

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

**Seventy-Third Session  
April 5, 2005**

The Committee on Ways and Means was called to order at 8:06 a.m., on Tuesday, April 5, 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:**

Ms. Chris Giunchigliani, Vice Chairwoman  
Mr. Mo Denis  
Mrs. Heidi S. Gansert  
Mr. Lynn Hettrick  
Mr. Joseph M. Hogan  
Mrs. 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:**

Mr. Morse Arberry Jr., Chairman

**GUEST LEGISLATORS PRESENT:**

Mr. William C. Horne, Assembly District No. 34  
Ms. Bonnie Parnell, Assembly District No. 40

**STAFF MEMBERS PRESENT:**

Mark Stevens, Assembly Fiscal Analyst  
Steve Abba, Principal Deputy Fiscal Analyst, Assembly  
Bob Guernsey, Principal Deputy Fiscal Analyst, Senate  
Mindy Braun, Education Program Analyst  
Jeff Ferguson, Program Analyst  
Carol Thomsen, Committee Attaché  
Linda Smith, Committee Attaché

Vice Chairwoman Giunchigliani called the meeting to order and opened the hearing on A.B. 429.

**Assembly Bill 429: Requires Department of Motor Vehicles to carry forward person's excess credit for payment of registration fees and governmental services taxes under certain circumstances. (BDR 43-306)**

Assemblyman William Horne, District Clark, No. 34, indicated that he would present testimony regarding A.B. 429. The problem within the Department of Motor Vehicles (DMV) had been brought to his attention by two constituents early in 2004. The problem was with the procedures used by the DMV regarding vehicle registration credit. Mr. Horne told the story of a woman who had registered a valuable vehicle and because of the loss of employment, could no longer afford that vehicle. The woman sold the valuable vehicle and later purchased a much less expensive vehicle, which she then registered. She received a credit from the registration of the more expensive vehicle, which she believed could be used the following year when she renewed the registration on the less expensive vehicle. When the woman renewed the registration on the less expensive vehicle, she learned that the credit had depreciated to practically nothing over the course of 1 year. The woman was not eligible for a refund since the amount was less than \$100 by the time she wanted to use the credit to renew the registration on the second vehicle.

Mr. Horne explained that the purpose of A.B. 429 was to create a revolving account that would hold registration fee reimbursements in excess of \$100 for use by persons when renewing registrations. For a person who sold a more expensive vehicle and received a credit of over \$100 in registration fees, the money would be placed into the account and would apply the next time the person registered a vehicle. Mr. Horne stated that the bill called for a 6 percent commission, with 1 percent allocated to the State Controller and 5 percent to the county, as stipulated in the *Nevada Revised Statutes* (NRS).

Mr. Horne believed the bill would create good public policy. Registration was basically a service and if a person received a credit that depreciated, that person was not receiving the full value of his dollar, and Mr. Horne believed a person should receive dollar-for-dollar value. Mr. Horne stated that Mr. Colling from the DMV would present testimony regarding the fiscal note. The major issue regarding the fiscal note was the loss of revenue by the DMV. However, Mr. Horne opined that the DMV could not really count as a loss those funds that did not belong to it in the first place. If the DMV did not offer a service for that money, it did not belong to the Department.

Vice Chairwoman Giunchigliani asked Mr. Colling to provide information to the Committee regarding the fiscal note attached to A.B. 429. Dennis Colling, Chief, Administrative Services Division, DMV, advised that the Department did not have an official position regarding the bill and would neither oppose nor favor the bill. He explained that the fiscal note had not yet been received by the Legislative Counsel Bureau. The bulk of the fiscal note would address the loss of revenue that had already been collected by the DMV. Mr. Colling indicated that was how it was viewed by the State. According to the bill, the DMV would receive positive revenue of 6 percent of the dollar amount that would be held in the account, but the DMV would incur personnel costs to maintain the ongoing account, which would require significant contact with the public.

Mr. Colling noted that the Department had past experience with refund programs, when it had literally been inundated with phone calls from the public asking about the money. There would also be programming costs, such as: 1. Costs associated with use of the Department's programmers; and 2. Costs associated with the motor carrier contractors of approximately \$350,000. Mr. Colling indicated that the DMV had submitted the bill to its motor carrier contractor for review and the contractor had indicated that it would cost \$350,000 to modify their programs.

The bottom line, said Mr. Colling, was that the expense to the DMV would be approximately \$1.7 million in the first year of the biennium and \$1.4 million in the second year, with similar ongoing costs; the majority of the loss would be based on the reduction of revenue after the initial programming costs.

Assemblywoman McClain asked about the current DMV refund policy for Nevada residents who surrendered license plates. Mr. Colling said that there was less than one refund per day or perhaps two per week for refund, and before passage and implementation of A.B. 30 of the Seventy-Second Legislative Session, there had been hundreds of refunds each day. Ms. McClain opined that the language pertaining to qualifications had not been well-written in A.B. 30 of the Seventy-Second Legislative Session and there was current legislation that would address that language. She believed that there would be more people qualifying for refunds if the current bill passed. Some stipulations would continue to apply for refunds, such as Nevada residency or turning in plates on a vehicle that was inoperable or had been sold. Ms. McClain believed that refunds would increase and the bill would allow a person who sold a valuable vehicle to apply the refund to a subsequent vehicle registration.

Vice Chairwoman Giunchigliani asked whether plates could be transferred to another vehicle, and Mr. Colling replied that they could be transferred. Vice Chairwoman Giunchigliani believed what Ms. McClain was saying was, why create another bureaucracy when the DMV could simply transfer the plates to the new vehicle without further fees being paid. Ms. McClain said the difference could then be refunded if it was over \$100.

Mr. Horne asked what would occur in instances where a person surrendered his vehicle in March of one year and did not purchase another vehicle until the following year. There would be no plate to transfer to the new vehicle. He stated that Section 2, subsection 10 of A.B. 429 read in part: "If a person cancels his registration, surrenders to the Department his license plates for a vehicle and would otherwise qualify for refund pursuant to subsection 9 but for the absence of evidence proving extenuating circumstances...", which would allow a person who did not have extenuating circumstances to have the funds placed in the proposed account. Mr. Horne indicated that not every person would have extenuating circumstances.

Assemblywoman McClain indicated that A.B. 307 was the current bill that would clarify the extenuating circumstances for registration refunds. She believed that the two bills could be combined to minimize the fiscal impact.

Assemblyman Marvel asked whether a person could turn in the license plates from a vehicle that he still owned. Mr. Colling said that a person could turn in the license plates and retain the title to the vehicle.

Ms. McClain stated that a person would have to show proof that the vehicle was inoperable or had been sold. That stipulation was to prevent people from using a vehicle, such as a recreational vehicle, for a period of 6 months and turning in the plates for a refund while the vehicle was not being used. Ms. McClain reiterated that a person had to prove that the vehicle had been sold or was inoperable, et cetera.

Vice Chairwoman Giunchigliani noted that the bill would establish a new fund. In so doing, she asked whether there was a reason why a person would not realize a refund if the amount was less than \$100. Mr. Horne said that stipulation was placed in A.B. 429 to comply with the requirements of A.B. 30 of the Seventy-Second Legislative Session, which eliminated the cost

for processing small refund checks. Mr. Horne said that current statute stipulated that a person had to be a Nevada resident and the amount had to be over \$100 in order to qualify for a refund.

Vice Chairwoman Giunchigliani asked how the amount of 6 percent commission had been selected. Mr. Horne stated it was part of NRS 482.180, subsection 6. Vice Chairwoman Giunchigliani asked what that percentage rate applied to in statute. Mr. Horne indicated that the 6 percent was basically administrative costs for maintaining the account, with 1 percent allocated to the State Controller and 5 percent allocated to the county.

Vice Chairwoman Giunchigliani noted that Section 2, subsection 5(b), read in part, "...less 6 percent of the difference, which must be retained by the Department as a commission..." and, "The 6 percent commission described in this paragraph is in addition to any money withheld by or credited to the Department pursuant to subsection 6..." Vice Chairwoman Giunchigliani stated that it appeared the 6 percent would not be allocated to the local jurisdictions. Mr. Horne said that was not how he had understood the allocation and he would request clarification.

Vice Chairwoman Giunchigliani noted that if the DMV received a 6 percent administrative cost there should be no fiscal note attached to the bill. Vice Chairwoman Giunchigliani remarked that Mr. Colling had stated the DMV would suffer a loss in revenue, but since the person would no longer be driving, she did not understand how that would create a loss in revenue. Vice Chairwoman Giunchigliani said when a person who had registered a vehicle turned in the license plates after the vehicle had been sold or had become inoperable, that person had paid for a registration that was no longer in use and should be entitled to a refund, providing the person was a Nevada resident.

Mr. Colling said that, while he would not necessarily disagree with Vice Chairwoman Giunchigliani's statement, it would cause a reduction in current State revenue and he wanted to point out that fact to the Committee. Mr. Colling said he did not know how it would be classified as it was not an expense, but rather than realizing \$100 million in revenue there would be only \$99 million. As far as the 6 percent commission was concerned, Mr. Colling believed it would be additional revenue for the DMV and, if that amount would cover expenses, it would reduce the fiscal impact.

Assemblywoman Gansert asked how long funds would be maintained on behalf of the individuals in the account. Mr. Colling said that, as he understood the bill, the money would remain in the account until used by the person and there was no time limit. He noted that it might take the registration of multiple vehicles to expend the money.

Mr. Horne stated that if a person used the refund for his next registration and the amount remaining was \$80 or under, the NRS stipulated that a person was not entitled to a refund below \$80. Theoretically, if a person did not use the entire refund when registering another vehicle, that person would lose the remaining funds.

Vice Chairwoman Giunchigliani asked Mr. Horne, Mr. Colling, and Ms. McClain to work on the two bills, A.B. 307 and A.B. 429, and determine how they could be interfaced, at which time the legislation could be considered.

Vice Chairwoman Giunchigliani asked whether there was further testimony forthcoming regarding A.B. 429 and, there being none, declared the hearing closed. The Vice Chair opened the hearing on A.B. 438.

**Assembly Bill 438: Revises provisions governing health insurance for certain retired public officers and employees. (BDR 23-792)**

Assemblywoman Koivisto stated that during the 2003 Session, she had introduced A.B. 286 of the Seventy-Second Session, which provided that public employees who were paying excessive insurance rates would be able to join the Public Employees' Benefits Program (PEBP), and receive an insurance premium subsidy from their former employer. As a result of that legislation, persons who had been receiving a subsidy lost part of that subsidy. Mrs. Koivisto said that persons who retired usually planned ahead so they would know how much money would be available for living expenses and to pay bills. One of the things people usually planned was the expense for health insurance.

Mrs. Koivisto reported that she had received a large number of phone calls, emails, and letters from persons throughout the State who had been impacted by the use of "service credit" rather than "years of service," and who had less than the required 5 years of "service credit." Mrs. Koivisto explained that A.B. 438 had been introduced to deal with that problem.

According to Mrs. Koivisto, there were some problems with the language in the bill and she referenced a letter of April 4, 2005, from P. Forrest Thorne, Executive Officer, PEBP, Exhibit B, which offered amendments to the bill. Mrs. Koivisto indicated that several persons had also come forward and offered to assist her in amending the bill to include the necessary language. The intent of the bill was to ensure that persons who retired with a certain number of years of service toward their retirement would not lose credit for some of the years they had worked.

Vice Chairwoman Giunchigliani asked whether the bill would address public employees, either local government or State, who had worked in public service, regardless of where that service was earned, as long as it was in public service. Mrs. Koivisto replied that was correct, and for retirees who had signed up for insurance coverage with the PEBP rather than the policy offered by their employer. Vice Chairwoman Giunchigliani noted that the intent of the bill would be to ensure that those years of credit with another public entity would count for the benefit of State insurance in order to qualify for a subsidy. Mrs. Koivisto said that was correct.

Vice Chairwoman Giunchigliani said there had been a glitch in the language of the original bill and she had received calls from persons who thought they had a certain number of years of service that should have counted for the purpose of insurance coverage, but the PEBP had not counted those years. She noted that some people had ended up being short by less than 1 year and no longer qualified for the subsidy. Mrs. Koivisto said the real problem was with persons who had lost as much as 4 years because of the arbitrary 5-year requirement.

Vice Chairwoman Giunchigliani believed that the Committee should hear testimony regarding possible amendments to A.B. 438, and asked whether there were further questions from the Committee.

Assemblyman Denis indicated that he was somewhat confused and he questioned the 5-year public service requirement. He said it appeared that employees could switch employment between a State and county agency, but if

they remained on a job less than 5 years, the credit would not count. Mrs. Koivisto said that was correct, the time would count toward retirement with the Public Employees' Retirement System (PERS), but would not count toward insurance benefits with the PEBP.

