

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

**Seventy-Third Session
February 16, 2005**

The Committee on Ways and Means was called to order at 8:13 a.m., on Wednesday, February 16, 2005. Vice Chairwoman Chris Giunchigliani presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. Morse Arberry Jr., Chairman
Ms. Chris Giunchigliani, Vice Chairwoman
Mr. Mo Denis
Mrs. Heidi S. Gansert
Mr. Lynn Hettrick
Mr. Joseph M. Hogan
Ms. Ellen Koivisto
Ms. Sheila Leslie
Mr. John Marvel
Ms. Kathy McClain
Mr. Richard Perkins
Mr. Bob Seale
Mrs. Debbie Smith
Ms. Valerie Weber

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Jeff Ferguson, Program Analyst
Connie Davis, Committee Secretary
Anne Bowen, Committee Secretary

OTHERS PRESENT:

None

Vice Chairwoman Giunchigliani opened the Assembly Committee on Ways and Means' budget hearings for the Office of the Attorney General.

Attorney General Brian Sandoval identified himself for the record and introduced staff members, Ann Wilkinson, Assistant Attorney General; Marietta Lopez, Chief Financial Officer; Teri A. Sulli, who would replace Ms. Lopez upon her retirement; Randal R. Munn, Special Assistant Attorney General; Gerald Gardner, Chief Deputy Attorney General, Criminal Justice Division; Charles Moltz, Data Processing Manager; and Adriana Escobar Chanos, Chief Deputy Attorney General Consumer Advocate.

Attorney General Sandoval provided a brief overview of budget reductions, measures implemented, and the operational efficiencies achieved during his administration, for each of the budget accounts in the order listed on the Committee's agenda.

Attorney General Sandoval said the employees of the Office of Attorney General served to advise and represent the executive agencies of state government, prosecute criminal matters, and assisted in protecting the general welfare of Nevadans.

The Office of the Attorney General was staffed statewide with 353 employees, 145 who served as attorneys and 208 who served in other positions. Attorney General Sandoval took the opportunity to thank his employees for their hard work and dedication to the people of the state of Nevada and indicated it had been a privilege to work with them.

During the 2003 Legislative Session budget hearings, Attorney General Sandoval spoke of measures he planned to implement that would generate cost savings. The following measures were put into operation and resulted in \$1,218,487 returned to the General Fund at the close of fiscal year 2004.

- Satellite offices were consolidated to reduce rent payments for leased space
- Proficiency was maintained within the office with limited training funds
- The Office of the Attorney General operated with reduced funding for equipment and technological needs
- Over the course of the biennium, steps were taken to implement internal reorganization and operational efficiencies including:
 - ✓ Increasing the use of technology to improve case management, time tracking, and accounting functions
 - ✓ Development of performance measures for all budgets within the Office of the Attorney General
 - ✓ Accepting and implementing audit recommendations to improve operations of the fraud units in the Bureau of Consumer Protection
 - ✓ Restructuring the Civil Division
 - ✓ Establishment of a separate Division of Conservation and Natural Resources
 - ✓ Installing technology and equipment to provide teleconferencing capabilities between the Carson City and Las Vegas offices

- ✓ Reassigning open-meeting law matters to a primary deputy as opposed to a number of attorneys throughout the office
- ✓ Maximizing training by federal agencies for Attorney General investigators
- ✓ Obtaining Homeland Security Grants for investigators' equipment
- ✓ Encouraging cooperation and communication between northern and southern deputy attorneys general to reduce travel expenses

Attorney General Sandoval indicated that monetary savings combined with operational efficiencies permitted a modest increase in the budget request for position upgrades, minimal staffing needs, and funding for equipment and training during the 2005-2007 biennium.

Attorney General Sandoval expressed support for the Governor's recommended budget as submitted and for two additional revisions that did not impact General Fund dollars. The revisions included a position upgrade in Budget Account 3806, the Insurance Fraud Unit, and an additional position in Budget Account 1038, the Bureau of Consumer Protection. Attorney General Sandoval indicated both requests would be specifically addressed at the time each budget was presented.

To assist the Committee, Attorney General Sandoval provided a copy of the Attorney General's budget briefing book ([Exhibit B](#)) to each member of the Committee and staff.

ELECTED OFFICIALS - ATTORNEY GENERAL ADMINISTRATIVE FUND
(101-1030) – BUDGET PAGE ELECTED-34.

Attorney General Sandoval advised the members of the Committee that Budget Account 101-1030, the Administrative Fund for the Office of the Attorney General, was supported by the General Fund, the Attorney General Cost Allocation Plan, and billings from boards, commissions, and other agencies that were not assigned to the Cost Allocation Plan.

Attorney General Sandoval provided the following summary of enhancement requests that included replacement equipment, reclassification of eight positions, and the addition of an investigator and clerical position for the Las Vegas office:

- Decision Unit E-710 requested replacement equipment consistent with the Department of Information Technology (DoIT) standard replacement schedule for a total cost during the biennium of \$376,500.
- Decision Unit E-807 requested the following position upgrades for a total cost during the biennium of \$133,570:
 - ✓ Three Senior Deputy Attorneys General to Supervising Senior Deputy Attorneys General in the Civil, Transportation, and Human Resources Divisions.
 - ✓ Four Deputies to Senior Deputies, two in the Criminal Division, one in the Gaming Division, and one in the Human Resources Division.

Attorney General Sandoval indicated it was essential to retain experienced attorneys and advised that duties and responsibilities of the positions were consistent with similar positions in the Office of the Attorney General.

- ✓ Reclassification of an administrative assistant to public information officer with a maximum salary increase from \$49,076 to \$58,262. Historically, an administrative assistant in the Office of Attorney General performed the duties of a public information officer. Attorney General Sandoval explained the salary for an administrative assistant was not commensurate with the salary for public information officers in similar state positions, which made it difficult to retain qualified staff for the position.
- Decision Unit E-806 requested unclassified salary increases for the chief financial officer (CFO) from the current annual maximum salary of \$68,665 to \$75,502.

While the chief financial officer “consistently performed duties equivalent to an administrative services officer (ASO) III,” Attorney General Sandoval explained that the CFO maximum salary was not competitive with the maximum salary of an ASO III. The salary discrepancy made it a difficult-to-recruit position and to retain qualified staff.

