ 37,856    |
| V • | Eliminate five vacant positions in DCFS Administration, 3 - Social Services Specialists, 1 - Administrative Assistant, 1 - Management Analyst  | \$ 254,462   |
| V • | Eliminate two vacant positions at the Elko Youth Training Center, 1 - Youth Training Center Counselor, 1 - Academic Teacher  | \$ 156,866   |
| V • | Eliminate seventeen (17) vacant positions in Northern Nevada Child and Adolescent Services, 1 -1 Licensed Psychologist, 1 -1 Treatment Home Provider, 2 - Teaching Parents, 7 - Mental Health Counselors, 2 - Psychiatric Caseworkers, 1 - Accounting Assistant, 2 - Administrative Assistants, and 1 - Program Officer.   | \$ 608,262   |
| V • | Eliminate two vacant Administrative Assistant positions from Rural Child Welfare.  | \$ 96,794    |
| V • | Eliminate eight vacant positions from Southern Nevada Child and Adolescent Services, 3 - Clinical Social Workers, 4 - Mental Health Counselors, 1 - Public Service Intern, and 1 - Psychiatric Caseworker.   | \$ 65,672    |
| V • | Eliminate one vacant Management Analyst position from the Unity Information System budget.   | \$ 65,340    |
| V • | Eliminate eight vacant positions from Wraparound in Nevada, 1 - Developmental Specialist, 1 - Administrative Assistant, 1 - Management Analyst, and 5 - Psychiatric Caseworkers.   | \$ 265,060   |

**Nevada Department of Health and Human Services  
Proposed Budget Cuts**

|     | Proposed Cut   | GF Savings            |
|-----|--|-----------------------|
| T * | Reduce to essential travel and training only in DCFS Administration.                           | \$ 37,186             |
| T * | Reduce to essential travel and training only in Northern Nevada Child and Adolescent Services. | \$ 3,598              |
| T * | Reduce to essential travel and training only in Rural Child Welfare.                           | \$ 76,716             |
| T * | Reduce to essential travel and training only in Southern Nevada Child and Adolescent Services. | \$ 13,934             |
| T * | Reduce to essential travel and training only in Wraparound in Nevada.                          | \$ 17,877             |
| T * | Reduce to essential travel and training only in Youth Parole.                                  | \$ 76,508             |
|     | <b>Governor's Total</b>  | <b>\$ 108,216,626</b> |

**Tobacco Sweep**

Sweep money from Fund for a Healthy Nevada and Public Health Trust Fund.

|                          |                      |
|--------------------------|----------------------|
| Fund for Healthy Nevada: |                      |
| Senior Rx:               | \$ 8,891,625         |
| Disability Rx:           | \$ 3,748,095         |
| Individual Living:       | \$ 8,949,734         |
| Tobacco Use:             | \$ 6,966,879         |
| Child Health:            | \$ 868,610           |
| Disability Services:     | \$ 713,320           |
| <b>Total FHN</b>         | <b>\$ 30,128,163</b> |
| Public Health Trust:     | \$ 10,762,220        |
|                          | <b>\$ 40,890,383</b> |

Policy decisions:   1) Hold Senior Rx and disability Rx enrollment flat  
                           2) Eliminate Tobacco Cessation funding in FY11 and FY12  
                           3) Reduce all others 10%