Vice Chairwoman Giunchigliani asked whether Mrs. Koivisto could provide an example to the Committee of a retiree who had been impacted by the changes brought about by passage of A.B. 286 of the Seventy-Second Legislative Session. Mrs. Koivisto referenced the packet of letters that had been provided to Committee members from Carolyn McLeod, [Exhibit C](#), which addressed her situation pertaining to insurance. Vice Chairwoman Giunchigliani acknowledged that the Committee was in receipt of [Exhibit C](#). Mrs. Koivisto indicated that Ms. Parnell was also present and would like to present testimony to the Committee.

To recap, Vice Chairwoman Giunchigliani referenced [Exhibit C](#) and noted that Ms. McLeod had retired with 17 years of service, but 5 of those years had been spread between 3 separate public employers. When she retired, it was with the assurance of 17 years of credit, but full credit only counted toward retirement and not toward insurance benefits from the PEBP.

Vice Chairwoman Giunchigliani recognized Ms. Parnell.

Assemblywoman Bonnie Parnell, District 40, advised the Committee that Ms. McLeod was just one individual who had contacted her and she had approached the 2003 Legislature to plead on behalf of retired school teachers. At that point in time, retired teachers in the PEBP were paying approximately \$750 per month for their health care insurance. Ms. Parnell said that the legislation passed by the 2003 Session was an ongoing attempt to ensure that the system was equitable. At the end of the 2003 Session it had been determined that local governments would be charged with the subsidy, but in the "hysteria" of the moment, the equation had simply not come out correctly. Ms. Parnell noted that a number of people who had worked many years in public service ended up being shorted when it came time to calculate the PEBP benefits. Ms. Parnell offered her service to the Committee in helping to correct the situation.

Vice Chairwoman Giunchigliani noted that it appeared Section 2, subsections 2(b) and 2(c) of A.B. 438 contained the language that attempted to correct the situation. She asked Mr. Thorne to advise the Committee regarding the proposed amendment, [Exhibit B](#).

P. Forrest Thorne, Executive Officer, Public Employees' Benefits Program (PEBP), explained that there was a confluence in implementing the provisions of A.B. 286 of the Seventy-Second Legislative Session and A.B. 249 of the Seventy-Second Legislative Session. According to Mr. Thorne, A.B. 249 of the Seventy-Second Legislative Session was the agency bill, which put into place a mechanism whereby the State paid a subsidy to retirees with State service, but only for the years the retiree worked for the State. Mr. Thorne said the way the NRS had been written prior to passage of that bill was that if the State was the last employer, it paid the subsidy based on the retiree's total years of public service, regardless of whether those years were with the State.

Mr. Thorne indicated that some employees had left State positions for employment opportunities with local entities, and they might have had 15 or 20 years of State employment prior to changing jobs. Those persons received no subsidy and the 2003 Legislature had attempted to correct that imbalance.

Mr. Thorne explained that the PEBP essentially expected that it would be a “wash” in the cost to the State, with all the employees who had service with the State receiving credit for those years.

According to Mr. Thorne, the PEBP initiated the requirements to put the two bills of the 2003 Legislature into place, which called for allocation of the total subsidy among multiple employers of each employee. Mr. Thorne said that could have been a single employer or as many as eight employers. He said the PEBP regulations used language pertaining to the PERS, NRS 286, which required a minimum of 5 years State service credit. Mr. Thorne said when that requirement was applied to each individual employer to determine how to allocate the subsidy, the issue currently being considered by the Committee was created. He explained that forms were collected from individual retirees regarding total years of service and if there was a discrepancy between those forms and the total years of service reported by the PERS, a time audit was conducted by the PEBP.

Mr. Thorne said the PEBP had found many cases where retirees were receiving a subsidy based on the number of years that included years of purchased service, which had been specifically excluded. That caused a number of retirees to receive a reduction of their subsidy because they had been receiving a subsidy that was too high. However, there were a number of retirees who lost subsidy because of the situation created with multiple employers and many times the retiree had been employed for less than 5 years of service credit with at least one employer.

Another situation, said Mr. Thorne, was that for the benefit of retirement with the PERS it was years of service that qualified the employee to collect a pension. A person could have 5 years of part-time employment and qualify to receive a pension from PERS based on 2.5 years of actual service credit. Mr. Thorne indicated that when the PEBP had applied the service credit rule, it found that there were retirees who had 5 years of service time, but not 5 years of service credit and those retirees were not entitled to receive a subsidy. Mr. Thorne said the PEBP had dealt with multiple situations.

Regarding A.B. 438, Mr. Thorne said that the bill would not come close to implementing the intent that had been expressed, and he referenced [Exhibit B](#), which contained the PEBP’s proposed amendments to the bill. He believed that with the amendments, the bill would accomplish the intent. Basically, stated Mr. Thorne, the language of A.B. 438 would, in effect, repeal the provisions of both A.B. 286 of the Seventy-Second Legislative Session and A.B. 249 from the Seventy-Second Legislative Session. As written, the language in Section 1 of the bill would eliminate the subsidies for health care premiums for at least 1,000, and possibly as many as several thousand, retired participants. Mr. Thorne noted that the proposed language in Section 2 provided that when a participant retired and stayed with or joined the PEBP, the participant’s last employer would be responsible for payment of the entire subsidy earned by the retiree, regardless of the number of years the retiree worked for that employer.

Therefore, stated Mr. Thorne, the PEBP would offer the following amendment to A.B. 438:

- Delete Sections 1 and 2
- Add the following language to Section 3, line 21: *to the extent the reduced subsidy required an increased contribution from the participant.*

Mr. Thorne indicated that, depending on years of service and the manner in which the adjustment for years of service was written in the NRS, there could be as many as 20 additional individuals who would receive a windfall refund where the subsidy would have been reduced, but there would have been little or no increase in out-of-pocket expenses because the subsidy might have been greater in total than their premium.

Mr. Thorne said the PEBP's understanding of the intent of A.B. 438 was to reinstate the use of "years of service" in determining the allocation of the payment of subsidy for retired participants who had less than the required 5 years of service credit with a particular employer.

The PEBP proposed to retain in its regulations the 5 years of "service credit" to qualify in total for a subsidy, but as far as allocating the cost among employers, it would be modified to "years of service." Mr. Thorne stated if a retiree had a total of 15 years of "service credit," that retiree would qualify for the subsidy. However, if a retiree had worked for 4 different employers for a period of less than 5 years, that retiree would receive no subsidy under current regulations. Mr. Thorne said the proposal to change the PEBP regulations under the *Nevada Administrative Code* (NAC) 287.485 and 287.490 was included in Exhibit B and would accomplish the intent of the bill. The language had been changed to "years of service," so even if a retiree's years of service with a particular employer were less than 5, the PEBP would still allocate their pro rata share of the total subsidy.

Assemblyman Seale asked about the fiscal impact of A.B. 438. Mr. Thorne said the fiscal impact of the bill as written was approximately \$181,000 for the refund. The proposed amendment, Exhibit B, would eliminate the windfall and decrease that amount to approximately \$144,000. Mr. Seale asked how many people would be affected by the bill. Mr. Thorne indicated that the amendment would cover approximately 181 retirees.

Vice Chairwoman Giunchigliani asked about the proposed deletion of Sections 1 and 2. She wondered whether that language remained elsewhere within the NRS, or was it language that had been created by the bills passed by the 2003 Legislature. Mr. Thorne said the language changes in Sections 1 and 2 were what the PEBP wanted to eliminate.

Vice Chairwoman Giunchigliani stated that it appeared the intent would be that the "hit" would be less for the State, and she asked for clarification. Mr. Thorne said the issue was extremely complex. He offered the following scenario: A single retiree with 20 years of service, through the impact A.B. 286 of the Seventy-Second Legislative Session and A.B. 249 of the Seventy-Second Legislative Session, would receive subsidy for only 14 years of service credit. That reduced the amount of subsidy received by the retiree, but because the retiree was single, the subsidy for 16.5 or 17 years of service was greater than the actual amount of the premium. Mr. Thorne explained that even though the subsidy the retiree was entitled to in total would have been greater than the premium, the actual out-of-pocket cost created as a result of the change would have been approximately \$40.

Vice Chairwoman Giunchigliani asked why the years of service credit would be reduced. Mr. Thorne said the reduction would be for employees with multiple employers during the 20 years of service, who might have had only 3 years of service with 2 of the employers, which eliminated the subsidy. Mr. Thorne explained that the PEBP was different from the PERS, and if it had pre-funding

of health care subsidy for retirees, such as the pre-funding for the retirement income, then the number of employers would make no difference.

Vice Chairwoman Giunchigliani explained that A.C.R. 10 of the Seventy-Second Legislative Session created the interim Legislative Commission's Committee to Study the Public Employees' Benefits Program. The interim committee had reviewed the entire issue of State and public employee retirement. Vice Chairwoman Giunchigliani said one of the options being reviewed by the interim committee was the possibility of pre-funding to eliminate the long-term liability, with the pre-funding managed by the PERS. She explained that the interim committee was awaiting information regarding the actuarial numbers. Vice Chairwoman Giunchigliani hoped that the numbers would be received in the next week and a meeting of the interim committee could be scheduled to discuss the numbers.

Vice Chairwoman Giunchigliani asked whether there was further testimony to come before the Committee, and recognized Ms. McLeod.

Carolyn McLeod, citizen, Carson City, referenced [Exhibit C](#), and stated that possibly the most important document was the one that depicted the reduction of her years of service from 17 years to 12 years. Ms. McLeod stated that she first worked for the Washoe County School District for 2 years, 10 months. She said that after the birth of her children, she had substituted at Carson City School District for 7 months, then substituted with Storey County School District for 9 months, and was then employed with the State of Nevada for 12 years, 10 months, for a total of 17 years of service. That was the implied contract she had entered into with the State at the time she retired, both for the purpose of retirement and the subsidy for health insurance.

Certainly, stated Ms. McLeod, if she had known that she would not receive credit for the full 17 years, she would have worked 2 additional months for the Public Service Commission and at least received credit for 13 years rather than 12 years, particularly for the health insurance subsidy. Ms. McLeod said that, as a result of the legislation passed by the 2003 Legislature, only full years counted toward the subsidy for health care with a 5-year minimum.

Ms. McLeod explained that her premium had gone from \$76 per month to approximately \$120 per month. She retired in the late 1990s and had only received two or three small increases to her retirement check, which had been totally "eaten up" by the change in the health insurance subsidy. Ms. McLeod indicated that as a result of working as a public employee all those years, her Social Security benefit had been greatly diminished, and at age 65 she would be required to pay the premium for Medicare coverage, which would "eat up" her entire Social Security benefit. Ms. McLeod stated that, as a consequence, her financial status had been impacted and she had been told that her situation was not one of the more severe cases.

Ms. McLeod reiterated that at the time she retired she believed she had an implied contract with the State and, obviously, she would have worked at least 2 additional months had she realized that the law would be changed after the fact.

According to Ms. McLeod, there were certain things that retirees expected would change, such as utility bills and the increase in the cost of gas, but she had not expected that her contract with the State regarding her retirement would change. Ms. McLeod said that A.B. 438 did not seem to address the

issue, but apparently, from previous testimony, there were other people who also realized that it would not address the situation.

Vice Chairwoman Giunchigliani thanked Ms. McLeod for her testimony and stated that with the proposed amendments, the bill would come closer to rectifying the situation for Ms. McLeod and others.

Roger Maillard, President, State of Nevada Employees Association (SNEA), American Federation of State, County and Municipal Employees (AFSCME), Retired State Employees, stated that with the amendments proposed by the PEBP ([Exhibit B](#)), SNEA/AFSCME Retired State Employees approved and supported A.B. 438.

Vice Chairwoman Giunchigliani noted that Ms. Haldeman had signed the guest log in opposition to the bill, and she asked Ms. Haldeman to comment about the proposed amendments.

Joyce Haldeman, representing the Clark County School District, recognized that the amendments would address some of the concerns. Ms. Haldeman said the Clark County School District would like to reserve the right to have the amendments reviewed by its financial department to ensure that the district was comfortable with the bill. As the Committee was aware, A.B. 286 of the Seventy-Second Session had had a significant impact on school districts and, while Ms. Haldeman wanted to ensure that the needs of the employees were addressed, she also wanted to ensure that the system would not be bankrupted.

Vice Chairwoman Giunchigliani indicated that the Committee understood the request for review by the district's financial personnel.

Anne Loring, representing the Washoe County School District, echoed the comments made by Ms. Haldeman, and added that Washoe County School District would appreciate the same opportunity to review the proposed amendments.

Tom Keating advised the Committee that he was a retired school teacher. He stated that his questions had been answered through the course of prior testimony, and he thanked the Committee for the opportunity to present testimony. Vice Chairwoman Giunchigliani asked whether Mr. Keating had been impacted by the bills from the 2003 Legislature, and he replied that he had not.

