

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

**Seventy-Third Session
April 25, 2005**

The Committee on Ways and Means was called to order at 8:30 a.m., on Monday, April 25, 2005. Chairman Morse Arberry Jr. presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

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

None

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Anne Bowen, Committee Secretary
Carol Thomsen, Committee Secretary

Assembly Bill 347: Revises provisions governing exemptions from sales and use taxes on farm machinery and equipment. (BDR 32-981)

Pete Goicoechea, Assembly District 35, identified himself and read the following testimony into the record:

A.B. 347 asks for the submission of a ballot question to the voters for an exemption from the tax on farm machinery and equipment. A.B. 347 will have no fiscal impact unless it is approved by the voters.

We are only asking for the opportunity to let us sell the voters on the inequity of having a sales tax when surrounding states do not. You will hear from a number of dealers in the room that will testify on the impact to their industry. If the dealers in Nevada are placed at a minimum of 6.5 percent disadvantage because of the sales tax differential it will force a number of these businesses to close their doors.

I know the fiscal note will show reduction in the state revenues, but again, that will only occur after voter approval. We realize that this was a question that lost on the 2004 ballot, but we feel the number and combination of exemptions asked for confused the issue. We are asking for a stand alone voter approved exemption. I am only asking the Committee to give the farm equipment dealers the opportunity to plead their case with the voters of Nevada.

[Exhibit B](#), a packet of 17 pages of material, was submitted to the Committee.

Assemblyman Marvel noted that this had been a problem for some time and he realized Nevada was losing many sales to other states. Mr. Marvel wondered if anyone had calculated how much money was being lost by Nevada with people going out of state to purchase farm equipment.

Mr. Goicoechea replied that [Exhibit B](#) contained several letters that addressed the issue. He referred to a letter written by Buddy Howard, President of Winnemucca New Holland, which expressed the opinion that a 2 percent sales tax was all farm equipment businesses could handle without losing substantial business to other states.

Mr. Goicoechea commented that in January 2006 the 2 percent sales tax on farm equipment would revert to a full 6.5 to 7 percent. Mr. Goicoechea said he believed most of the equipment dealers understood and were willing to live with the increased sales tax for the next year until the exemption could be reinstated in January 2007, after the election.

Assemblywoman Giunchigliani asked why the language on page 3 of [A.B. 347](#) was being removed from Chapter 372 of the *Nevada Revised Statutes* and placed in Chapter 374. Ms. Giunchigliani asked if the language was different from what was on the ballot.

Mr. Goicoechea replied that the language was a little different, but in essence what it did was remove the sales tax exemption.

Ms. Giunchigliani asked what percentage of the domestic product of Nevada came from agriculture.

Mr. Goicoechea replied that he did not know the figure statewide, but for the rural communities it was the only business in town aside from mining.

Ms. Giunchigliani said she knew that, but was curious about statewide figures because at one time she had been told it was 1 percent of the state's domestic product.

Mr. Goicoechea said it was probably larger than that, currently, because of the exportation of alfalfa, alfalfa products, and onions out of the state. If those numbers had been examined when Nevada was predominantly a livestock state

there would be no doubt about it, because livestock production was down approximately 40 percent.

Ms. Giunchigliani said the bill started out deleting the term "agricultural use." Mr. Goicoechea noted that the bill said "agricultural purposes" and there was a type of tractor that would be used to pull implements that could be used on 20 and 40 acre parcels, but typically agricultural use of real property would require an agriculture exemption.

Ms. Giunchigliani asked if the agriculture exemption was the property tax exemption.

Mr. Goicoechea responded that it did not apply to A.B. 347, but "agriculture purposes" generally meant an agriculture exemption.

Ms. Giunchigliani asked for a definition of an "implement of husbandry."

Mr. Goicoechea replied that any vehicle designed, adapted, or used for agricultural purposes was an "implement of husbandry."

Ms. Giunchigliani asked who generally sold agricultural equipment in Nevada.

Mr. Goicoechea said he had at least five dealers with him today willing to talk to the Committee.

Assemblyman Tom Grady, District 38, said the farm implement dealers in Nevada were home, family-run stores, with none of them being franchise operations. Many of the dealers were second and third generation Nevadans. Mr. Grady said the map in Exhibit B demonstrated what the competition was from out-of-state sales and the fiscal note contained in A.B. 347 would create a huge business reversal for the equipment dealers.

Mr. Grady said California was currently at 2.25 percent sales tax on agricultural equipment and there was no way the Nevada Department of Taxation could keep track of the agricultural equipment that was coming into Nevada from California. Many of the farmers around the border areas could very easily buy equipment and move it from other states into Nevada.

Mr. Marvel asked if businesses such as Cashman Equipment sold farm equipment as well. Mr. Grady replied that they did, and they had been very active in support of A.B. 347.

Steven G. Kost, Executive Vice President, Far West Equipment Dealers Association, introduced himself and testified in support of A.B. 347. Mr. Kost stated the Far West Equipment Dealers Association was a nonprofit trade association of agriculture and construction dealers in the seven western states. Mr. Kost referred to the map contained in Exhibit B and noted that eight states had a partial exemption at this time. The state of Washington currently had full sales tax exemption; however, they had a tax-sundown exemption that had been in effect for four years which stated that any machinery sold to reduce stubble in the state was fully exempt from sales tax and property tax. Mr. Kost stated that legislation was being reintroduced in Washington to be in force through 2011.