SEE TANF RELATED CUTS ON NEXT PAGE



**Nevada Department of Health and Human Services  
Proposed Budget Cuts**

| Actions Taken to Address TANF Shortfall  | Proposed Cut   | GF Savings            |
|--|--|-----------------------|
| <b>Autism Services</b>   |  |                       |
| <ul style="list-style-type: none"> <li>Reduce the monthly support rates by 22% for autistic children and self-directed support clients at the division's three regional centers because of lost TANF funds coming from the Welfare Division. Autism clients will see their monthly support decline: \$342 from \$1,555 to \$1,213 for clients aged 0-5; \$228 from \$1,037 to \$809 for clients aged 6-8; and \$171 from \$776 to \$607 for clients aged 9-10. Self-directed support clients will see their monthly assistance decline: \$99 from \$450 to \$351 some clients, and \$99 from \$175 to \$136 for other clients.</li> <li><input type="checkbox"/> Desert Regional Center: 107 Autism clients and 116 Self-Directed clients will see the reduction</li> <li><input type="checkbox"/> Sierra Regional Center: 41 Autism clients and 68 Self-Directed clients will see the reduction</li> <li><input type="checkbox"/> Rural Regional Center: 25 Autism clients and 47 Self-Directed clients will see the reduction</li> </ul> | \$ 1,039,345<br>\$ 284,285<br>\$ 182,655<br>\$ 1,486,285 |                       |
| <b>TANF to Title XX Transfer to DCFS</b>   |  |                       |
| This Title XX funding, passed through the Director's Office, was being used for room and board charges for non-DCFS custody kids. It should have no negative impacts as caseloads are running lower than budgeted.   | \$ 1,500,000   |                       |
| <b>Reduce TANF EA Payments for Front End Child Protective Services Case Management</b>   |  |                       |
| Washoe County  | \$ 439,096   |                       |
| Clerk County   | \$ 1,135,238   |                       |
| <b>Eligibility and Program Support Reductions</b>  |  |                       |
| <b>Administrative and Systems Reductions</b>   |  |                       |
|  | \$ 2,590,757   |                       |
|  | \$ (272,330)   | \$ 6,875,036          |
|  | <b>Schedule Total</b>                                    | <b>\$ 155,996,247</b> |


## Cover Sheet

The attached handout consists of the first 10 pages of signatures on a petition. The full petition is on file with the Assembly.

Kyle George/ UNLV  
Nate Waugh/CSN Student Gov

## Higher Education Pledge

I Lia Negrillo a Nevadan residing at  
~~14110 Leleic Khepui St.~~  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Benjamin Stawka a Nevadan residing at  
~~5610 Clara Rogers Dr, 89116~~  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Cotton Kaylegian a Nevadan residing at  
~~3411 Wayne St, Las Vegas, NV, 89121~~  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Binh TRAN a Nevadan residing at  
~~4973 WATKINSON WAY LV NV 89147~~  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Raye Molick a Nevadan residing at  
540 Ann Ave,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Raye Molick

## Higher Education Pledge

I Shu Zhang a Nevadan residing at  
6672 Cotefield Ave. Las Vegas NV 89129  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X [Signature]

## Higher Education Pledge

I TRAYAN PEEK a Nevadan residing at  
2042 ROBE CLIFF DR, Henderson, NV 89074  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X [Signature]

## Higher Education Pledge

I Jaloni Wilkins a Nevadan residing at  
2705 Slide Canyon Avenue 89121  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X [Signature]

## Higher Education Pledge

I Narciso Zapata a Nevadan residing at  
1475 Broadway St. #1 Las Vegas, NV  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Narciso Zapata

## Higher Education Pledge

I Narciso Zapata a Nevadan residing at  
1475 Broadway St. #1 Las Vegas, NV  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Narciso Zapata

## Higher Education Pledge

I Jane Doe a Nevadan residing at  
1075 S. Main St. #1000 Las Vegas, NV 89107  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Jane Doe

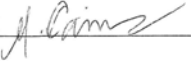
## Higher Education Pledge

I Christopher Wolf a Nevadan residing at  
4655 Gold Dust Court 227 Reno, NV  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Christopher Wolf

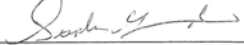
## Higher Education Pledge

I Micheline Camms a Nevadan residing at  
8605 Copper Ridge Ave. Las Vegas, NV,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