Nancy Howard, Nevada League of Cities, stated that she had been totally confused, but had spoken to Assemblywoman Koivisto regarding the bill and Mrs. Koivisto had explained the intent of the bill. Ms. Howard said the Nevada League of Cities did have some concerns and would like to review the amendments in order to ensure that the bill would not adversely impact local governments. Ms. Howard indicated that one of the concerns with the legislation passed during the 2003 Session was the allocation and who was responsible to pay for which years of service. Ms. Howard reiterated that the Nevada League of Cities wanted to ensure that there were no "traps."

Vice Chairwoman Giunchigliani explained that over the years, school district employees, administrators and teachers, had been recruited into the State PEBP system. Those public service employees were segregated for insurance purposes, which made an extremely small pool and they suffered a huge out-of-pocket increase, in some cases upwards of \$1,700 per month. Vice Chairwoman Giunchigliani said the Legislature had attempted to deal with the situation through passage of A.B. 286 of the Seventy-Second Legislative

Session, along with several other pieces of legislation. She indicated that the original fiscal note prevented the PEBP from being impacted, but unfortunately that fiscal note had been removed and legislators had not realized that local governments would have to “dip” into their own budgets to offset the impact of the legislation. Technically, stated Vice Chairwoman Giunchigliani, the subsidy was the responsibility of local government entities, except that persons had been recruited into the State system. She noted that the Legislature was still attempting to determine who should pay the subsidy. When the fiscal note was removed, the obligation to pay the subsidy fell back to local school districts and local government entities.

Cheri Edelman, representing the City of Las Vegas, stated that she would like a chance to review the amendments. She indicated that she would echo the previous testimony presented by Ms. Haldeman.

Vice Chairwoman Giunchigliani closed the hearing regarding A.B. 438, and opened the hearing on A.B. 460.

**Assembly Bill 460: Makes appropriation to Clark County Public Education Foundation for continuation of current programs and expansion of outreach efforts. (BDR S-826)**

Judi Steele, representing the Clark County Public Education Foundation (CCPEF), indicated that she would provide background information and explain how the CCPEF proposed to use the funding requested in A.B. 460. Ms. Steele referenced Exhibit D, a binder containing information about the CCPEF, which she asked Committee members to peruse at their leisure.

Propelled by a belief that improving Nevada’s public schools was too big a task for school districts to undertake alone, said Ms. Steele, the CCPEF was established in 1991 as an independent, nonprofit public 501(c)(3) organization. The CCPEF worked collaboratively with the Clark County School District and was dedicated to providing students and teachers with the support necessary to improve student achievement and impact district-wide results.

Ms. Steele indicated that, guided by a spirit of innovation and commitment to accountability and results, the Foundation had established public/private partnerships to develop and implement programs that impacted teaching and learning. The Foundation had worked to design and test possibilities and to offer solutions to the challenges of educating a growing and diverse southern Nevada student population. Since the Foundation’s inception, said Ms. Steele, it had generated in excess of \$31 million and had established public/private partnerships to develop projects and initiatives, both collaboratively with the school district and independent of the school district.

Ms. Steele stated that the Foundation did not duplicate district services or programs, but rather it supported and augmented district priorities. The Foundation had successfully written grants, secured donations, mounted programs, expanded and reduced staff, and produced evaluations faster than most traditional institutions, developing a reputation for consistency, flexibility, and accountability. Ms. Steele reported that through community support, working with business partners and the community at large, the CCPEF had developed three successful programs that were making a significant impact on the lives of children. She indicated that Mr. Biesinger would explain the first of those programs to the Committee. Ms. Steele advised that the Foundation would use the funding proposed in A.B. 460 for programs.

Kevin Biesinger, Grant and Scholarship Counselor for the CCPEF, stated that since 1991 the Foundation had awarded over \$1.3 million in grant funding to more than 600 teachers, support staff, and school leaders. The Foundation estimated that those grants had impacted the lives of approximately 205,000 children in southern Nevada. He noted that a summary of the grant projects was included in [Exhibit D](#) under Tab 2.

Mr. Biesinger indicated that the grant programs had developed and replicated programs that adopted knowledge from teachers and administrators from local schools who had creative ideas to better enhance student achievement, consistent with the Clark County School District. By encouraging teachers and school personnel to think outside the box, the Foundation had uncovered new, effective methods for the Clark County School District to expand its resources by soliciting the intellectual capital of its existing staff. Mr. Biesinger advised that the total number of students impacted by the grants was difficult to gauge. Once teachers were awarded a grant to find a new method of delivering a curriculum, it often became a permanent part of their methodology, forever changing the way they reached out to their learning communities. Mr. Biesinger said that students who might enjoy the benefits of a best practice for years to come that was discovered through one of the Foundation's grants, could not be included in the summaries, and teachers often shared their ideas with other professionals, thereby increasing the effectiveness of the programs.

As a former high school teacher, coach, and guidance counselor in the Clark County School District, Mr. Biesinger stated he had had the delight of working in a user-friendly environment where teachers in Clark County could not only receive grant funding, but could also be mentored to better understand the grant process. The Foundation's grant program was responsive to the needs of teachers because it was created by teachers. Mr. Biesinger said he could tell the Committee firsthand that the programs directly enhanced the self-efficacy of teachers and boosted morale across the Clark County School District.

Having multiple projects under one roof also had its advantages, stated Mr. Biesinger. The Foundation responded to the needs of teachers in a collaborative effort when grant funding was too restrictive or not available to purchase items, such as supplies and equipment, other initiatives of the Foundation, such as the InterAct EXCHANGE™ program, were tapped to support teachers. Mr. Biesinger stated that, in addition, the Foundation provided the assistance of a research and evaluation specialist to refine the methods its teachers used to measure the progress of their students.

Mr. Biesinger stated that other opportunities of the Foundation's grant programs included meetings with representatives from the community, arranged by the Foundation, to seek additional dollars from the private sector to sustain the lifeblood of the projects. He noted that the Foundation understood that a funded project would not work unless it was fostered and given sustainability. Although the funds being requested in [A.B. 460](#) would be expended within the next 2 years, the effects would continue for years to come and would positively impact the lives of thousands of children.

Mr. Biesinger thanked the Committee for its time, attention, and consideration of new legislation, which would positively enhance the educational well-being of Nevada's students. He introduced Ms. Parker, who would give a brief description of the Foundation's InterAct EXCHANGE™ program.

Stephanie Parker, CCPEF, indicated that teachers in Clark County spent an estimated \$1,200 per year out of their own pockets to purchase instructional

supplies and materials. Those materials, such as cardboard, plastic, paper, metal, and glass, were used to create innovative lessons that engaged students in learning. Ms. Parker stated that in addition to spending money, dedicated teachers spent hours of valuable time tracking down used materials and donations from businesses to support their curriculum. At the same time, the community's thriving services — entertainment and convention industries — often had an abundance of surplus materials that had to be either discarded or stored, wasting valuable materials and space.

Ms. Parker stated that the CCPEF recognized the opportunity to provide a solution and brought the business community and the schools together in an exchange that would benefit both the environment and the children. She said the Foundation established the InterAct EXCHANGE™ program as a re-use resource center for teachers. That initiative provided an invaluable service to teachers by collecting, organizing, and storing surplus materials, supplies, and equipment from businesses and individuals, making them accessible to teachers for use in their classrooms. In addition to serving as a clearinghouse for materials, said Ms. Parker, the InterAct EXCHANGE™ program offered gently used books to help new teachers build their classroom libraries.

The InterAct EXCHANGE™ program also supported the technological needs of teachers and students and, according to Ms. Parker, computers donated to the program were refurbished through the CyberCorps program, which was a hands-on computer maintenance training program for high school students. After refurbishment, computers were distributed to teachers and students through the InterAct EXCHANGE™ program.

Since 2002, said Ms. Parker, the InterAct EXCHANGE™ program had provided close to \$2 million in reusable classroom materials and approximately 2,000 computers to educators and students. As a result, over 150,000 pounds of materials had been kept from entering local landfills. Ms. Parker stated that through the InterAct EXCHANGE™ program, the CCPEF had taken a leadership role in helping southern Nevada reduce the amount of solid waste generated in the State, while helping thousands of teachers and students in Clark County.

Ms. Parker referenced [Exhibit D](#), Tab 3, which explained that the Foundation was only available to 6,238 of the almost 19,000 teachers in the Clark County School District, and only 135 of the 301 schools because of the lack of funds for staff and materials. Ms. Parker urged the Committee to review the information under Tab 3 regarding what teachers were saying about the program and how it had impacted them in the classroom. She stated that the Foundation needed assistance from the Legislature to expand the program and truly make a difference that would directly impact public school students.

Assemblyman Marvel asked how the \$600,000 requested in [A.B. 460](#) would be used, and was there a budget available for review by the Committee. Ms. Steele explained that the \$600,000 would be used to enhance the Foundation's grant program for approximately \$50,000 for each year of the biennium, for a total of \$100,000. Approximately \$150,000 would be used each year for the InterAct EXCHANGE™ program, and the remaining funding would be used for the Foundation's literacy initiative. Ms. Steele explained that the Foundation participated in the Clark County READS program and the Foundation would be working with parents who could not read to their children by providing outreach programs for those parents. The Foundation would also support reading clubs, which it found had worked to increase reading in the at-risk schools.

Mr. Marvel asked how much would be spent on administrative costs. Ms. Steele indicated that very little of the requested \$600,000 would be spent for management of the program. Most of the funding would be used to pay teachers to work with children before and after school, pay for people to help collect additional recycled materials, and pay for reading materials for the reading clubs.

Mr. Marvel asked whether the Legislature had approved funding for the CCPEF in the past. Ms. Steele stated that the Legislature had not provided funding in the past. Mr. Marvel asked whether the funding would be ongoing, and Ms. Steele stated it would not be ongoing. Mr. Marvel asked whether it would be one-shot funding only, and Ms. Steele said that was correct.

Assemblyman Seale said the Foundation had been very impressive in the creation of a public/private partnership with the school district under a 501(c)(3) status. He also noted that the Foundation was very successful in what it did, and it had realized some significant contributions that had obviously come from the private sector, which had been utilized in its programs. Mr. Seale commented that in the audited financial statements ([Exhibit D](#)) the Foundation had some rather significant investments. Given the Foundation's success, Mr. Seale asked for the justification for approaching the Legislature for funding as a successful 501(c)(3) organization.

Ms. Steele stated that, in respect to the net assets accumulated by the Foundation, approximately \$3 million was an endowment that the Foundation did not utilize, using only the interest. In addition, many of the dollars included in the financial statement represented restricted funds that the Foundation held for the Clark County School District. Ms. Steele explained that the Foundation also managed nonprofit dollars for special programs in the school district. The district had a School for Performing Arts and the Foundation maintained a fund for that school. The district had a secondary Fine Arts Program and the Foundation maintained a fund for that program. Ms. Steele reported that there were many projects and programs that the Foundation managed for the school district, and that was reflected in the financial statement.

Ms. Steele indicated that it was not the intent of the CCPEF to seek monies that would and should go to the public schools of Nevada. The Foundation was seeking discretionary dollars to help fund programs in a partnership way. Ms. Steele stated that the Foundation had received money from the federal government to jump-start programs and the Foundation then built in sustainability. Ms. Steele understood that the Washoe County Education Foundation would submit an amendment to A.B. 460 and the CCPEF would support that amendment.

According to Ms. Steele, A.B. 460 would allow the Foundation to expand its before and after school book clubs, provide literacy classes to parents of many of its children with limited reading skills, and to bring in a nationally recognized, proven literacy early intervention program to southern Nevada called "Reach Out and Read." In addition, said Ms. Steele, the funds would allow the Foundation to expand its teacher exchange program so that all teachers in Clark County would have access to the resource center. Lastly, A.B. 460 would allow the Foundation to provide more teachers with grant opportunities, and Ms. Steele urged the Committee's consideration of the bill.

Assemblywoman McClain asked, in its capacity of providing programs, whether the Foundation could aid in the establishment of a program to provide breakfast in classrooms in the Clark County School District. Ms. Steele explained that

there were some schools that provided a free breakfast to students, however, the Foundation had not considered that type of program to date. She noted that the program could be considered by the Board. Ms. McClain stated she would appreciate that.

Vice Chairwoman Giunchigliani noted that Chairman Arberry was a member of the Board of Directors for the Foundation. She asked whether the Foundation was a private, nonprofit organization. Ms. Steele replied that was correct. Vice Chairwoman Giunchigliani referenced the Clark County READS program, and noted that the CCPEF had partnered with Clark County, Clark County School District, and the Las Vegas Chamber of Commerce regarding that program. She asked whether those partners provided funding for the program. Ms. Steele replied, "Absolutely." Vice Chairwoman Giunchigliani asked whether the school district contributed, and Ms. Steele replied that it did. Vice Chairwoman Giunchigliani asked how much the school district contributed. Ms. Steele reported that the school district contributed approximately \$200,000 annually to the Foundation.