Mr. Kost contended that as of January 1, 2006, Nevada would have the highest effective tax rate on the sale of new farm machinery in the nation. The only thing producers and growers could control locally was the cost of purchasing

machinery. Mr. Kost maintained Nevada growers would be going out of state to purchase machinery that cost \$150,000 to \$200,000. Prices for the commodities grown were established globally, not locally, but the fixed costs were local and that was what growers would attempt to deal with by purchasing equipment out of state.

Mr. Kost noted that some of the information he was presenting had been compiled when the sales tax exemption legislation had been implemented some years ago. These were industry new sales as reported by the Association of Equipment Manufacturers (AEM) and reported by all the manufacturers that sold farm machinery in the state of Nevada.

Mr. Marvel asked if parts were 20 percent. Mr. Kost replied that parts were approximately 20 percent.

Don Renner, Renner Equipment Company, identified himself for the record, and testified in support of A.B. 347.

Mr. Renner said he had stores in Smith Valley, as well as Yerington and Fallon. He wondered why this matter was before the Committee again. He stated that the last time the initiative had passed there had been a 2 percent sales tax which the farm equipment dealers had been able to live with. Mr. Renner said when a grower purchased a tractor costing \$100,000 he would have to ask himself if he would save a great deal of money by going somewhere else. Many of the growers had addresses in other states so they could buy equipment there and bring it to Nevada. Mr. Renner emphasized that the dealers and the consumers were very happy to pay the 2 percent sales tax on agriculture equipment. Consumers may have complained, but they paid the sales tax. The 2 percent tax was not enough to go over the border to avoid, but Question 8 had put everyone back in the same situation.

Mr. Renner pointed out that all the dealers at the Legislature today were competitors, and for all of them to be together in opposition to this issue indicated that it was very important. Mr. Renner said if the 2 percent sales tax rate were removed from farm equipment he would be forced to reduce his business by 50 percent. He commented that the size of his dealership, when compared with a dealership in Idaho or California, was very small. Farm equipment dealers in Nevada, because of the size of the area, had to survive with much less income and add non-agriculture items to their inventory in order to continue in business.

Hugh Montrose, President, Carpenter's Equipment, Lovelock, Nevada, identified himself for the record, and testified in support of A.B. 347. Mr. Montrose said that besides the farm equipment business and farming operations he had also been involved in public service with 8 years on the planning commission, 12 years as mayor, and 8 years as a hospital trustee. Mr. Montrose said his previous experience in public service gave him an understanding of the difficult job of providing and funding services for the people, and he appreciated the concern about less revenue as well. He stated the farm equipment dealers were not asking for special treatment, they were asking for fair treatment and a level playing field.

Mr. Montrose maintained the agricultural community of rural Nevada was being asked to pay a sales tax that was not collected by almost every other state in the nation.

Mr. Montrose said the map contained in [Exhibit B](#) showed clearly that Nevada was an island surrounded by states that did not collect sales tax on farm equipment. The extra cost burden of 6.5 to 7.5 percent made it difficult to compete. The farm equipment dealers in Nevada not only competed with dealers in Nevada, they were forced to compete with dealers in other states as well. Mr. Montrose urged the Committee's support of [A.B. 347](#).

Ms. Giunchigliani requested that Assemblyman Goicoechea provide information on the difference between [A.B. 347](#) and the ballot that had been placed before the voters.

Daniel G. Smith, President, Smith Valley Garage, Inc., identified himself for the record, and testified in support of [A.B. 347](#). Mr. Smith submitted [Exhibit C](#), a letter to Chairman Arberry from Daniel G. Smith, dated April 24, 2005, to the Committee.

Mr. Smith stated his purpose for being before the Committee was to attempt to explain the impact on Nevada of having a sales tax when surrounding states did not. Over the past two years Smith Valley Garage had collected approximately \$110,000 per year in sales tax, according to Mr. Smith.

Mr. Smith estimated there was about ten times more business throughout the state than Smith Valley Garage did, with \$1.1 million total tax collected. Out of the total tax collected some would not be eliminated because there would still be taxable sales collected on items other than farm equipment. Mr. Smith reiterated that if the full tax was reinstated the farm equipment dealers would lose business to the surrounding states that had no sales tax.

Gilbert Griffin, Co-owner, Carter Agri-Systems, identified himself and testified in support of [A.B. 347](#). Mr. Griffin testified that Carter Agri-Systems had been in his family since 1929. He stated that when his business had been able to charge the 2 percent partial sales tax on farm equipment the difference in his business had been remarkable. While a business had the reality of the dollars and cents, it also had the perception of the business. Mr. Griffin said the 2 percent partial sales tax had created a different attitude between customers and the people who worked at Agri-Systems.