- A salary increase was also requested for the assistant solicitor general who supervised the Carson City Litigation Division and served as a backup to the solicitor general. While the assistant solicitor general was currently funded at the senior deputy level, Attorney General Sandoval said the position’s duties compared to those of a chief deputy attorney general.
- A new investigator, Decision Unit E-250, was requested to assist staff in the Las Vegas office. Attorney General Sandoval said the chief of investigations and four general investigators currently had statewide responsibility for all public integrity cases, district attorney conflict referrals, Criminal Division trial support, and process serving in criminal and civil cases.
- ✓ With establishment of the Public Integrity Unit in September 2003, a 360 percent increase had been seen in public employee misconduct referrals. Ten cases were referred in calendar year 2003 compared with 46 cases in calendar year 2004.
- ✓ Recent cases included referrals from the Division of Welfare, Nevada Mental Health Services, Department of Motor Vehicles, the University and Community College System of Nevada, and the Nevada Department of Corrections.
- ✓ Criminal prosecution initiated as a result of Attorney General investigations included embezzlement, bribery, possession of child pornography on a state computer, food stamp theft, possession of a concealed weapon, “and oppression under color of office.”
- A legal secretary, Decision Unit E-251, was requested for the Las Vegas Litigation Division to support an intensive litigation workload. It was determined that one secretarial position could effectively support two litigation attorneys. Currently, the secretary-to-attorney-ratio in the Las Vegas Litigation Division was three attorneys to one secretary.

- Information Technology Training, Decision Unit E-275, requested \$22,000 in each year of the biennium to provide one training class for each member of the Information Services Division and two ProLaw Administrators. With increased reliance upon technology, Attorney General Sandoval said it was essential that staff be provided adequate and proper training. Additionally, Department of Information Technology (DoIT) staff reviewed the funding request and recommended approval.
- Restoration of Staff Training Funds, Decision Unit E-200, requested restoration of \$30,000 to the training budget in each fiscal year of the biennium. To assist in savings during the last biennium, Attorney General Sandoval said that the Office of Attorney General reduced its training budget by \$60,000. As a result, staff had not been able to participate in training opportunities that previously existed.
- New Equipment, Decision Unit E-720, requested \$33,132 for fiscal year 2006 and \$4,039 for fiscal year 2007. Attorney General Sandoval advised that ProLaw technology continued to increase efficiencies within the office. As the ProLaw system was technology driven, new equipment was requested to provide needed resources to improve the effectiveness and usability of ProLaw.
- Office Relocation, Decision Unit E-525, requested the relocation of the Bureau of Consumer Protection, which would be completed by March 31, 2005, and was anticipated to achieve a savings to the General Fund of \$44,542 in each fiscal year of the biennium.

Vice Chairwoman Giunchigliani indicated that although she had some questions with respect to protection issues between the Attorney General's Office of Consumer Protection and the Department of Business and Industry's Consumer Affairs Division, she would hold her questions until the budget for Consumer Protection was presented.

The Vice Chairwoman noted the Attorney General's technology equipment was based on the Department of Information Technology's replacement schedule and asked Assemblyman Denis to investigate the reasons some technology equipment had been placed on a three-year recycle, and some on a five-year recycle schedule.

Vice Chairwoman Giunchigliani noted that although elected officials were not included in the Governor's Personnel Task Force study, the Attorney General's Administrative Fund included a recommendation concerning a public information officer position.

Attorney General Sandoval explained that the Office of the Attorney General employed two administrative assistants to assist the public information officer and historically had used one of those positions as a public information officer. The budget requested a reclassification of the administrative assistant to a public information officer.

In response to a question from Vice Chairwoman Giunchigliani, Attorney General Sandoval confirmed the request was to reclassify the administrative assistant position to an unclassified public information officer.

Vice Chairwoman Giunchigliani noted there appeared to be a difference in the cost allocation plan revenue versus assessment in fiscal year 2006-07.

Marietta Lopez, chief financial officer, Office of the Attorney General, identified herself for the record. Ms. Lopez advised that the cost allocation plan for fiscal year 2006-07 would be completed within a month, which would resolve the difference.

Vice Chairwoman Giunchigliani commented that the Office of the Attorney General served as staff to some, but not all boards and commissions. The Vice Chairwoman discussed the possibility of legislation that would add additional boards and commissions, such as the Board of Regents, and providing assistance with the open meeting law. The Vice Chairwoman asked whether the Office of the Attorney General would have the ability to capture cost allocation dollars, if the additional boards and commissions were provided assistance by the Attorney General's Office.

Ms. Lopez confirmed that the ProLaw system captured client hours that included time spent on boards and commissions.

Vice Chairwoman Giunchigliani requested a list of boards and commissions currently not provided the services of a Deputy Attorney General and potential staffing requirements if services were provided to those boards and commissions.

Attorney General Sandoval indicated the information would be provided. Additionally, he said the information might provide an opportunity "to equalize some issues" since several attorneys, attracted by an increase in salary, had been hired away from the Office of the Attorney General by some of the various boards.

Vice Chairwoman Giunchigliani asked if costs associated with the Board of Regents' case could be reimbursed.

As previously indicated, Attorney General Sandoval advised that the office's ProLaw software tracked time associated with court cases, and time spent on the Board of Regents' Open Meeting Law case could be provided.

In response to a question from Vice Chairwoman Giunchigliani concerning recovery of costs through the cost allocation plan, Attorney General Sandoval indicated he was not aware of a mechanism to recover fees and costs associated with the Board of Regents' case.

In response to a question from Vice Chairwoman Giunchigliani concerning performance indicators, Attorney General Sandoval indicated specific performance indicators for each budget appeared in the document entitled, "Office of the Attorney General Budget Proposal Presentation for Fiscal Years 2005-2007" ([Exhibit B](#)). Attorney General Sandoval indicated that many performance indicators revolved around judicial review. The Attorney General explained that questionnaires were provided to judges and clients across the state who provided an assessment of performance by the Office of the Attorney General staff.

In response to Vice Chairwoman Giunchigliani's request to comment on new positions, Attorney General Sandoval provided the following information:

- An additional investigator was needed in the Las Vegas office to assist with the rise in public-integrity issues, such as embezzlement, or use of state computers for child pornography, which had increased 360 percent. Currently, work was being distributed throughout the Investigations Division, which detracted from investigators' abilities to work on their primary assignments.
- An additional legal secretary II position was needed in the Las Vegas office to equalize the ratio between secretaries to attorneys. While a 2:1 ratio was ideal, the Las Vegas office currently had a 3:1 ratio, and functions normally performed by a secretary were being performed by attorneys, which distracted from their ability to work on their cases.