Ms. Steele referenced [Exhibit D](#), Tab 1, which contained a "Summary Financial Activity" for the Foundation that depicted the amount used for management. In terms of the Clark County School District, in 1991 when the Foundation was started, the school district contributed \$26,000 and the Foundation returned \$45,000 the first year to the school district. Ms. Steele noted that in 2003-04, the school district contributed a total of in-kind contributions, as well as equipment and supplies, in the amount of \$246,626. The Foundation returned approximately \$2 million to the school district's programs and teachers.

Vice Chairwoman Giunchigliani indicated that similar legislation had been heard during past legislative sessions, but funding had not been approved. The concern had been because part of the job of a foundation was to raise money and funding was not normally the State's responsibility. Vice Chairwoman Giunchigliani said she was not criticizing the CCPEF and believed the Foundation's programs were very effective. Unfortunately, people believed that there was a huge surplus of dollars during the 2005 Session, but the amount was not as great as originally believed. Vice Chairwoman Giunchigliani indicated there were many "holes that had not been plugged," particularly within the Distributive School Account (DSA) budget, and because of its interaction with the school district, the Foundation was probably worried about that as well. Vice Chairwoman Giunchigliani voiced the Committee's appreciation to those who testified in support of [A.B. 460](#).

Assemblyman Denis asked whether the Foundation tracked the supplies being provided to schools through such programs as the InterAct EXCHANGE™ because there appeared to be many programs available for the Title I schools that provided funding for supplies. He noted that there were schools above the Title I schools that did not qualify for those supplies. Ms. Steele indicated that the Foundation did track the schools to which it contributed and did make a concerted effort to review the schools to determine the need. She acknowledged that Mr. Denis was correct and there were at-risk schools within the school district that received a great deal of assistance. The CCPEF had programs that focused on schools that did not receive help from other programs. Ms. Steele said that was how the Foundation worked in collaboration with the district. The Foundation would provide information that the schools invited to participate in the InterAct EXCHANGE™ program were the neediest and the program then addressed schools that were not as needy. Ms. Steele emphasized that the first 150 schools that had participated in the program had been the neediest schools.

Mr. Denis asked whether Ms. Steele could provide a report that he could review. Ms. Steele replied that she would provide that information. He also asked for a report regarding the Clark County READS program. Ms. Steele said that information was included in [Exhibit D](#) under Tab 4, which contained a list of the schools that had received services, and also a list of the 50 schools which had used Foundation dollars to replenish their libraries.

Vice Chairwoman Giunchigliani stated that years ago teacher resource centers had been available, but the school districts had disbanded those centers. She believed that restoration of the trading back and forth would fill the gaps. Vice Chairwoman Giunchigliani indicated that there was also pending legislation that addressed innovative school grants. That legislation would review existing models regarding how schools could think “out of the box” and be more challenging and innovative.

Dr. Steve Mulvenon, Director, Communications and Community Outreach, Washoe County School District, said his purpose for appearing before the Committee was twofold. First, Dr. Mulvenon wanted to make the Committee aware of the fact that there was a companion education foundation in northern Nevada, the Washoe County School District Education Foundation, which had purposes and goals very similar to the CCPEF. Dr. Mulvenon indicated that when members of the business community in Washoe County were interested in forming a foundation, representatives from Washoe County School District journeyed to southern Nevada and learned “at the feet of the masters,” and had attempted to structure the Washoe County program similarly.

The second purpose, said Dr. Mulvenon, was that if the Committee were so inclined as to recommend an appropriation for the Washoe County Education Foundation, he would suggest the addition of language in the form of an amendment to A.B. 460 that would direct funding to the Washoe County Education Foundation.

By way of background, Dr. Mulvenon explained that when the Washoe County Education Foundation began, business persons had approached the school district and asked where the Foundation should direct its dollars. When one thought about the demographics of most school districts, said Dr. Mulvenon, schools tended to fall into a number of tiers. At the upper end of the scale there were schools in relatively affluent areas and parent organizations for those schools were able to hold weekend fund-raisers that could raise anywhere from \$40,000 to \$50,000. Dr. Mulvenon stated that at the other end of the scale were the Title I schools, which were the recipients of significant federal dollars to help improve literacy and math. Right above those Title I schools, typically, were what the Washoe County School District termed the “bubble” schools. Dr. Mulvenon explained that those schools faced many of the same challenges and needs as the Title I schools, but did not qualify for federal dollars. The Washoe County Education Foundation had focused all its resources to date, which amounted to approximately \$250,000, specifically to improve literacy in those bubble schools.

For example, stated Dr. Mulvenon, the Foundation’s first initiative was a donation of grade-level reading books, in order to put more of those types of books into the hands of the school and the children. Currently, the Foundation was focusing its efforts on after-school activities, and was developing after-school tutorial programs in literacy. Dr. Mulvenon said if the Committee was so inclined as to include an allocation for the Washoe County Education

Foundation in A.B. 460, those dollars would be specifically targeted to improve literacy at the bubble schools.

Vice Chairwoman Giunchigliani asked what dollar amount the Washoe County Education Foundation would request. Dr. Mulvenon replied that the request would be for \$130,000. The Foundation had reviewed the cost on a per-pupil basis in an attempt to arrive at a figure it believed would be proportionate. Vice Chairwoman Giunchigliani asked whether the employees who worked within the foundation were employed by the school district. Dr. Mulvenon replied that the Washoe County Education Foundation had no employees. There was one half-time staff person who had, in essence, been loaned to the Foundation from the district's Federal and State Grants Office. Dr. Mulvenon indicated that person was experienced in grant writing and financial management and handled the management of the Foundation.

Ms. Steele indicated that the CCPEF had nine employees whose wages were paid by the CCPEF private sector, and eight employees who were reassigned to the Foundation from the Clark County School District; she noted that there were five part-time employees who were paid by the CCPEF. Vice Chairwoman Giunchigliani asked whether those were teachers on special assignment, and Ms. Steele replied that the CCPEF did not employ teachers.

Assemblyman Seale asked whether the Washoe County Education Foundation was the remnants of the Partners in Education program. Dr. Mulvenon replied that what used to be Partners in Education program was now the Education Collaborative of Washoe County, which was a different 501(c)(3) organization with a different focus and purpose.

Vice Chairwoman Giunchigliani closed the hearing on A.B. 460, and opened the hearing on A.B. 426.

**Assembly Bill 426: Revises provision governing litigation expenses of Attorney General. (BDR 18-121)**

Randal Munn, Special Assistant Attorney General, Nevada Department of Justice, explained that A.B. 426 was a housekeeping bill that had been prompted by a 2004 audit report. The audit report indicated that the statutory scheme under NRS 228.090, which included specific language regarding where the Attorney General would deposit monies for special litigation expenses, had basically been overtaken by legislative history and new programs. Mr. Munn stated that the section had been added to the NRS in 1991 and the Revolving Account had been created in response to the need to obtain payment for some litigation expenses within a time frame that was not possible under normal processing through the State accounting system.

Mr. Munn reported that prior to the addition of the section within NRS 228 the Attorney General's staff had incurred out-of-pocket expenses on behalf of the office and were subsequently reimbursed. At the time the Revolving Account was created, said Mr. Munn, the only budget that paid litigation expenses was BA 1031, which was the Attorney General's Special Fund. The fraud units were thereafter created and Mr. Munn reported that the Tort Claims budget was transferred to the Attorney General from the Department of Administration a few years later. Those budgets also paid litigation expenses, stated Mr. Munn, and the Attorney General's responsibility to handle litigation expenses had occurred only after the creation of the statute.

Mr. Munn said the language proposed in A.B. 426 was to provide express authority for payment of litigation expenses, under the statutory scheme, from the Attorney General's Revolving Account. Mr. Munn indicated that the language in Section 1, subsection 4, of the bill read in part, "...must be promptly reimbursed from the legislative appropriation, if any, to the *account of the Attorney General relating to the matter for which the litigation expenses were incurred.*" That would prevent audit exceptions to appear in the audit year after year.

Vice Chairwoman Giunchigliani asked Mr. Munn to provide further explanation because no "legislative appropriation" had been allocated to the Attorney General's Revolving Account. Mr. Munn said that he could not explain further. Vice Chairwoman Giunchigliani asked whether the intent of the bill was to correct an audit exception. Mr. Munn stated it would correct an audit exception received by the Attorney General's Office because the expenses for litigation were being reimbursed for deputies from the Special Fund within BA 1031. Apparently, the Attorney General's Office was using that account to handle litigation expenses for its fraud units as well. Mr. Munn explained that the audit exception report stated that the Special Fund was only to be used for expenses incurred within BA 1031.

Vice Chairwoman Giunchigliani asked whether it had been a Legislative audit or an Executive Branch audit. Mr. Munn did not know which entity had performed the audit. Assemblyman Marvel, who sat as a member of the Audit Subcommittee, did not recall an audit of the Attorney General's Office. Vice Chairwoman Giunchigliani opined that the audit must have been performed by the Executive Branch.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), indicated he was a bit confused because he was not sure that the language would actually accomplish what the Attorney General's Office intended. He noted that subsection 4 read in part, "Payments made *for litigation expenses* from the Revolving Account must be promptly reimbursed from the legislative appropriation, if any..." and he emphasized that there were no legislative appropriations in the fraud accounts. Mr. Stevens said he did not know how a "legislative appropriation" would be used to reimburse fraud accounts when there was none available. Mr. Munn commented that there was money in the budgets from fees and other sources, but those funds were not literally from legislative appropriations.

Mr. Stevens indicated that the bill said "appropriation." Vice Chairwoman Giunchigliani cautioned that when reading the language of a bill, simply because language was not always shown in bold did not necessarily mean it was current language.

Mr. Munn suggested changing the language to read, "legislatively authorized expenditures" rather than "legislative appropriation, if any." Vice Chairwoman Giunchigliani said the Committee would make a note of that proposal and would ask staff to review the language.

Assemblyman Seale said the Attorney General's Revolving Account was not only a separate account, but it also utilized a special checking account. Mr. Munn stated that was correct. Mr. Seale asked who signed the checks, and Mr. Munn indicated that the checks were signed by the Attorney General.

Vice Chairwoman Giunchigliani asked that Mr. Munn provide a copy of the audit report to the Committee, which might assist in drafting the correct language. Mr. Munn replied that he would provide those copies.

Vice Chairwoman Giunchigliani closed the hearing on A.B. 426 and opened the hearing on A.B. 461.

**Assembly Bill 461: Makes appropriation to Department of Education for programs of performance pay and enhanced compensation for recruitment, retention and mentoring of teachers. (BDR S-1391)**

Vice Chairwoman Giunchigliani stated that, basically, A.B. 461 was legislation that had been contemplated during the 2003 Session. All too often, the Teacher's Association and teachers were criticized that they had not moved forward and discovered different ways to deal with compensation. Vice Chairwoman Giunchigliani believed that it was appropriate during the 2005 Session to reintroduce the concept of allowing teachers to be partners in determining additional compensation through the collective bargaining process within the various school districts, based on the needs that were unique to each district. Vice Chairwoman Giunchigliani said the bill anticipated enhanced teacher quality through knowledge-based or skills-based pay, career ladder programs, and mentoring, so that additional compensation would be afforded to teachers who undertook additional duties or could prove they had additional skills.

Vice Chairwoman Giunchigliani reported that Lyon County had negotiated expanded skills-based pay for its teachers 2 years ago, but the Legislature failed to provide the funding to pay for that expansion, which was becoming typical of the Legislature.

Vice Chairwoman Giunchigliani explained that the plan used by Denver, Colorado, was very good, and the concept of A.B. 461 had come from that plan. She noted that there had actually been a ballot question in Denver that asked voters to vote to furnish the funding to pay teachers the agreed-upon amount.

Vice Chairwoman Giunchigliani stated that Mr. Bellister would provide additional information. She pointed out that the legislation from the 2003 Session actually requested \$16 million, however, the current proposed amendment, Exhibit E, requested \$10 million in each year of the biennium for entering into performance-based pay.

Al Bellister, representing the Nevada State Education Association (NSEA), indicated that the NSEA did support A.B. 461 as amended. The bill would provide much needed funding to support innovative programs and teacher compensation, which the NSEA believed should be in addition to the regular cost-of-living adjustments (COLAs) that were appropriated by the Legislature and bargained at the local level. Mr. Bellister said one of the critical elements of the bill, which earned the support of the NSEA, was the fact that the bill made the programs subject to mandatory bargaining. Nevada did have a collective bargaining law, NRS 288, and one of the mandatory subjects under that NRS was compensation and different methods of compensation for public school employees, which was the basis of A.B. 461.