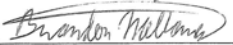
## Higher Education Pledge

I Stephen Goodin a Nevadan residing at  
3896 Swensen St,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Brandon Millars a Nevadan residing at  
11058 Bowen Court,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Charntelle Utan a Nevadan residing at  
962 North Christy Lane,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Ronald Woods a Nevadan residing at  
927 N. Bullock Ave,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Ronald Woods

## Higher Education Pledge

I Tara Altizer a Nevadan residing at  
6423 Silent Pine Ave,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Tara Altizer

## Higher Education Pledge

I Anneeth Ortega a Nevadan residing at  
2641 Lancia Avenue 89104  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Anneeth V. Ortega

## Higher Education Pledge

I Anton Cordero a Nevadan residing at  
1536 Shady Rest Dr,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Anton Cordero

## Higher Education Pledge

I Everyn Ochoa a Nevadan residing at  
4557 Maxwell Park Ct 89139,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

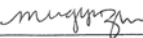
## Higher Education Pledge

I Erin McAisk a Nevadan residing at  
2839 Antioch Blv. Reno NV 89502,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Mingua Zhu a Nevadan residing at  
10505 Pinedo Spring St. W. NV, 89183  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Bridget Marshall a Nevadan residing at  
4656 Sterling Ridge 89129,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 



## Higher Education Pledge

I Vinh Thai a Nevadan residing at  
11000 S. Eastern Ave Apt # 526 89052  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

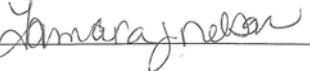
## Higher Education Pledge

I Cecilia Carrasco a Nevadan residing at  
2000 S. Eastern Ave Apt # 526 89052  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

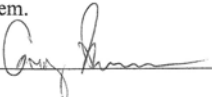
## Higher Education Pledge

I Tamara Nelson a Nevadan residing at  
1905 Waterfalls NW 89128  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Greg Puchala a Nevadan residing at  
5556 West Ferry St Las Vegas 89118  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Justin A. Tully a Nevadan residing at  
6401 Egan Rd. Dr. LV, NV 89108,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Menelle Cerna a Nevadan residing at  
1655 E. Sahara Ave. Apt # 3052 LV, NV 89104  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Silvia Myares a Nevadan residing at  
29 Village Ct. Henderson NV,  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I John Conlu a Nevadan residing at  
787 Craigmark Ct Henderson 89002  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I John Kim a Nevadan residing at  
7847 Blue Brook dr LV, NV 89117  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Kristy Hunt a Nevadan residing at  
800 Bahtman Ct. 89123  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Kristie Sagara a Nevadan residing at  
2305 W. Horizon Ridge Pkwy 89052  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Glen Cordero a Nevadan residing at  
7346 Coffeyville Ave Las Vegas NV 89147  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X 

## Higher Education Pledge

I Ernestina Zepeda a Nevadan residing at  
N. Las Vegas 808 Stanley Ave.  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Ernestina Zepeda

## Higher Education Pledge

I Bessy Baez a Nevadan residing at  
1515 Plainsight Ave  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Bessy Baez

## Higher Education Pledge

I Edwardo Perea a Nevadan residing at  
3106 Chadford Pl Las Vegas NV 89102-7830  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Edwardo Perea

## Higher Education Pledge

I Shelly Virtue a Nevadan residing at  
8445 S. Las Vegas Blvd Apt 2148  
 hereby pledge my support and my vote to candidates for state office in  
 2010 who commit to supporting and funding Nevada's public education  
 system.

X Shelly Virtue

On motion of Assemblyman Ocegüera, the Committee did rise and report back to the Assembly.

ASSEMBLY IN SESSION

At 6:20 p.m.

Madam Speaker presiding.

Quorum present.

Assemblyman Ocegüera moved that the Assembly adjourn until Wednesday, February 24, 2010, at 9 a.m.

Motion carried.

Assembly adjourned at 6:21 p.m.

Approved:

BARBARA E. BUCKLEY

*Speaker of the Assembly*

Attest: SUSAN FURLONG REIL

*Chief Clerk of the Assembly*