In response to questions Vice Chairwoman Giunchigliani had concerning the secretary-to-attorney ratio, Attorney General Sandoval advised that the volume of work in the Litigation Division, including inmate and civil litigation, made them "somewhat unique." The ratio in other divisions, however, was 3:1.

In response to Assemblywoman Leslie's concerns regarding the Tobacco Enforcement Unit's funding sources, Ms. Lopez explained that the Tobacco Enforcement Unit was supported by a contract with the Bureau of Alcohol and Drug Abuse (BADA) and from funds appropriated from the 1998 Tobacco Master Settlement Agreement. Ms. Lopez said the funding from the BADA would amount to \$70,500 for the current year.

Ms. Leslie pointed out that The Executive Budget reflected \$53,798 for fiscal year 2003-04 Actual, which amounted to less than the funding provided by the BADA contract.

Ms. Lopez explained that the CFO had been ill during the 2003-04 biennia, and because the budget had been developed by staff who were not familiar with the program, the unit had been underfunded.

In response to a request from Ms. Leslie, Ms. Lopez agreed to provide her with updated information concerning corrected funding for the Tobacco Enforcement Unit.

Ms. Leslie expressed concern that funding had decreased in other budgets, such as grants for The Fund for A Healthy Nevada, and wanted to ensure that appropriate steps were being taken to continue funding to support the Tobacco Enforcement Unit.

In response to questions Assemblyman Denis asked with respect to performance indicators, Ann Wilkinson, Assistant Attorney General, Office of the Attorney General, identified herself for the record. Ms. Wilkinson explained that performance indicators as reflected in The Executive Budget had been "a first attempt" by staff to develop meaningful performance indicators, which since that time had been revised. Ms. Wilkinson further advised that staff had undergone training on how to develop performance indicators and were open to comments and ideas.

Mr. Denis questioned how a performance indicator, such as the percent of members of the judiciary who were satisfied or very satisfied with the performance of the Attorney General's Office, was measured.

Ms. Wilkinson advised that satisfaction percentages were generated through surveys conducted once a year. Additionally, Ms. Wilkinson pointed out that the percentage reflected for fiscal year 2004 was projected.

In response to questions Assemblywoman Gansert asked concerning how savings had been achieved to return \$1.2 million to the General Fund, Attorney General Sandoval advised that over the biennium, in an effort to meet budget demands, savings had been achieved through salary savings, reduced rent, and a variety of other measures.

In response to Mrs. Gansert's comments that no expenditure increases were reflected in the budget, Attorney General Sandoval explained that the Office of the Attorney General had been restructured during the last two years to balance each division's workload. Attorney General Sandoval commended his staff on absorbing additional work, which he indicated provided the opportunity to approach the 2005 Legislature with a modest budget request that did not include a large request for additional personnel.

In response to Mr. Denis' request for additional information concerning rent savings, Attorney General Sandoval explained that the Gaming Division had been relocated from an off-site property to the main office, and the Bureau of Consumer Protection would be relocating to the Frankie Sue Del Papa Building, which eliminated outside rent payments. Additionally, Attorney General Sandoval indicated the Las Vegas office had been expanded, and issues associated with remodeling prevented staff from moving into the space until several months ago. Rent payments began when staff occupied the space.

Vice Chairwoman Giunchigliani asked for additional comments on the request for information technology training funds.

Attorney General Sandoval advised that funding was requested to provide training for two Information Service Division employees in the ProLaw system, the Office's tracking software, and to provide training to staff in order to keep pace with technology changes associated with the federal courts, which were converting "to 100 percent electronic filing."

With no additional questions from the Committee, Vice Chairwoman Giunchigliani closed the budget hearing on the Office of Attorney General, Administrative Fund, Budget Account 1030, and opened the hearing on the Office of the Attorney General Special Fund, Budget Account 1031.

ELECTED OFFICIALS - OFFICE OF THE ATTORNEY GENERAL - SPECIAL LITIGATION FUND - (101-1031) - BUDGET PAGE ELECTED-34.

Attorney General Sandoval advised that the Special Litigation Fund, Budget Account 1031, created under *Nevada Revised Statutes* (NRS) 228.099, was established for the payment of expenses related to litigation.

Attorney General Sandoval advised that The Executive Budget requested enhancements to:

- Restore \$7,294 in each year of the biennium for the general litigation portion of the budget
- \$1 million in fiscal year 2006 to provide funding to continue litigation to support the Yucca Mountain litigation

Attorney General Sandoval reported that Nevada's successes concerning the Yucca Mountain litigation had been the focus of great attention. Citing several recent news articles, Attorney General Sandoval advised that on February 13, 2005, the *Los Angeles Times* ran an article entitled "Nevada's Clout Evident in Waste Site Battle," and the *Las Vegas Sun* ran an article entitled, "A Huge Mountain to Climb."

In response to questions Vice Chairwoman Giunchigliani asked concerning how the funding for the Agency for Nuclear Projects and the Special Litigation Fund could be differentiated, Attorney General Sandoval provided the following explanation:

- \$1 million from the Office of Attorney General's Special Litigation Fund was used to pay attorneys' fees associated with the litigation for Yucca Mountain
- \$1 million from the Agency for Nuclear Projects was associated with the retention of experts

With no additional questions from the Committee, Vice Chairwoman Giunchigliani closed the budget hearing on the Office of Attorney General Special Litigation Fund and opened the budget hearing on the Office of the Attorney General, Insurance Fraud Unit.

ELECTED OFFICIALS - OFFICE OF THE ATTORNEY GENERAL - INSURANCE FRAUD UNIT - BUDGET ACCOUNT (101-3806) - BUDGET PAGE ELECTED-34.

Attorney General Sandoval provided the following information concerning the Insurance Fraud Unit budget:

- The Insurance Fraud Unit, Budget Account 3806, was created in the Attorney General's Office under *Nevada Revised Statutes* (NRS) 228.412
- Insurance assessments provided the revenue stream that supported the account
- Requested enhancements included:
 - ✓ Replacement equipment based on the Department of Information Technology's (DoIT) standard replacement schedule for a cost of \$12,320 over the biennium
 - ✓ Two investigator positions for the Insurance Fraud Unit in Las Vegas. The unit currently operated at a ratio of three attorneys to two investigators

At the current ratio, at least 10 percent of the Insurance Fraud case referrals were denied due to insufficient resources and the importance of focusing on higher priority cases. Attorney General Sandoval advised that two additional investigators would provide the resources necessary "to ensure that all meritorious insurance fraud referrals" were investigated.