Mr. Bellister stated that the NSEA had bargained a different system of compensation 2 years ago for teachers in Lyon County, which was based on student achievement and was a group incentive pay for teachers. That system had been created through collective bargaining. Mr. Bellister advised that Carson City and White Pine County had provisions in their collective bargaining agreements related to mentor teachers and Washoe County had a provision in its collective bargaining agreement where the district stood ready to implement a program of enhanced compensation, but was awaiting the needed funding to pay for the program. Mr. Bellister said that Clark County had already bargained a provision into its agreement that addressed the issue of critical needs and shortage areas, such as math and science teachers.

Mr. Bellister said the issue of compensation was being addressed, but perhaps was not as widespread as some people would like, simply because there was not sufficient money to pay the compensation. The bill would address that critical need.

Mr. Bellister indicated that another reason the NSEA supported A.B. 461 was the objective methods of pay for teachers. He explained that skill-based pay was already being addressed to a certain extent. A past session of the Legislature had created additional compensation for teachers who earned National Board Certification; those teachers earned an additional 5 percent in pay. Mr. Bellister pointed out that the increase was based on the acquisition of additional skills demonstrated by earning the National Board Certification. What had not been done was to ask those teachers with additional skills to assume different responsibilities, such as becoming mentor teachers. Mr. Bellister said that certification should automatically qualify teachers to become mentors, which would amount to additional responsibility pay.

The NSEA would be willing to address career ladder programs, said Mr. Bellister, because the only way for a teacher to move up and advance in the teaching profession would be to move into administration. Career ladder programs were a different way to retain good teachers in the classroom while providing opportunities for additional compensation. Market-driven pay was also something the NSEA would be willing to address. Mr. Bellister said there was no denying the fact that there were critical teacher shortages in the areas of math, science, and special education, along with teachers who were proficient in a second language.

Mr. Bellister suggested to the Vice Chair that the bill be amended, and he would draft the amendment and present it to the Committee for consideration. He believed that what A.B. 461 needed, in addition to the proposal in [Exhibit E](#), was an evaluation component. The purpose of the legislation was to address the need for teacher recruitment and retention and Mr. Bellister believed that it should include an evaluation component to determine that, if a provision were bargained into place, it would address the needs of teacher recruitment and retention.

Mr. Bellister stated that during the interim legislative performance audit of the Washoe County School District, the exit surveys of teachers indicated that approximately 40 percent of teachers left the profession because of low pay. He thought passage of A.B. 461 would be a step in the right direction to address the need to increase compensation; he reiterated that an evaluation component should be added.

Assemblywoman Leslie indicated that there was a lot in the bill to like, but she was somewhat confused about the process. It appeared to be optional for each school district to prepare the application that would be forwarded to the Department of Education. She asked whether there would be a deadline for those applications, after which the Department would review the plans and distribute the funds.

Mr. Bellister said he did not know all the particulars, but the NSEA stood ready to bargain, assuming that funding was available. The way he had read the bill indicated that the first step would be for the parties to sit down and bargain over whether the program would be skill-based pay, a career ladder program, market-based pay, or all of the above. The second step would be to ascertain the cost of the programs that were negotiated and then an application would be submitted for funding.

Vice Chairwoman Giunchigliani believed that collective bargaining would take place, the cost of the program would be provided to the Department, and the funding would be allocated. She indicated that her intent was to have all districts enter into collective bargaining. Each session the Legislature saw bills that requested stipends for various reasons, and most of that was contained in the various pieces that added up to collective bargaining. Vice Chairwoman Giunchigliani believed it was time to pool those efforts.

Vice Chairwoman Giunchigliani noted that the Legislature also had bills from speech pathologists, counselors, psychologists, and every other group that had a national board, but had never been rewarded. Her thought was to bring everyone together rather than a piecemeal approach and encourage persons with experience to become mentors. Vice Chairwoman Giunchigliani opined that the Legislature tended to talk about the issue a great deal, but had never bothered to put the money where it was needed. A.B. 461 would be a good program that would utilize one-shot funding to see how it worked. Vice Chairwoman Giunchigliani concurred with Mr. Bellister's request to amend the bill to include an evaluation component in order to determine whether the program was beneficial and whether it helped retain teachers.

Assemblyman Marvel asked why the steps had not been spelled out in the bill. Vice Chairwoman Giunchigliani stated that she would work to amend the bill to clarify the language in Section 1, subsection 3, and to add the evaluation component. Mr. Marvel asked who would evaluate the programs. Vice Chairwoman Giunchigliani said the districts would actually collect the data, independent from the teachers. She stated she could also outline the evaluation component when the bill was amended; she was also open to ideas regarding evaluation.

Assemblywoman Smith stated that she appreciated the bill. She stated she had recently attended a National School Finance meeting, which had also included representatives from Denver, Colorado. Mrs. Smith said she had heard a great deal about that plan and how it was working. She believed it was important to stress that pay for performance and merit pay would cause an increase in costs and the public and policy makers should keep that in mind. Mrs. Smith emphasized that it would cost more to pay persons to do an outstanding job.

Mrs. Smith mentioned that there would be some bills referred to the Committee on Ways and Means from the Committee on Education regarding the same subject, A.B. 60 and A.B. 110, and a mentoring bill. She thought that perhaps language from those bills might assist with the amendments for A.B. 461.

Mrs. Smith said that part of the evaluation would simply consist of the numbers regarding recruitment and retention.

Mrs. Smith asked about the program areas in Section 1, subsection 3, and whether it would be possible to further define those areas or perhaps ensure that programming was flexible because the hard to fill subject areas could change. Vice Chairwoman Giunchigliani said that was a very good point. She said the intent during the 2003 Session had been for teachers in the areas of math and science, but after checking with the 17 school districts, it had been discovered that most did not have a shortage in that area during that year.

Mrs. Smith stated that A.B. 110 contained information regarding the definition of at-risk schools, which was a bit of a problem in middle and high schools. Vice Chairwoman Giunchigliani also noted that A.B. 60 would be referred to the Committee on Ways and Means shortly, and the Committee could review the language of that bill. Mrs. Smith indicated that A.B. 110 had been passed by the Committee on Education and would be referred to the Committee on Ways and Means. Vice Chairwoman Giunchigliani noted that would give the Committee additional language to review and she asked Mrs. Smith to assist her in the development of language which would either tighten up or broaden the language of A.B. 461, in order to capture the various ideas regarding how to commence with the move toward performance-based compensation.

Vice Chairwoman Giunchigliani said it was "risky" business, and she did not believe in merit pay, but she also did not believe that performance-based compensation was similar to merit pay. It would be more of a performance-based compensation, which would be based on different types of activities and the strengths and weaknesses of teachers. The most important aspect, stated Vice Chairwoman Giunchigliani, was to discover other ways to ensure that experienced teachers were not lost. If there were ways to have experienced teachers contribute in a different manner rather than simply moving into administration, Vice Chairwoman Giunchigliani believed that the Legislature should do all it could to aid in that endeavor.

Mr. Bellister believed that the bill should contain a broader definition of the types of compensation systems that would be eligible for the funding in order to fund the Lyon County program. He did not think the system in Lyon County would fall into one of the three components depicted by the bill.

Assemblywoman Smith referenced Section 1, subsection 3, and asked whether the language addressed hard-to-fill areas only in at-risk schools, or would it include hard-to-fill areas in general. Vice Chairwoman Giunchigliani stated it would address hard-to-fill areas in general.

Joyce Haldeman, representing the Clark County School District (CCSD), wanted to add her support for A.B. 461. She noted that the CCSD "loved" the bill and felt there was a strong need to attract and retain quality teachers. In preparation for the current school year, the CCSD had hired 2,510 teachers, some because of population growth, some because of retirement, and some because teachers had become administrators. Ms. Haldeman said there were some teachers who left the profession simply because they could no longer afford to be teachers, regardless of how much they loved the profession, and regardless of how good a job they were doing. Ms. Haldeman said the CCSD believed the bill was a terrific first step toward having the profession pay the amount of money it should to teachers who needed to support their families.

Vice Chairwoman Giunchigliani noted that the Las Vegas Chamber of Commerce had submitted a letter dated April 5, 2005, [Exhibit F](#), basically in opposition to the bill. The letter opposed the bill because it did not contain an evaluation component to provide accountability regarding the funding and whether the program was working. Vice Chairwoman Giunchigliani indicated that she would take that into consideration as she worked on potential amendments.

Vice Chairwoman Giunchigliani asked whether there was further testimony forthcoming regarding [A.B. 461](#) and, there being none, closed the hearing. The Vice Chair opened the hearing on [A.B. 462](#).

**[Assembly Bill 462](#): Increases salaries of certain constitutional officers.  
(BDR 18-847)**

Vice Chairwoman Giunchigliani said that Mr. Stevens would present information regarding the bill. She noted that the exact numbers regarding the salary percentages were not available, but those figures would be provided at a later date to Committee members.

Mr. Stevens explained that [A.B. 462](#) was a Committee on Ways and Means bill. Chairman Arberry had asked Mr. Stevens to review the Consumer Price Index (CPI) change since Constitutional officer's salaries had last been increased during the 1997 Session. Mr. Stevens reported that the 2005 Session was a good time to initiate an increase based on elections that would be held in November 2006. The Legislature had not increased Constitutional officer's salaries during the last cycle two sessions ago, and if it was the desire of the Legislature to increase those salaries, the 2005 Session would be a good time to do so.

Mr. Stevens stated he had reviewed the change in the CPI since the last time Constitutional officer's salaries had been raised, and he would provide a spreadsheet to the members regarding the increase. He noted there had been approximately a 20 percent increase in the CPI during that period of time, and LCB staff had calculated the amount and raised the salaries to the next nearest thousand dollars.

Mr. Stevens explained that the Governor's salary would increase from \$117,000 to \$141,000 and the Lieutenant Governor's salary would increase from \$50,000 to \$60,000. The spreadsheet listed all Constitutional officers, and if the bill were passed in its present form, then the newly elected Constitutional officers who took office in January 2007 would receive the increased amount; there would be no increase for current incumbents.

Vice Chairwoman Giunchigliani asked for clarification regarding the CPI, and was the increase based on the last 4 years. Mr. Stevens indicated that the increase was based on the last 8 years. He explained that a raise for Constitutional officers had not been approved 4 years ago, so the figures were for the past 8 years, or since the last time those salaries had been increased. He reiterated that the increase would be between 20 percent and 20.5 percent.

Assemblywoman McClain asked about the two levels referred to in the bill. Mr. Stevens stated that the current salary for the Governor was \$117,000 and the increased salary would be \$141,000.

Assemblyman Seale said the \$90,000 figure represented the Governor's salary prior to the last change. Mr. Stevens believed that was correct. The Governor's salary had been \$90,000 and, 8 years ago, that salary had been

increased to \$117,000. A.B. 462 proposed to increase the Governor's salary to \$141,000.

Vice Chairwoman Giunchigliani reiterated that the Governor's current salary was \$117,000, the salary for the Lieutenant Governor was \$50,000, the salary for the Secretary of State, the State Treasurer, and the Controller was \$80,000, and the salary for the Attorney General was \$110,000. A 20 percent CPI increase had been applied to those salaries, which would have been realized over the past 8 years, and that was how the new salaries had been determined. Mr. Stevens stated that was correct and he reminded the Committee that the salaries had been rounded-up to the next thousand dollars.

Ms. McClain said it appeared there had been a printing error because the matter in bold or italics was supposed to be new language, and the matter between brackets was material to be omitted. She asked whether all bills contained similar errors. Vice Chairwoman Giunchigliani stated that she had been told there were other bills that contained new language that had not been bolded, so legislators should read the legislation very carefully. It appeared that errors had occurred because of time constraints and members should be aware of that situation.

Mr. Stevens said the policy question was whether a bill to increase the Constitutional officer's salaries should pass during the 2005 Session and, if the salaries were increased, by how much. Mr. Stevens indicated that it did not have to be a 20 percent increase and he had simply used the CPI as requested by the Chair. He reiterated that the increase could be in any amount.

Assemblyman Seale said he would speak in favor of the bill because the amount barely kept up with inflation. He believed it was crucial to have salaries that were adequate to attract the very best people to those positions because they were sensitive positions and the salaries were probably low, based on private sector salaries. Mr. Seale believed that the Legislature had made a mistake by not increasing the salaries every 4 years because then it had to struggle with a much larger increase, which was hard for constituents to understand.

Vice Chairwoman Giunchigliani believed that most individuals understood the fact that Constitutional officers had to be paid for the time worked and it was no different than the debate on legislative salaries. Most persons did not realize that legislators were only paid for 60 days, and not many people would work without pay at least for the days worked. If the Committee were to entertain the bill, or some percentage thereof, Vice Chairwoman Giunchigliani opined that it might be time to build in COLA increases, in order to eliminate future huge increases.

Mr. Seale indicated that would be very helpful, but he believed there was a prohibition in the Constitution against such action. Vice Chairwoman Giunchigliani stated staff could research that aspect, and it would be helpful if COLA raises could be automatic rather than requiring legislative action every 4 years.