- ✓ A reorganization combining the Insurance Fraud Unit and the Workers' Compensation Fraud Unit would provide cost savings; improve efficiency; reduce duplicated administrative functions that would "free up" deputies to prosecute additional court cases; centralization of

intake, screening, and tracking of all fraud complaints that would promote "consistent treatment of all cases."

Additionally, Attorney General Sandoval advised that attorneys and investigators would combine outreach and education efforts, which would allow for the elimination of two Workers' Compensation Fraud investigator positions.

- Reclassification of the northern Insurance Fraud deputy to a senior deputy, which had been inadvertently omitted from The Executive Budget. The reclassification was justified based on performance of duties similar to other senior deputy positions, public appearances on behalf of the Unit, teaching classes at the Peace Officers' Standards and Training (P.O.S.T.) Academy, and being cross-deputized as a United States Attorney.

The \$14,431 cost for the reclassification in each fiscal year would be funded through industry assessments. While rejected for the last six years, Attorney General Sandoval indicated the reclassification was appropriate for approval.

Vice Chairwoman Giunchigliani asked the Attorney General to describe how the activities of the combined Fraud Units would be cost allocated to ensure Workers' Compensation funds were used for Workers' Compensation activities and Insurance Fraud funds were used for Insurance Fraud activities.

In response, Attorney General Sandoval advised that time for the Workers' Compensation Fraud Unit and for the Insurance Fraud Unit would be separately tracked.

In response to questions Vice Chairwoman Giunchigliani asked concerning increased referrals, Attorney General Sandoval explained that an increase in referrals was being seen in both the Workers' Compensation Fraud Unit and the Insurance Fraud Unit, and success in the Workers' Compensation Fraud was defined as dramatic. Additionally, Attorney General Sandoval advised of being "respectful" of the individual budgets and indicated he would not allow the Workers' Compensation Fraud budget to subsidize other budgets.

Vice Chairwoman Giunchigliani requested comments specific to the type of cases being seen in the Insurance Fraud area.

Gerald Gardner, Chief Deputy Attorney General, Criminal Division, Office of the Attorney General, identified himself for the record. Mr. Gardner reported that the Insurance Fraud Unit continued to see property liability and casualty policies based on fraud, or false representations to obtain insurance.

Mr. Gardner supported previous statements that combining the units would provide a greater caseload distribution for a more active prosecution caseload. Mr. Gardner also expressed confidence that maintaining separation of the two budgets would not be a problem.

In response to questions Assemblywoman McClain asked concerning the Insurance Division's Fraud Unit, Mr. Gardner advised that the Insurance Division, under the Department of Business and Industry, initially received complaints or conducted proactive investigations, but lacked law enforcement or prosecution jurisdiction. Any case subject to prosecution or criminal investigation was referred to the Attorney General's Insurance Fraud Unit.

While the Insurance Commissioner was aware of the number of times the idea had been proposed and was believed to support consolidation, Mr. Gardner said the insurance industry was known to be "very supportive."

Ms. McClain commented on the Insurance Commissioner's proposal to pursue fraudulent insurance businesses operating on the Internet and asked if the Attorney General's Office could handle the increased prosecution workload.

Mr. Gardner advised that the increased workload could be managed with the addition of two investigator positions requested in the budget. Operating at a 10 percent deficit in prosecuting "all meritorious cases," Mr. Gardner indicated the gap was being closed, but a lack of investigative resources had placed a "real strain" on the office.

Vice Chairwoman Giunchigliani asked the Attorney General if modification of the Insurance Fraud Unit quarterly reports would include information on whether funding spent on insurance fraud was effective in reducing insurance fraud. The Vice Chairwoman also asked if the new, outcome-based performance indicators would be incorporated into the quarterly reports.

In response to Vice Chairwoman Giunchigliani's questions, Mr. Gardner advised that the new quarterly report format would incorporate performance indicators that reflected statistics on the number of prosecutions initiated, conviction rates obtained, and restitution, fines, costs, and forfeitures ordered, fines and forfeitures recovered, educational events conducted, and survey results. Additionally, with the increase in the number of court proceedings, Mr. Gardner said annual attorney evaluations and assessments would provide information concerning performance during court proceedings. Mr. Gardner also indicated "a good trial attorney" had to meet certain objectives during a court case, and adherence to those objectives would be monitored. Mr. Gardner advised that while extensive notes were maintained on the conduct and progress of a case, perhaps a more formal, subjective self-review of the preponderance of cases would be worth looking into.

Additionally, Attorney General Sandoval advised that newer deputies were paired with mentors who assisted during a trial, and judicial surveys provided information concerning attorney performance. Attorney General Sandoval commented that a recent review by one of the judges in southern Nevada, described the Attorney General's Office as the Clark County District Attorney's "new rival in the courtroom."

Mr. Hogan asked for information on the standards applied in determining which cases were meritorious and worthy of litigation.

Attorney General Sandoval advised that entirely new intake programs associated with prosecutions had been implemented.

Mr. Gardner more fully explained that a multi-phase case assessment process had been implemented to determine whether a case warranted investigation. The process included holding follow-up meetings with staff and Criminal Division attorneys to discuss whether a case was provable beyond a reasonable doubt.

In response to questions Mr. Hogan asked concerning whether the quarterly report would include the rate of case acceptance, Mr. Gardner advised that currently the intent was to provide the quarterly report as a simple graph, which

did not include case acceptance. However, Mr. Gardner advised that the data could be included within the graph, if requested.

Mr. Seale asked if there were opportunities for “economies of scale and efficiencies” by combining the Insurance Commissioner’s Insurance Fraud Unit and the Attorney General’s Insurance Fraud Unit.

In response to Mr. Seale’s question, Attorney General Sandoval indicated that the Attorney General’s Office, as previously stated, had exclusive jurisdiction to prosecute the criminal aspect of an insurance fraud case. Additionally, Attorney General Sandoval indicated that while the question warranted consultation with the Insurance Commissioner, the Attorney General’s Office stood ready, willing, and able to do whatever best served the people of the state of Nevada.