Mr. Stevens stated that he would provide each member with the spreadsheet that he had referenced in his earlier testimony. Vice Chairwoman Giunchigliani asked Mr. Stevens to also break out the actual CPI increase for each 4-year segment within the 8-year period. Mr. Stevens stated the spreadsheet depicted the CPI amount by month over the 8-year time frame.

Assemblywoman McClain asked Mr. Stevens to also include the figures for a COLA increase for legislators, and Mr. Stevens said he would provide that information.

With no further testimony to come before the Committee regarding A.B. 462, Vice Chairwoman Giunchigliani closed the hearing and declared the Committee in recess.

Vice Chairwoman Giunchigliani called the Committee back to order and indicated it would commence with budget closings. For the benefit of new members, she explained that budget closing sheets were not handed out prior to the meetings. Unfortunately, there had been problems in the past and, therefore, the closing sheets were handed out at the time the budgets were scheduled for hearing so that the process was not undermined. Vice Chairwoman Giunchigliani advised that members could seek additional information from the subcommittee chairs.

Vice Chairwoman Giunchigliani said the Committee would hear the smaller budgets that typically included little or no changes and had been reviewed by staff. She explained budget closing differences and possible Committee action to rectify those differences. Those budgets that could not be reconciled would be considered by a joint meeting of the Assembly Committee on Ways and Means and the Senate Committee on Finance.

Mr. Stevens explained that there were traditional adjustments made in certain areas after the budgets were closed. With permission from the Committee, LCB staff could make those adjustments after budgets had been closed. Mr. Stevens indicated that staff needed to make modifications to budgets that had been closed by the Committee or joint subcommittees based on decisions that were made after certain budgets had been closed. Those adjustments were usually based on global decisions that were made later in the budget process and could involve one, many, or all the budget accounts within The Executive Budget. Mr. Stevens said examples of the type of adjustments were:

- Statewide and Attorney General cost allocations.
- Cost allocations for specific departments or agencies, such as the Department of Information Technology (DoIT) assessments.
- Cost allocations within the Department of Business and Industry that funded the Director's Office from the budgets within the Department.
- Any fringe benefit cost changes, such as a change in the health insurance subsidy, or changes in the personnel or payroll assessment, which applied to every budget within The Executive Budget.
- State-owned building rent rate changes.
- Unclassified salaries; there was an initiative by the Governor regarding unclassified salaries, which would be determined at a later date and adjustments would be made at that time.
- Any decisions regarding reduced costs for certain items, such as personal computers, software, and servers, which had new prices as provided by the Purchasing Division.

Mr. Stevens said in many cases, items would be less than the amount built into The Executive Budget and staff would make those changes, but if there were later changes, staff would need authority to make adjustments to those budgets. Mr. Stevens stated that staff had traditionally been afforded that authority and it would be very cumbersome if staff were not allowed to make later budget adjustments.

Vice Chairwoman Giunchigliani suggested that the Committee consider a motion regarding staff authority.

ASSEMBLYMAN MARVEL MOVED TO ALLOW STAFF TO MAKE  
VARIOUS TECHNICAL CHANGES AND ADJUSTMENTS TO  
BUDGETS THROUGHOUT BUDGET CLOSINGS.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED. (Speaker Perkins and Chairman Arberry  
were not present for the vote.)

\* \* \* \* \*

Assemblywoman McClain stated that since the motion had been made to allow staff to make changes and/or adjustments throughout budget closings, should the same motion be made by the joint subcommittees. Mr. Stevens indicated that the motion probably would not be made in subcommittee, unless the chairs of the various subcommittees advised staff differently. As long as each Committee member was aware that, based on global decisions made later in the process, staff would implement those decisions within each budget account.

Assemblyman Hettrick stated, for the benefit of new members, that budgets which showed total General Fund impact and closing changes, depicted changes that would be made in The Executive Budget for the upcoming biennium.

To further expand on Mr. Hettrick's statement, Mr. Stevens explained that BA 1001 showed a reduction in the General Fund amount for a change in Administrative Services Assessment. The General Ledger (GL) number for the General Fund was 2501, and staff's suggestion was that the amount within The Executive Budget be reduced by \$3,130 in the first year of the biennium and \$3,131 in the second year. Mr. Stevens pointed out that all adjustments were made from the original amounts included in The Executive Budget, and whatever amount had been recommended for FY2006-07 would be reduced by the aforementioned amounts, if the Committee approved staff's recommendation regarding BA 1001.

Mr. Stevens indicated that the process would be for the Committee to close the budgets, if possible. Budgets where members had questions and requested additional information could be held until the information had been received. He noted that the budgets for review by the Committee at the present hearing were the smaller, less complex budget accounts, but further along in the process, the budgets would become more and more complex.

Assemblyman Marvel asked whether the Senate had closed budgets to date. Mr. Stevens said the Senate was working on the same budget list as the Assembly at its current meeting and, if changes were made by the Senate, staff would advise the Committee on Ways and Means. At that time, the Committee could determine whether to close in accordance with the Senate or make additional changes.

Assemblyman Seale asked what would occur if the Senate and Assembly closed budgets differently. Mr. Stevens replied that LCB staff would keep track of Senate and Assembly budget closings and no further action would be necessary for budgets that were closed the same. However, said Mr. Stevens, if the budgets were closed differently, a joint meeting of the Assembly Committee on

Ways and Means and the Senate Committee on Finance would be necessary to resolve budget differences.

Vice Chairwoman Giunchigliani explained that a list of budget differences would be provided to members of both Committees and a joint public meeting would be held where the Senate and Assembly would reconcile budget closing issues.

Mr. Stevens advised that before the Appropriations Bill and the Authorization Bill could be drafted, all budget differences had to be resolved between the Senate and the Assembly.

Vice Chairwoman Giunchigliani also explained that if a budget had been closed, the Committee could vote to reopen the budget for further action; that action would require a two-thirds vote of the Committee. She reiterated that budgets could be reopened to address action that had not been anticipated.

Vice Chairwoman Giunchigliani opened the hearing on Mansion Maintenance, BA 1001.

### **ELECTED OFFICIALS**

#### **Mansion Maintenance, BA 1001** **Budget Page Elected-6, Volume I**

Mr. Stevens stated that there were no major closing issues in BA 1001. An adjustment had been made to the Administrative Services Assessment. Mr. Stevens explained that the Administrative Services Division within the Department of Administration charged for accounting services for the mansion account. The statewide cost allocation numbers, which had recently been received from the Budget Division, had changed and, therefore, there was a change in the assessment charged to agencies that were served by the Administrative Services Division. Mr. Stevens pointed out that the reduction in General Fund dollars would be in the amount of \$3,130 in the first year of the biennium and \$3,131 in the second year. Those were changes recommended by staff and Mr. Stevens pointed out that the amounts for the host account within the Mansion Maintenance account were decreasing slightly in each year of the biennium.

ASSEMBLYMAN MARVEL MOVED TO CLOSE BA 1001 AS  
RECOMMENDED BY STAFF.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

Vice Chairwoman Giunchigliani asked Committee members to look at the adjusted Administrative Services Assessment, and she pointed out that there would be like changes in many of the budgets since staff had received the cost allocation numbers. The adjustments could cause a savings or addition to the amounts included in The Executive Budget.

Assemblyman Hogan asked when the Committee would find out whether it had closed in agreement with the Senate. Mr. Stevens stated that staff would keep track of budget closings and would produce a report that depicted closing actions by account, whether different or the same. He explained that staff would not produce that report until there had been a number of budgets closed. Mr. Stevens noted that staff would be happy to assist members if they had questions regarding an individual budget account.

Vice Chairwoman Giunchigliani advised that the motion before the Committee was to close the Mansion Maintenance budget, BA 1001, as recommended by staff, and she called for a vote.

THE MOTION CARRIED. (Speaker Perkins and Chairman Arberry were not present for the vote.)

BUDGET CLOSED.

\* \* \* \* \*

**High Level Nuclear Waste, BA 1005**  
**Budget Page Elected-10, Volume I**

**Nevada Protection Account, BA 1004**  
**Budget Page Elected15, Volume I**

Mr. Stevens explained that BA 1005, along with the Nevada Protection Account, BA 1004, had been considered by the Senate Finance Committee and adjustments had been made. Mr. Stevens indicated that he would outline the adjustments, but that did not mean that the Assembly had to agree with those adjustments.

The High Level Nuclear Waste account, BA 1005, was the administrative account that paid the salaries and administrative costs for the High Level Nuclear Waste Office. Mr. Stevens indicated that the amount would not be reimbursed by federal funds, as those funds had to be used for studies related to the Yucca Mountain site.

Mr. Stevens pointed out that staff had made a number of technical changes in BA 1005 and the closing report included an overview, closing issues, and other items. The major closing issue was the 6.4 percent increase in the General Fund appropriation. Mr. Stevens noted that federal funding was expected for BA 1005, which would flow through the Division of Emergency Management and would link with the Nevada Protection Account, BA 1004. Those funds were for scientific oversight or studies related to the Yucca Mountain site.

Mr. Stevens indicated that staff had made technical adjustments; he stated that staff typically did not budget for annual leave payoff or forfeited annual leave or for overtime. Staff also did not budget for Deputy Attorney General licensing or State Bar dues. Mr. Stevens indicated that the General Fund appropriation for overtime pay had been reduced and a reduction had been made in computer software prices. He stated those were the technical issues and, obviously, if the Committee did not feel those changes were technical, the amounts could be changed, however, from staff's point of view, those were considered technical changes. Mr. Stevens stated that staff would recommend that those adjustments be made.

Regarding the Nevada Protection Account, BA 1004, Mr. Stevens indicated that the Governor had recommended a General Fund appropriation of \$2 million. The Nevada Protection Account paid for technical studies related to the Yucca Mountain site. Although the money was recommended for the first year of the biennium, the Governor had recommended that the agency be allowed to use the appropriation in either year of the biennium. Mr. Stevens stated that President Bush's budget currently contained an allocation of \$3 million to Nevada for the State's oversight activities. Congress had not approved that

budget, but the allocation was contained in the President's budget, which could be utilized in BA 1004 for scientific studies related to Yucca Mountain.

According to Mr. Stevens, one question that staff would like the Committee to consider was whether it wanted to budget the \$2 million in General Fund money, depending upon how confident members felt regarding receipt of the federal dollars. Obviously, said Mr. Stevens, if the federal dollars did not materialize, the agency would require State dollars to continue the studies at Yucca Mountain. He noted that the agency could approach the Interim Finance Committee as had been done in the past.

The Senate had determined that there was no need to have the two budgets listed as separate accounts, explained Mr. Stevens, and had rolled the Nevada Protection Account, BA 1004 into BA 1005, High Level Nuclear Waste. The Senate's closing action also reduced the \$2 million allocation to \$1 million so there would be some money available from the General Fund if federal funding was not realized. Mr. Stevens stated that the Senate had indicated that the agency should return to the IFC if the federal dollars did not materialize in the anticipated amount over the upcoming biennium.

Vice Chairwoman Giunchigliani noted that The Executive Budget recommended that \$2 million in General Fund dollars be included in the budget, and she asked whether the Senate had attempted to determine whether Highway Fund dollars should be used as part of the State funding. She indicated that she was somewhat uncomfortable in using Highway Fund monies in the budget.

Mr. Stevens said that Highway Fund dollars were used in the account but, in the past, it had been used for transportation-related studies. When the Nevada Protection Account was initially approved at the time the issue of using Yucca Mountain as the high level nuclear repository was before Congress, funding sources were the General Fund, Highway Fund, and also donations from the general public that were included in the account. Mr. Stevens reiterated that Highway Fund money had been utilized at that time, but had not been used since then except in the area of transportation studies.

Vice Chairwoman Giunchigliani asked whether the Senate had collapsed the Nevada Protection Account into the main account, but it would continue to be accounted for separately. Mr. Stevens said that was correct, and the Senate had also reduced the amount to \$1 million, noting that the federal budget did include a \$3 million allocation.

Assemblywoman McClain stated that she did not know how the Committee could trust the federal government to allocate \$3 million to the State, when they were trying to "shove" the nuclear repository down the State's "throat." She believed that State funding should be allocated.

Vice Chairwoman Giunchigliani suggested closing the budget as recommended by the Governor, which would include the \$2 million General Fund allocation, but eliminate the separate accounting and restructure the account. That would follow the Senate closure somewhat, but she agreed that the recommended \$2 million should be allocated.

Assemblyman Seale asked for clarification regarding the Senate closure, and Vice Chairwoman Giunchigliani explained that the Senate had closed the budget including a \$1 million General Fund allocation, with the remaining \$1 million available through the IFC. Mr. Stevens said if the federal money was not received the agency could then approach the IFC for additional funding.