Vice Chairwoman Giunchigliani suggested a meeting with the Commissioner for Consumer Affairs as well as the Commissioner for Insurance on determining better efficiency and enforcement policies.

Vice Chairwoman Giunchigliani closed the budget hearing on the Insurance Fraud Unit and opened the hearing on the Medicaid Fraud Control Unit.

ELECTED OFFICIALS - ATTORNEY GENERAL - MEDICAID FRAUD CONTROL UNIT (101-1037) – BUDGET PAGE ELECTED-52.

Vice Chairwoman Giunchigliani asked that comments be directed to two issues, the General Fund appropriation, and modification of the quarterly report to include data concerning the effectiveness of funds spent on the Medicaid Fraud Unit.

Through an agreement with the federal government, the state was authorized to use all or a portion of money recovered for the cost of Medicaid Fraud investigations and litigation in order to comply with a 25 percent state match requirement. Attorney General Sandoval explained that a General Fund appropriation was being requested for the first time to supplement the 25 percent match as a result of the Medicaid Fraud Unit’s current involvement in “a very complex pharmaceutical pricing litigation.” Attorney General Sandoval indicated that although the recoveries currently did not meet the 25 percent match, the \$30,572 requested for fiscal year 2005-06 and the \$287,290 requested for fiscal year 2006-07 would be returned to the General Fund at the resolution of the case, which was anticipated by the end of the 2006-07 biennium.

In response to Vice Chairwoman Giunchigliani’s questions concerning the ongoing litigation, Attorney General Sandoval explained the litigation involved several large pharmaceutical companies and the case, by the nature of its complexity, had utilized available resources.

In response to questions Vice Chairwoman Giunchigliani asked concerning litigation involving the Nevada State Board of Pharmacy, Attorney General Sandoval advised that civil lawsuits had been filed against employees of the Board who were being represented by the Attorney General’s Office. Attorney General Sandoval explained that the Attorney General had a duty to “vigorously defend” state employees as well as employees of state boards and commissions. Attorney General Sandoval further advised that the lawsuit, filed against the executive director and attorney for the Board, had been determined to be defensible and was proceeding “very well.”

Vice Chairwoman Giunchigliani indicated that representing boards and commissions might be another area for review.

In response to Vice Chairwoman Giunchigliani's questions concerning the revenue loss as a result of pharmaceutical pricing litigation, Attorney General Sandoval indicated a successful resolution of the litigation was anticipated to recover resources beyond the \$287,290 appropriation requested for fiscal year 2006-07.

In response to Vice Chairwoman Giunchigliani's questions with respect to revising quarterly reports and performance indicators, Attorney General Sandoval discussed the Medicaid Fraud Unit's internal protection unit, which he indicated was expected to result in additional "economies and efficiencies."

Vice Chairwoman Giunchigliani asked if performance indicators and quarterly reports could also include the type of information being provided, to whom the information was being provided, and whether additional cases were generated or reduced once the public became aware of their rights.

Attorney General Sandoval discussed the Medicaid Fraud Unit's Senior Nevada Advocates on Guard (SNAG) program, the Senior Medicare Patrol Project, which partnered with the Nevada State Division for Aging Services, and the U.S. Attorney's Office. Attorney General Sandoval commended Jo Anne Embry, the Unit's coordinator of events and presentations for Nevada's seniors. Ms. Embry had achieved national recognition for her activity within Clark County to promote health care fraud prevention. While Attorney General Sandoval indicated tracking more or fewer referrals as a result of education might prove difficult, he indicated the number of events could be tracked.

Vice Chairwoman Giunchigliani indicated it would be helpful to include measurements concerning the type of events, brochures that were provided, and activity related to fewer opportunities for fraud.

Attorney General Sandoval provided the following SNAG statistics from January 1999 through June 2004:

- 419 complaints received
- 5 million media hits through 900 media events
- \$25,000+ identified for recovery
- 150 federal state and local agency personnel trained in health care fraud detection
- 268 group training sessions and community education events attended by 51,629 individuals
- 81 training sessions for volunteers and agency personnel
- 36 active volunteers covering the state

Assemblywoman McClain, who spoke of having personally worked with Ms. Embry, also took the opportunity to commend her work to protect senior citizens against health care fraud.

In response to a question from Vice Chairwoman Giunchigliani concerning coordination with other agencies, Attorney General Sandoval advised that Ms. Embry coordinated events with the Nevada State Division for Aging Services as well as other divisions within the Attorney General's Office. Attorney General Sandoval advised that employees who were investigators also attended events to specifically address seniors with regard to issues that ranged from identify theft to insurance fraud to Medicaid fraud.

As there were no further questions from the members of the Committee, Vice Chairwoman Giunchigliani closed the budget hearing on the Medicaid Fraud Control Unit and opened the hearing on the Workers' Compensation Fraud Unit.

ELECTED OFFICIALS - ATTORNEY GENERAL - WORKERS' COMPENSATION FRAUD UNIT (101-1033) - BUDGET PAGE ELECTED-57.

Attorney General Sandoval began the budget presentation with some background information explaining that the Workers' Compensation Fraud Unit, Budget Account 1033, was established as part of the overall reform of the industrial insurance system and created under *Nevada Revised Statutes* (NRS) 228.420. Additionally, Attorney General Sandoval reported that Budget Account 1033 was funded through employer assessments.

Attorney General Sandoval discussed the success of the Workers' Compensation Fraud Unit over the course of the biennium, specifically expanding savings and lowering staffing levels while increasing the number of cases investigated and prosecuted.

Attorney General Sandoval reported that budget reductions of approximately \$157,265 in fiscal year 2006 and \$161,079 in fiscal year 2007 would be realized through a reorganization combining the Insurance Fraud Unit with the Workers' Compensation Unit. Additionally, Attorney General Sandoval advised that the Employers Insurance Company of Nevada (EICON) had reported that the Workers' Compensation Fraud Unit had saved them \$7.5 million in future reserves in 2004 alone. Attorney General Sandoval reported salary savings of \$357,000 for the biennium during that same time period.

Attorney General Sandoval recalled that during the 2003 Legislative Session, the Workers' Compensation Fraud Unit was a subject of interest for the Committee, and staff had endeavored to achieve savings and increase the number of prosecutions and actions conducted by the Workers' Compensation Unit. Attorney General Sandoval indicated he had also been unofficially informed by EICON that previously every dollar invested produced a \$3 return, and the ratio had increased 14:1.