Assemblywoman Weber questioned the balance forward, and asked whether there had been \$3 million allocated during the last federal cycle and the balance forward was the remaining funding. Mr. Stevens explained that the carry forward was a combination of federal funds and other funds that had been included in the account at the end of the year, which was then brought forward. Ms. Weber said she was attempting to determine what the federal funding level had been in the past, and she asked whether \$3 million was a typical allocation. Mr. Stevens said that at the present time, the State had not yet received the anticipated \$2 million federal allocation, but he was sure that the allocation would be received for the current fiscal year.

Vice Chairwoman Giunchigliani stated that she would suggest closure as recommended by the Governor, including the \$2 million from the General Fund, particularly in light of the new activities regarding falsifying of information regarding Yucca Mountain. That would indicate that the State was not weakening its stance on Yucca Mountain, and was continuing its commitment to fight the issue. Vice Chairwoman Giunchigliani believed that for the first time in a long time the program might be more vulnerable because of the falsification of scientific information. She stated that she would accept a motion for closing BA 1005 and BA 1004 as recommended by staff, including merging the two accounts, however, closing as recommended by the Governor regarding the \$2 million General Fund allocation.

ASSEMBLYWOMAN LESLIE MOVED TO CLOSE BA 1005 AND  
BA 1004 AS RECOMMENDED BY STAFF, TO INCLUDE MERGING  
THE TWO ACCOUNTS, HOWEVER, CLOSE THE BUDGETS AS  
RECOMMENDED BY THE GOVERNOR REGARDING THE  
\$2 MILLION GENERAL FUND ALLOCATION.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

Assemblywoman Weber asked whether the motion included merging the two budgets, and Vice Chairwoman Giunchigliani stated that was correct.

Assemblywoman Gansert said, in looking at the budget for the Nevada Protection Account, it appeared that the monies never reverted back to the General Fund. Vice Chairwoman Giunchigliani stated that was correct.

Vice Chairwoman Giunchigliani pointed out that the Committee would begin to notice the 2 percent increase in salary as recommended by the Governor, and if the Committee made a change in salaries, those adjustments would be made at a later date by staff.

Vice Chairwoman Giunchigliani advised that the motion before the Committee was to close both the Nevada Protection Account and the High Level Nuclear Waste Account as recommended by staff and as recommended by the Governor regarding the \$2 million allocation from the General Fund, and to merge the two accounts. She called for a vote on the motion.

THE MOTION CARRIED. (Speaker Perkins and Chairman Arberry  
were not present for the vote.)

BUDGETS CLOSED.

\* \* \* \* \*

**Consumer Health Assistance, BA 1003**  
**Budget Page Elected-22, Volume I**

Mr. Stevens said there were a few issues in BA 1003, and he explained that the Bureau of Hospital Patients had been a budget that was formerly within the Department of Business and Industry, but had been merged with BA 1003 by the 2003 Legislature.

According to Mr. Stevens, hospitals were assessed \$100,000 each year to have the Bureau of Hospital Patients assist consumers with hospital bills, such as deciphering bills, explaining bills and helping persons understand the charges, and ensuring that the charges were appropriate. The Bureau was not utilizing all the funds received from that assessment and the reserve continued to grow.

Mr. Stevens said the first question for Committee consideration was whether there should be a change to the NRS that would authorize the agency to assess hospitals *up to* \$100,000, rather than the current requirement that the amount assessed *must be* \$100,000. The reserve level was budgeted for \$164,080 in the first year of the biennium and \$211,217 in the second year, which Mr. Stevens believed was more money than the agency would need during the biennium. He reiterated that if no action was taken, the level of the reserve would continue to grow.

Mr. Stevens stated that the second issue was the enhancement of services to rural counties. When the budget had been previously discussed by the Committee on Ways and Means, one of the issues had been outreach efforts. Mr. Stevens said there had not been much of an outreach effort in the rural areas, and one of the questions for the Committee to consider was whether to increase in-state travel up to the work program amount of \$7,349, which would allow the agency to travel to the rural areas. The 2004 actual amount was \$3,098, which was included in the budget. Mr. Stevens advised that the Office of Consumer Health Assistance was located in Las Vegas.

Vice Chairwoman Giunchigliani asked whether the agency had provided documentation regarding segregating the number of issues that needed to be addressed by the ombudsman from rural areas versus Washoe and Clark Counties.

Mindy Braun, Education Program Analyst, Fiscal Analysis Division, LCB, stated that she did not know whether that information was available, however, representatives from the agency were present at the hearing. Ms. Braun believed that the agency had performed services in the Dayton area.

Valerie Rosalin, Director, Office of Consumer Health Assistance, Bureau of Hospital Patients, stated that as far as the Office's assistance to the consumers of Nevada, 30 percent were from the northern area. She indicated that she would like to explain why the Office had not maintained the rural outreach program. Ms. Rosalin indicated that problems in the rural areas had been handled via mail, and she had been unable to make personal visits because of the closure of the northern office, consolidation of the offices in Las Vegas, and the changeover in staff. Ms. Rosalin stated the Office had currently scheduled outreach for the rural areas.

Vice Chairwoman Giunchigliani asked what had driven the request for \$7,349 for in-state travel. Ms. Rosalin said that would adjust the in-state travel back to the original amount prior to the consolidation. She said the figure included in The Executive Budget was the actual amount used in FY2004. Ms. Rosalin

said if she were to follow the current schedule regarding the rural outreach program, she would need the \$7,349 for in-state travel. Vice Chairwoman Giunchigliani asked whether that money would be used for actual staff travel time, mileage as well as airfare. Ms. Rosalin stated that was correct.

Assemblywoman Smith asked Ms. Rosalin to explain her travel to rural counties and the outreach program. Ms. Rosalin explained that she tried to access support groups, church groups, senior centers, employer centers, et cetera. At one time, she had made presentations for unions, such as the National Active and Retired Federal Employees Association (NARFE). Ms. Rosalin stated she attended conferences and conventions for the NARFE and had made both PowerPoint and verbal presentations.

Vice Chairwoman Giunchigliani asked whether Ms. Rosalin actually met with consumers who were experiencing problems. Ms. Rosalin indicated that when she was at a public presentation, people could approach her with questions, at which time an issue could be initiated, however, the issue would be handled telephonically from that point until resolved. Most of the information was mailed to the Office and actual face-to-face contact was not always necessary, but Ms. Rosalin emphasized that need was increasing in the rural counties.

Vice Chairwoman Giunchigliani asked whether it would be safe to say that the outreach program was not what she would interpret as "outreach," but actually consisted of presentations with various groups regarding how the program worked. Ms. Rosalin explained that the Bureau was mandated by the NRS to do whatever it could to inform Nevadans of its services. Vice Chairwoman Giunchigliani asked how many times Ms. Rosalin would present information to the same groups. At some point, there would be saturation and the public would be aware of the services provided by the Bureau. She asked how the Legislature would know that the travel money was being spent on needed programs. Vice Chairwoman Giunchigliani suggested that perhaps modifications to the statute should be considered at a later time.

Vice Chairwoman Giunchigliani noted that there was a bill before the Senate that would transfer duties from the Office to a different ombudsman program. Ms. Rosalin said that the Office's recommendation, because of the resistance from employer groups to inform persons of the free service, or for attorneys to advise people that the Bureau's service was free, would be to place information regarding the Bureau on the employer's C-3 and C-4 forms regarding how employees could receive assistance to navigate an issue. Ms. Rosalin reported that the Division of Industrial Relations, Department of Business and Industry, required that a poster be displayed in every business with information regarding the services offered by the Office of Consumer Health Assistance. That would underscore the duties of the Office without the need to reorganize and create a new office with a new budget. Ms. Rosalin advised that the Office conducted mass mailings regarding all the services offered, including workman's compensation. She also explained that she tried to attend orientations for new employees and provided information to be included in new employee packets.

Vice Chairwoman Giunchigliani concurred that it did not appear to make sense to bifurcate the program as recommended in S.B. 126. She noted that the Bureau was asking for a total of \$7,349 for in-state travel expenses.

Assemblywoman McClain asked for a report regarding provision of information to consumers by the Bureau concerning prescription drug programs offered by manufacturers or offered by the State, as required by passage of

A.B. 236 of the Seventy-Second Legislative Session. Ms. Rosalin indicated that the Bureau's website provided information regarding the Pharmaceutical Research and Manufacturers of America, PhRMA program, and the Bureau also provided an "800" number for free access. Ms. Rosalin referenced current legislation regarding the Canadian drug program and, should that bill pass, pertinent information would be added to the Bureau's website, which would cause an increase in cost.

Ms. McClain asked how a person would access the PhRMA program. Ms. Rosalin indicated that persons could call the Bureau and applications would be provided, however, the Bureau had done a mailing to physicians, provider groups and senior groups, to ensure that those entities would notify patients about the free program. The program was not just for senior citizens, but for anyone who could not afford medications. Ms. Rosalin advised that the Bureau's website also contained a link to the PhRMA program.

Mr. Stevens reported that there were technical adjustments to the account and he would be happy to address those adjustments if the Committee so desired.

Vice Chairwoman Giunchigliani indicated that a motion to close the budget should include changes as recommended by staff, and a change to the language in NRS 223.575 to allow the Bureau to assess hospitals *up to* \$100,000, rather than the amount assessed *must be* \$100,000. There was a question from staff whether a Letter of Intent should be issued regarding grants, but Vice Chairwoman Giunchigliani did not believe that would be necessary. Another issue was the increase for in-state travel to accommodate the rural outreach program.

ASSEMBLYWOMAN McCLAIN MOVED TO CLOSE BA 1003 AS RECOMMENDED BY STAFF, INCLUDING TECHNICAL ADJUSTMENTS, CHANGING THE LANGUAGE IN NRS. 223.575 TO ALLOW THE BUREAU TO ASSESS HOSPITALS *UP TO* \$100,000, AND INCREASING THE ALLOCATION FOR IN-STATE TRAVEL TO \$7,349 IN EACH FISCAL YEAR OF THE 2005-07 BIENNIUM.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Speaker Perkins and Chairman Arberry were not present for the vote.)

BUDGET CLOSED.

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As an aside for the Committee, Mr. Stevens advised that any statutory adjustments that needed to be made based on budget closings would be drafted by the LCB Legal Division and staff would provide copies of those changes to the Committee. Undoubtedly, there would be a number of adjustments.

**Lieutenant Governor, BA 1020**  
**Budget Page Elected-30, Volume I**

Mr. Stevens explained that the major issue in BA 1020, which had been brought to the Committee's attention during previous testimony, was the in-state travel category. He stated that the amount actually expended during FY2004 was \$12,403 and the in-state travel budget for the current fiscal year was \$25,081.

He explained that there was always an increase in the second year of the biennium because of the Lieutenant Governor's legislative duties. Mr. Stevens indicated that in-state travel would increase from \$12,403 to \$20,332 in the first year of the upcoming biennium and would increase in the second year from \$25,081 to \$38,778. Mr. Stevens said the question was whether the Committee wanted to close the budget as recommended by the Governor or whether changes should be considered. He stated there had also been discussion regarding whether room tax dollars should be utilized in BA 1020, based on the Lieutenant Governor's activities related to the Commission on Tourism.

Assemblywoman McClain said the difference between the FY2006 and FY2007 amounts was \$18,000 which, apparently, was attributed to the legislative session. Mr. Stevens explained that the amount did not include salary, but was for in-state travel. Ms. McClain indicated that she understood it was for travel, with an additional \$18,000 for travel during the legislative session. Mr. Stevens reported that the in-state travel category was also utilized for per diem during session.

Assemblyman Hettrick said the point was that the increase in the second year of the biennium was attributable to the additional cost of the session. As legislators who lived in southern Nevada were aware, the reality was that airfare had increased by approximately \$100. Just the cost of the airfare alone would cause the in-state travel costs to increase. Mr. Hettrick said he was not aware of how often the Lieutenant Governor flew back and forth from Las Vegas, but since the Lieutenant Governor was in Carson City more often during a legislative year, the increased cost of airfare alone would create an increase in the in-state travel category.

Vice Chairwoman Giunchigliani reminded the Committee that per diem was also included and the amount was not simply for travel. Ms. McClain commented that 17 weeks at \$200 amounted to \$3,400.

Vice Chairwoman Giunchigliani asked the Committee for suggestions regarding closure of the budget. She believed that since a portion of the Lieutenant Governor's travel was associated with the Commission on Tourism, a portion of the room tax dollars should be used to offset the costs.

Mr. Stevens indicated that staff could provide additional information regarding the possibility of utilizing room tax dollars to offset costs. Vice Chairwoman Giunchigliani concurred, and asked staff to determine the impact on room tax and the dollar amount that could be utilized.

BUDGET HELD.