In response to a question from Vice Chairwoman Giunchigliani, Attorney General Sandoval indicated the information was not reflected in the quarterly report since it had been informally received.

Vice Chairwoman Giunchigliani pointed out that the information received from the EICON was valuable since it reflected the effectiveness of the Workers' Compensation Fraud Unit.

Attorney General Sandoval advised that replacement equipment totaling \$343,946 was requested based on the Department of Information Technology's (DoIT) standard replacement schedule. Additionally, an upgrade from deputy attorney general to senior deputy attorney general was requested for the northern Nevada Workers' Compensation Fraud Unit.

In response to a question from Vice Chairwoman Giunchigliani, Attorney General Sandoval advised that the equipment request was consistent with the DoIT's four-year replacement schedule.

With no further questions from the members of the Committee, Vice Chairwoman Giunchigliani closed the budget hearing on the Workers'

Compensation Fraud Unit and opened the hearing on the Bureau of Consumer Protection.

ELECTED OFFICIALS - ATTORNEY GENERAL – BUREAU OF CONSUMER PROTECTION (101-1038) – BUDGET PAGE ELECTED-64.

The Attorney General's Bureau of Consumer Protection (BCP), Budget Account 101-1038, was created by the Legislature under the provisions of *Nevada Revised Statutes* (NRS) 228.340. Attorney General Sandoval advised the members of the Committee that the BCP represented consumers' interests before the Public Utilities Commission of Nevada or any entity with jurisdiction over Nevada public utilities.

Attorney General Sandoval provided testimony on the following requested budget enhancements:

- One legal secretary II requested for the BCP Las Vegas office would support two utility deputies and a half-time antitrust deputy attorney general.
- One program assistant requested for the Las Vegas office would support three consumer fraud investigators for non-utility matters.
- One investigator requested for the Carson City office would investigate deceptive trade and consumer fraud matters. The position was justified based on workload and safety concerns to ensure the existing investigator was provided assistance and backup in making arrests and seizing assets.
- Replacement equipment consistent with the Department of Information Technology's (DoIT's) standard replacement schedule was requested for a total cost over the biennium of \$60,862.
- Document scanning and file conversion that would provide for electronic filing with the Public Utilities Commission and reduce space needs for file storage.
- Position upgrades - one senior deputy attorney general upgraded to a non-utility supervising senior deputy attorney general, and two deputy attorneys general upgraded to non-utility senior deputy attorneys general.

Attorney General Sandoval advised that the relocation of the Bureau of Consumer Protection to the Frankie Sue Del Papa Building on north Carson Street would "further consolidate the Office of the Attorney General and save the General Fund the cost of the space the Bureau would occupy."

Additionally, Attorney General Sandoval advised that one additional attorney position, not identified in The Executive Budget but supported by the Governor, was requested. Attorney General Sandoval explained that Ms. Escobar Chanos was appointed as the Consumer Advocate in January 2005 and after reviewing the budget, determined that an additional attorney was needed to assist in the Bureau of Consumer Protection's efforts to more effectively represent rate payers in rate proceedings before the Public Utilities Commission and the Federal Energy Regulatory Commission (FERC). The addition of the position would not involve new General Fund dollars and would cost \$95,777 in fiscal year 2006 and \$121,248 in fiscal year 2007.

In response to Vice Chairwoman Giunchigliani's question concerning the reduced mil assessment on regulated utility revenue, Attorney General Sandoval advised that the statutory limit of .75 mil had been reduced to a .70 mil assessment.

After further questioning with respect to projected reserve levels, Vice Chairwoman Giunchigliani suggested the Attorney General's Office staff meet with the Committee's staff to review the mil assessment and projections for an ideal reserve level.

With no further questions from the members of the Committee, Vice Chairwoman Giunchigliani closed the budget hearing for the Office of Consumer Protection and opened the hearing for the Crime Prevention Account.

ELECTED OFFICIALS - ATTORNEY GENERAL - CRIME PREVENTION
(101-1036) - BUDGET PAGE ELECTED-72.

The Crime Prevention Account included funding for the Missing Children's Clearinghouse and Crime Prevention Unit, and was supported 87 percent by the General Fund and 13 percent by fees collected for the sale of the Missing Children license plates.

Enhancement requests included:

- Replacement equipment, consistent with DoIT's standard replacement schedule, was requested for a total cost of \$3,339 for the biennium.
- Funding totaling \$4,224 in each year of the biennium was requested to provide the use of a Motor Pool vehicle for the unit investigator to use while conducting missing children investigations. Attorney General Sandoval indicated the investigator currently used her personal automobile and had expressed concerns with respect to her safety after having been followed on several occasions.

Vice Chairwoman Giunchigliani agreed that employees should not be expected to use personal vehicles but indicated there had been some concern expressed about the justification for a Motor Pool vehicle when only \$110 had been spent on in-state personal vehicle travel.

In response to further questioning, Attorney General Sandoval advised that the investigator had been reimbursed for her personal vehicle travel.

With no further questions from the members of the Committee, Vice Chairwoman Giunchigliani closed the budget hearing for the Crime Prevention Account and opened the hearing for the Tort Claim Fund.

ELECTED OFFICIALS - ATTORNEY GENERAL - TORT CLAIM FUND
(101-1348) - BUDGET PAGE ELECTED-77.

Attorney General Sandoval reported that the fund for insurance premiums was an internal service fund supported by the collection of premium assessments assigned to state agencies.

A budget enhancement for replacement equipment based on the Department of Information Technology's (DoIT's) standard replacement schedule was requested for a total cost over the biennium of \$5,745.

Vice Chairwoman Giunchigliani asked for additional information concerning the recommended changes for a decrease in the tort assessment in fiscal year 2005-06 and an increase in fiscal year 2006-07.

Attorney General Sandoval advised that the actuarial study performed for the 2005-07 biennium indicated that adjustments to the assessment rates were necessary.

Vice Chairwoman Giunchigliani questioned the "large increase" in tort claim costs recommended in each year of the biennium.

Attorney General Sandoval discussed a large claim settlement against the state that was resolved in the amount of \$1.75 million. The lawsuit, involving the severe physical abuse of a foster child, was negotiated, Attorney General Sandoval said, "in the best interests of the state," when it was determined a jury award could have exceeded the amount for which the case was resolved.

Vice Chairwoman Giunchigliani commented that the members of the Joint Subcommittee on K-12/Human Resources, chaired by Assemblywoman Sheila Leslie, were reviewing a better process to screen foster care parents.

Vice Chairwoman Giunchigliani asked why there was a "significant increase" in tort claim costs recommended in each year of the biennium compared to actual tort claim costs in fiscal year 2003-04 of \$2.3 million.

Attorney General Sandoval indicated the large settlement he had previously discussed had an impact on the Tort Claim Fund, which had been doing well until resolution of the lawsuit.

In response to Vice Chairwoman Giunchigliani's questions concerning an appropriate reserve level, Attorney General Sandoval deferred to Andrew Clinger, Deputy Director, Budget Division, Department of Administration.

Mr. Clinger reported that when the budget for the Tort Claim Fund was originally submitted, the actuarial report had not been completed. The claims expenditure and rates projected for 2006 and 2007 were based on the actuarial report, which Mr. Clinger indicated was received during the Governor Recommended phase of developing the budget.

In response to questions from Vice Chairwoman Giunchigliani concerning the basis for the fiscal year 2006-07 recommendation, Mr. Clinger indicated he could not recall the details of the actuarial report but would review it.

Vice Chairwoman Giunchigliani requested that the Attorney General's staff work with the Committee's staff to determine an appropriate reserve level as a percent of claim costs and also requested that a copy of the actuarial report be provided to staff.

With no further questions from the members of the Committee, Vice Chairwoman Giunchigliani closed the budget hearing for the Tort Claim Fund and opened the hearing for the Extradition Coordinator budget.

ELECTED OFFICIALS - ATTORNEY GENERAL – EXTRADITION COORDINATOR
(101-1002) – BUDGET PAGE ELECTED-81.

Attorney General Sandoval said the Extradition Coordinator, Budget Account 1002, was supported with 85 percent General Fund dollars, and the balance

was provided by restitution payments made by fugitives who had been returned to Nevada.

A budget enhancement for replacement equipment based on DoIT's standard replacement schedule was requested for a cost over the biennium of \$4,596.

Vice Chairwoman Giunchigliani questioned a recommended decrease in extradition revenues for the 2005-07 biennium.

Marietta Lopez, chief financial officer, identified herself for the record and advised that revenues were projected based on actual 2004 collections. Ms. Lopez pointed out that restitution revenue fluctuated from year to year, and while it was possible additional revenue would be collected, a conservative budgeting approach had been taken in the event revenue did not materialize as expected.

Vice Chairwoman Giunchigliani noted that the amount recommended to fund extradition costs decreased from \$500,746 in fiscal year 2003-04 to \$492,236 in each year of the 2005-07 biennium. Vice Chairwoman Giunchigliani asked the Attorney General's staff to review the recommendation and provide information to the Committee's staff to ensure that funding from the Contingency Fund would not be requested during the interim.

With no further questions from the members of the Committee, Vice Chairwoman Giunchigliani closed the budget hearing for the Extradition Coordinator budget and opened the hearing for the Advisory Council for Prosecuting Attorneys' budget.

ELECTED OFFICIALS - ATTORNEY GENERAL – ADVISORY COUNCIL FOR PROSECUTING ATTORNEYS' (101-1041) – BUDGET PAGE ELECTED-85.

Attorney General Sandoval reported that the Advisory Council for Prosecuting Attorneys was an Executive Branch state agency created pursuant to *Nevada Revised Statutes* (NRS) 241A. The Council was primarily funded through administrative assessments in addition to a small portion of General Fund dollars, and, under the provisions of NRS 241A.090, the Council was also authorized to receive grant funding.

Enhancements included:

- Replacement equipment based on the Department of Information Technology's (DoIT's) standard replacement schedule for a total cost over the biennium of \$4,028.
- Increased funding of \$1,180 in each year of the biennium to provide for the Advisory Council's executive director to attend the National Association of Prosecution Coordinators' winter and summer conferences.
- A position upgrade for the executive director to the level of senior deputy attorney general for a total cost of \$26,870 over the course of the biennium.

Attorney General Sandoval indicated that currently, the executive director was paid the equivalent of a deputy attorney general and was among the lowest paid prosecuting attorneys according to a survey conducted by the National Association of Prosecution Coordinators.

In response to a question from Vice Chairwoman Giunchigliani, Attorney General Sandoval justified the increase based on the executive director's "proactive approach in assisting prosecutors" throughout the state in training sessions conducted and funds obtained to provide the training. Attorney General Sandoval indicated the executive director had earned the upgrade and, if approved, the position would be commensurate with prosecuting attorneys throughout the country.

In response to a question from Assemblyman Marvel concerning whether savings had been realized, Attorney General Sandoval advised that the training sessions for prosecutors, from across the state, had been conducted at no charge. Attorney General Sandoval advised that rural prosecutors had particularly benefited since they had little opportunity to access training sessions held in Washoe County and Clark County.

Vice Chairwoman Giunchigliani indicated that while some effort had been made to become competitive with private sector salaries, a \$26,869 increase would require further review. The Vice Chairwoman asked for additional salary comparisons that included duties and responsibilities.

Attorney General Sandoval indicated the position was so unique, out-of-state comparisons might need to be provided.

Assemblywoman McClain asked if training for prosecutors included the topic of domestic violence cases.

Attorney General Sandoval advised that several training sessions concerning domestic violence had been held and would not have occurred without the efforts of the executive director to obtain grant funds and out-of-state experts to provide the training. Additionally, Attorney General Sandoval indicated positive remarks had been received from district attorneys who had benefited from the training.

In response to questions from Assemblyman Denis concerning the number of training sessions that had occurred and the number of district attorneys trained, Attorney General Sandoval advised that five training sessions were held in 2004, and it was anticipated the same number of training sessions would be held in fiscal years 2006 and 2007. Attorney General Sandoval estimated that 150 to 200 individuals had been trained and advised that specific numbers would be provided.

In response to Vice Chairwoman Giunchigliani's questions concerning certification, Attorney General Sandoval indicated the training sessions were approved for Continuing Legal Education (CLE) and that attendees received credit toward their mandatory CLE requirement.

Vice Chairwoman Giunchigliani suggested including certification as a performance indicator.

With no further questions from the members of the Committee, Vice Chairwoman Giunchigliani closed the hearing for the Advisory Council for Prosecuting Attorneys' budget and opened the hearing for the Victims of Domestic Violence budget.