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**AG Crime Prevention, BA 1036**  
**Budget Page Elected-72, Volume I**

Mr. Stevens indicated that the major issue in BA 1036 related to a Motor Pool vehicle. A Motor Pool vehicle was recommended in The Executive Budget in each year of the biennium, however, the Committee noted during the previous budget hearings that only \$110 had been charged for in-state personal vehicle use in FY2004. Mr. Stevens stated that the employee in BA 1036 was a member of the Federal Bureau of Investigation (FBI) Terrorism Task Force and,

as such, was provided the use of an FBI vehicle, which could be used by the employee for all AG activities except transportation of children.

Mr. Stevens indicated that the issue was that if the current employee were to leave, the Crime Prevention budget would not have sufficient funds to provide a Motor Pool vehicle or pay expenses for use of an employee's personal vehicle.

Mr. Stevens said that staff recommended cutting the cost included in The Executive Budget by half, which would reduce the cost to \$2,112 in each year of the biennium. That would allow an employee to use a Motor Pool car on a daily basis. Since the actual cost for FY2004 was only \$110, Mr. Stevens noted that the amount of \$2,112 might be more than the budget would require, but staff believed that amount would be sufficient.

Mr. Stevens advised that the Committee could close the budget as recommended by the Governor, or close by allowing the employee to use a personal vehicle and claim mileage, or close as recommended by staff, which would include available funding that could be utilized for daily rentals from the Motor Pool, if necessary.

The only other closing item, stated Mr. Stevens, was in the equipment category where staff had made adjustments based on new computer pricing.

Vice Chairwoman Giunchigliani indicated that she would accept a motion.

ASSEMBLYMAN MARVEL MOVED TO CLOSE BA 1036 AS RECOMMENDED BY STAFF, INCLUDING REDUCTION OF THE MOTOR POOL VEHICLE COST TO \$2,112 IN EACH YEAR OF THE BIENNIUM, AND INCLUDING TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

MOTION CARRIED. (Speaker Perkins and Chairman Arberry were not present for the vote.)

BUDGET CLOSED.

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**AG Extradition Coordinator, BA 1002**  
**Budget Page Elected-81, Volume I**

Mr. Stevens indicated there was one closing issue in BA 1002, which was the extradition revenue. He noted that extradition revenues had been received in actual year 2004 in the amount of \$107,924 and for FY2005, the budget included \$113,320. Mr. Stevens explained that the funding in FY2004 included \$100,206 in extradition revenues and \$8,509 from the Statutory Contingency Fund. The Executive Budget only included the \$100,206 and staff would recommend that the \$8,509 that had been received from the Statutory Contingency Fund be included in the budget, which would provide a corresponding decrease in the General Fund in each year of the biennium.

The only other adjustment in BA 1002, said Mr. Stevens, was in Decision Unit E-710 regarding personal computers and software.

ASSEMBLYMAN HETTRICK MOVED TO CLOSE BA 1002 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED. (Speaker Perkins and Chairman Arberry were not present for the vote.)

BUDGET CLOSED.

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**AG Council for Prosecuting Attorneys, BA 1041**  
**Budget Page Elected-85, Volume I**

Mr. Stevens stated that there were no closing issues in BA 1041, but there was a salary increase for the position built into the unclassified salary schedule. The Committee had questioned training courses provided by the Council for Prosecuting Attorneys, and had asked how the salary for the position would compare to other states, and that information was included in the closing packet provided to members. Mr. Stevens said the decision regarding the salary increase did not necessarily have to be voted on by the Committee at the present time, as it could be included in the global decision regarding unclassified positions at a later date.

Assemblyman Marvel believed that BA 1041 was very important because the Council for Prosecuting Attorneys provided necessary training for prosecutors regarding the appeals process, et cetera.

Assemblywoman Leslie asked whether the increase in salary would move the position out of alignment with the LCB Legal Division attorneys and, if so, she would be uncomfortable with that increase, and perhaps the salary for all attorneys should be reviewed. Mr. Stevens did not believe that would be the case. He had pointed out the increase so the Committee would be aware of that issue. Mr. Stevens explained that unclassified salaries would be decided at a later date after review of the legislation pertaining to unclassified salaries, and the Committee could compare salaries for attorneys at that time. He suggested that BA 1041 be closed as recommended by the Governor.

Vice Chairwoman Giunchigliani asked for clarification regarding the salary amount of \$90,874, and whether that amount included the salary increase. Mr. Stevens replied that The Executive Budget recommended a salary increase from \$79,102 to \$90,874 and, if the Committee closed as recommended by the Governor, the amount of \$90,874 would be included in the budget. That salary amount could be adjusted when the unclassified salary bill was reviewed later in the session. Vice Chairwoman Giunchigliani noted that the Committee could also close the budget without the increase and consider the increase at the time it considered the legislation pertaining to unclassified positions. Mr. Stevens stated that was correct.

Assemblyman Hettrick wondered, since the Committee would review the unclassified salary bill at a later date, whether the Committee would then be required to reopen the hearing on BA 1041 in order to include the approved salary and close in accordance with the Senate. He believed that the issue could be addressed directly by the Committee and the salary could be adjusted when the Committee reviewed the unclassified salary bill. Mr. Hettrick stated he was simply trying to save time by not including BA 1041 in joint hearings with the Senate.

Vice Chairwoman Giunchigliani said the budget could be closed either way, as long as it was recognized that the salary increase had to be reviewed when the legislation regarding unclassified salaries was reviewed. She wanted to ensure that the salary within BA 1041 was flagged for the Committee's review when the bill regarding unclassified salaries was reviewed. Vice Chairwoman Giunchigliani said at that time the Committee could determine whether the salary remained in alignment with other attorney salaries. Mr. Stevens indicated that staff would make note and flag BA 1041.

ASSEMBLYMAN MARVEL MOVED TO CLOSE BA 1041 AS  
RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

Assemblywoman McClain indicated that she had a policy question concerning the \$100 General Fund appropriation, which provided access to the IFC if needed. She wondered why access to the IFC would be needed. Mr. Stevens explained that the Committee could choose to eliminate that provision but, in the past, there had been questions regarding whether the funding identified for BA 1041 would actually materialize, and the agency would need an avenue to access State funding if needed. Mr. Stevens said that had not been the case, and if the Committee wanted to eliminate the \$100 amount, that would also eliminate the agency's access to the IFC.

Vice Chairwoman Giunchigliani noted that since 1997, the agency had never approached the IFC. Mr. Stevens stated that was correct, the agency had never approached the IFC for a Contingency Fund allocation. Ms. McClain believed that the \$100 appropriation could be removed from BA 1041 and suggested that the motion be amended.

Vice Chairwoman Giunchigliani advised that the motion currently before the Committee was to close the budget as recommended by the Governor, however, it had been suggested that the motion be amended to delete the \$100 General Fund appropriation, which would remove the agency's access to the IFC.

Vice Chairwoman Giunchigliani noted that the motion to amend the motion failed to receive a second, and she called for a vote on the original motion.

THE MOTION CARRIED. (Chairman Arberry and Assemblyman  
Hettrick were not present for the vote.)

BUDGET CLOSED.

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**AG Victims of Domestic Violence, BA 1042**  
**Budget Page Elected-90, Volume I**

Mr. Stevens said the first issue for Committee consideration was funding the Domestic Violence Ombudsman position with General Fund dollars. Basically, the recommendation stemmed from the desire of the Office to apply the same funding requirements for the Domestic Violence Ombudsman as were applied to its sub-grantees who received pass-through federal funding. Federal funding allowed sub-grantees to fund administrative costs for no more than 3 years, and the Office believed that State domestic violence programs should also find alternate revenue sources to fund administrative costs, since that was required

of sub-grantees. Mr. Stevens stated that the Office believed it should not use federal funds for the Ombudsman and that General Funds should be utilized to replace those funds.

Mr. Stevens stated that staff had developed options for the Committee's consideration regarding funding for the Ombudsman position:

- A. Fund the Ombudsman position completely with General Funds as recommended by the Governor, which would introduce General Funds totaling \$139,435 for the biennium into BA 1042.
- B. Request that the Office continue funding the Ombudsman position with federal domestic violence grant funds, thereby removing the biennial General Fund appropriation of \$139,435 from BA 1042.
- C. Fund a portion of the Ombudsman position with General Funds and request that the remaining portion continue to be funded with federal domestic violence grant funds.

While the Committee was not required to close BA 1042 in accordance with the Senate, Mr. Stevens advised that the Senate Committee on Finance had closed the budget including option B.

The second item for Committee consideration was the new Administrative Assistant IV position, said Mr. Stevens, and The Executive Budget recommended \$82,309 to fund that position. Additional training funds had also been provided in The Executive Budget. The current contract position was funded by grant funds.

Vice Chairwoman Giunchigliani noted that, generally, when a position was funded with grant funding if the funding was eliminated, the position would also be eliminated. Mr. Stevens indicated that was correct.

Mr. Stevens advised the Committee that The Executive Budget recommended transferring all revenue and expenditures related to pass-through domestic violence from BA 1042, Victims of Domestic Violence, to the newly created Violence Against Women, BA 1040.

Vice Chairwoman Giunchigliani asked whether the transfer would facilitate accounting procedures. Mr. Stevens said the office had indicated it would be easier accounting-wise to account for grant funds via a separate account. He noted that staff did not have an issue with the creation of a separate account and would recommend that the Committee approve the transfer.

Assemblywoman McClain stated that she absolutely did not trust the federal government to provide any type of grant funding for programs. She informed the Committee that she would prefer closing the budget including option A, which would fund the budget with General Fund dollars. Ms. McClain believed that the Office could actually use additional assistance regarding statewide domestic violence issues.

Mr. Stevens explained that the federal funding source for BA 1042 was very stable and staff did not foresee any problems. He would anticipate that the federal funding source would be available over the biennium, but sources of funding would be a choice for the Committee.

Vice Chairwoman Giunchigliani asked Mr. Stevens to provide the rationale for the Governor's recommendation to fund BA 1042 completely with General Funds. Mr. Stevens stated that when the Attorney General granted funds to

sub-grantees, the funding was for a certain period of time, after which sub-grantees were required to locate alternative funding sources. The Office had been using federal funds for 3 years and wanted to apply the same standard to its operation.

Vice Chairwoman Giunchigliani advised that the Committee could close the budget including option A, B, or C. The Senate had closed the budget including option B, however, Assemblywoman McClain had voiced a preference for option A. Vice Chairwoman Giunchigliani stated that she would accept a motion.

ASSEMBLYWOMAN McCLAIN MOVED TO CLOSE BA 1042 AS RECOMMENDED BY THE GOVERNOR (OPTION A), INCLUDING TECHNICAL CHANGES.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Chairman Arberry and Assemblyman Hettrick were not present for the vote.)

BUDGET CLOSED.

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**Violence Against Women, BA 1040**  
**Budget Page Elected-96**

Mr. Stevens indicated there were no closing issues with BA 1040.

ASSEMBLYWOMAN McCLAIN MOVED TO CLOSE BA 1040 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED. (Chairman Arberry and Assemblyman Hettrick were not present for the vote.)

BUDGET CLOSED.

\* \* \* \* \*

To recap, Vice Chairwoman Giunchigliani noted that the Committee had closed differently from the Senate regarding BA 1005, High Level Nuclear Waste and BA 1042, Victims of Domestic Violence, and had held the Lieutenant Governor's budget, BA 1020, for additional information from staff.

The following item was submitted to the Committee for inclusion in the record:

- [Exhibit G](#): Document entitled, "Clark County Public Education Foundation, SNAPSHOT," submitted by Ms. Steele.

With no further business to come before the Committee,  
Vice Chairwoman Giunchigliani adjourned the hearing 11:08 a.m.

RESPECTFULLY SUBMITTED:

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Carol Thomsen  
Committee Attaché

APPROVED BY:

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Assemblywoman Chris Giunchigliani, Vice Chairwoman

DATE: \_\_\_\_\_

| <u>EXHIBITS</u>   |         |  |  |
|---|---------|--|--|
| <b>Committee Name:</b> <u>Committee on Ways and Means</u> |         |  |  |
| <b>Date:</b> <u>April 5, 2005</u>                         |         | <b>Time of Meeting:</b> <u>8:00 a.m.</u>           |  |
| Bill  | Exhibit | Witness / Agency                                   | Description                                  |
|   | A       |  | Agenda                                       |
| AB 438  | B       | P. Forrest Thorne, PEBP                            | Letter of 4/4/05                             |
| AB 438  | C       | Assemblywoman Koivisto                             | Packet of letters from Carolyn McLeod        |
| AB 460  | D       | Judi Steele, Clark Co. Public Education Foundation | Binder of information regarding CCPEF        |
| AB 461  | E       | Assemblywoman Giunchigliani                        | Amendment to AB 461                          |
| AB 461  | F       | Assemblywoman Giunchigliani, for the record        | Letter of 4/5/05 from LV Chamber of Commerce |
| AB 460  | G       | Judi Steele, CCPEF, for the record                 | Document from CCPEF entitled "SNAPSHOT"      |