ELECTED OFFICIALS - ATTORNEY GENERAL - VICTIMS OF DOMESTIC VIOLENCE (101-1042) - BUDGET PAGE ELECTED-90.

Attorney General Sandoval reported that Victims of Domestic Violence, Budget Account 101-1042, was funded through federal grants and court assessments.

Enhancements included:

- Replacement equipment in the amount of \$3,671 over the biennium based on the Department of Information Technology's (DoIT's) standard replacement schedule.
- An administrative assistant IV.

"Pursuant to *Nevada Revised Statutes* (NRS) 228.470(5), the Attorney General's Office provided the Committee on Domestic Violence with the necessary staff to carry out the duties of the Committee." Attorney General Sandoval advised that a contract was initiated during the current biennium to provide administrative support to assist the Committee on Domestic Violence, the domestic violence ombudsman, and the grants administrator to fulfill the statutory mandate.

- Increased training.

Attorney General Sandoval advised that court assessment funds, in prior years, had "significantly limited domestic violence training funds available for law enforcement attorneys and members of the judiciary." Anticipating that court assessments would accommodate more training than in previous years, the budget requested to increase Training Category 17 by \$10,000 for the biennium.

- Fund domestic violence ombudsman with General Funds.

Attorney General Sandoval explained that the ombudsman position for the Victims of Domestic Violence budget was created in 1997, and had been funded by grant monies. The policies instituted by the awarding grant programs dictated that governmental organizations absorb the cost within three years of the initial award to ensure that the position under the provisions of NRS 228.440 was continued. Therefore, Attorney General Sandoval requested that the ombudsman position be supported by the General Fund.

- Re-establish Budget 101-1040 pass-through account.

Attorney General Sandoval explained that the Office of Attorney General received its first domestic violence grant in fiscal year 1996, and Budget Account 1040 was established as a pass-through account, since the grant funds were disbursed to sub-grantees or transferred to the Attorney General's administrative budget to pay for salaries and administrative costs associated with the grant.

In fiscal year 1999, Budget Account 101-1042 was created to pay personnel costs and operating costs for the ombudsman. Subsequently, in fiscal year 2002, Budget Account 101-1040 was combined with Budget Account 101-1042. The combination of the budget accounts made certain funds unavailable when expenditures exceeded actual

revenues, and re-establishing Budget Account 101-1040 as a pass-through account would eliminate the problem.

Vice Chairwoman Giunchigliani requested that the Attorney General provide additional clarification regarding funding the ombudsman position with General Fund money rather than domestic violence grant funds.

Attorney General Sandoval advised that the grant funding was limited and deferred to Marietta Lopez, the chief financial officer.

Ms. Lopez explained that General Fund support was requested to meet federal requirements for self-sufficiency after three years of being funded by the grant.

Vice Chairwoman Giunchigliani indicated a need for further review of the request. The Vice Chairwoman indicated that the Assembly Judiciary Committee recently held hearings concerning domestic violence issues and asked if the Attorney General was aware of any legislation that might impact the budget.

Attorney General Sandoval indicated he was not currently aware of any pending legislation that might affect the budget.

Vice Chairwoman Giunchigliani asked if court assessments could support the ombudsman position.

Ms. Lopez explained that while court assessments did, in part, support the Committee on Domestic Violence, court assessments did not cover the cost of the ombudsman position, nor was she certain sufficient dollars were available to cover the cost of the position.

Vice Chairwoman Giunchigliani asked Ms. Lopez to work with Ron Titus, Court Administrator and Director of the Administrative Office of the Courts, to determine the availability of court assessment revenue that might assist in reducing the amount requested from the General Fund.

Assemblyman Denis noted workload statistics that indicated direct assistance was provided to 220 victims.

In response to a question from Mr. Denis, Attorney General Sandoval advised he was not aware that anyone who requested service or assistance had not received it.

Vice Chairwoman Giunchigliani indicated it had been pointed out there was \$140,000 in reserve and suggested the reserve might be a way of reducing the General Fund request.

With no further questions from the members of the Committee, Vice Chairwoman Giunchigliani closed the hearing for the Victims of Domestic Violence budget and opened the hearing for the Violence Against Women Grant.

ELECTED OFFICIALS - ATTORNEY GENERAL – VIOLENCE AGAINST WOMEN GRANT (101-1040) – BUDGET PAGE ELECTED-96.

Vice Chairwoman Giunchigliani indicated the only major issue was the new grant, and asked for comments from Attorney General Sandoval.

Attorney General Sandoval advised that the Attorney General's Office applied for and received a grant to stop abuse and sexual assault against the elderly and individuals with disabilities.

The grant was awarded and totaled \$158,733 for fiscal year 2006, and \$32,000 for fiscal year 2007, and it was requested the grant be included in the budget account.

Attorney General Sandoval extended his thanks to the Committee for the opportunity to present the Attorney General's budget.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, distributed copies of The Executive Budget amendments ([Exhibit C](#)) to the members of the Committee.

Andrew Clinger, Deputy Director, Budget Division, Department of Administration, identified himself for the record and provided an overview of the amendments. Beginning with the chart on page 1, Mr. Clinger advised that an adjustment had been made in the Distributive School Account for electricity and natural gas inflationary increases, which amounted to \$2,462,036 in fiscal year 2006 and \$4,486,354 in fiscal year 2007.

The second adjustment for the Commissioner for Veterans Affairs' budget was for the addition of six positions, which amounted to \$206,505 in fiscal year 2006 and \$271,849 in fiscal year 2007.

Although details were not yet available on future budget reductions, Mr. Clinger advised that in order to pay for the adjustments to the Distributive School Account and the budget for the Commissioner for Veterans Affairs, the unappropriated General Fund balance was reduced by the adjustments.

Vice Chairwoman Giunchigliani indicated staff would review the adjustments.

Mr. Stevens advised that Bob Atkinson, the Fiscal Analysis Division's Senior Program Analyst for the Distributive School Account, indicated the inflation numbers should be higher. Mr. Stevens advised that he would meet with Mr. Atkinson and Budget Division staff to further analyze the numbers, and if additional adjustments were required concerning the utility inflation, the information would be brought to the Committee's attention.

The meeting was adjourned at 9:48 a.m.

RESPECTFULLY SUBMITTED:

Connie Davis
Committee Attaché

APPROVED BY:

Assemblywoman Chris Giunchigliani, Vice Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: February 16, 2005 **Time of Meeting:** 8:00 a.m.

[illegible]