Mr. Griffin said the biggest challenge facing Agri-Systems in the future would be the full sales tax being reinstated. He said he had already had customers tell him that the full sales tax would be the end of his business. Agri-Systems was located in Lund, Nevada, near the Utah state line, and Mr. Griffin said he had seen the farm equipment coming across the border into Nevada in large numbers over the years. However, in recent years with the 2 percent partial tax in place the numbers had been less.

Mr. Griffin noted that everything that was done had a fiscal impact, but not everything had to be considered on just simple fiscal numbers. Rural Nevada needed to be stable, needed to be strong, and needed to be able to provide goods and services for those who lived there, according to Mr. Griffin.

Mr. Griffin emphasized that Question 8, on the ballot in 2004, had been very difficult. He had farmers tell him, in talking about the defeat of Question 8, that they had not realized what they were voting and some had voted opposite from what they had planned to vote.

Mr. Griffin said the supporters of [A.B. 347](#) simply wanted to place the issue on the ballot once again on a stand alone question, where their case could be

presented, and hopefully the voters of Nevada would support the partial 2 percent sales tax on farm equipment.

Doug Busselman, Executive Vice President, Nevada Farm Bureau Federation, identified himself for the record and testified in support of A.B. 347.

Mr. Busselman stated the Nevada Farm Bureau wanted to go on record as being in support of A.B. 347. Through passage of the bill Nevada voters would be given the opportunity to vote on a ballot question of whether a sales and use tax would be removed from farm machinery and equipment. Recent studies by agricultural economists at the University of Nevada Cooperative Extension indicated that in one rural county an average alfalfa hay producer had an investment of over \$500,000 in farm equipment. According to Mr. Busselman, the cost of purchasing the equipment as well as maintenance was very high. That cost was made all the more severe by the burden of sales and use taxes, as well as the annual property tax expenses which were charged to producers on the same equipment. Nevada agricultural producers competed in an international marketplace, producing commodities that had extremely narrow profit margins. Mr. Busselman said keeping rural economies whole depended on keeping agricultural producers and their enterprises viable.

Carole Vilardo, Nevada Taxpayer's Association (NTA), identified herself for the record and testified in support of A.B. 347. Ms. Vilardo stated that the NTA did not normally support sales tax exemptions because they eroded the base, but the issue in this case was different. There were two issues involved. This Legislature had recognized the difficulty of taxing and imposing the full tax on farm equipment when it generated the passage of the bill that provided the partial exemption. Ms. Vilardo said the problem was that there was no way of enforcing the collection of the tax when people purchased equipment out of state. Because surrounding states did not have the tax, or in the case of California, which had a much lower rate than Nevada, business people were put in the position of making economic decisions because of the tax. Ms. Vilardo stated there were a number of our farmers going out of state to purchase equipment and bring it back to Nevada, which had considerable impact on the economy of the rural areas. Those businesses employed people, who, in turn, were able to pay their taxes and maintain jobs. Streamlined sales tax put the State in the position of having to go to the voters because a bifurcated rate did not work. Because of the way Question 8 was worded, according to Ms. Vilardo, there had been six items in one ballot question, and some of those six items were obviously disliked. It was very difficult to write an explanation that covered each of the exemptions that had been put before the voters. Ms. Vilardo noted, at this point there would still be an uphill battle since the urban areas did not recognize all the nuances of the question. The difficulty in collecting a use tax when equipment was brought in from other states, the issues of streamlined sales tax, and even placing this ballot question before the voters did not ensure that it was going to pass.

Ms. Vilardo submitted that without giving the proponents the opportunity to get the exemption on the ballot, there would be a lot more money lost because of the jobs that would be lost and the income that would not be produced. Keeping the viability of the rural areas was very important. Ms. Vilardo urged the Committee to put the measure on the ballot even though it was going to be an uphill sale, particularly in the urban areas. She said the rural communities, the farm dealers, and the farmers should have the opportunity to get their message out as to why this question was so important.

Mr. Seale asked Ms. Vilardo if she could “weave a scenario” that would show how the increased sales that would occur with the exemption could be replaced by taxes from other sources in the rural communities and would roughly offset the lost sales tax.

Ms. Vilardo said she could not give a dollar-for-dollar equation, but she could say that the farm equipment businesses paid payroll taxes and in many cases provided insurance for the employees, which allowed the employees to own homes, to purchase furniture, and in turn generate sales tax because they were employed. She was sure that numbers could be provided to Mr. Seale as to what the offset would be, but she stated that maintaining the economic viability of people remaining in the rural communities was very important.

Assemblyman Hogan noted that in Question 8 it appeared that farm machinery sales was a very small portion. He wondered if Ms. Vilardo had a sense of whether the opposition to Question 8 was more related to articles of fine art and the used car industry.

Ms. Vilardo related that the calls to her office had indicated that several of the elements of Question 8 were frivolous and people felt they did not deserve exemptions. It was unfortunate that all the requests for exemptions had been rolled into one ballot.

Bjorn Selinder, representing Churchill and Eureka Counties, identified himself for the record and testified in support of A.B. 347. Mr. Selinder urged support of the bill and stated the agricultural industry was an important element of rural communities and the state of Nevada.

Dino DiCianno, Deputy Executive Director, Department of Taxation, stated there was an item on the fiscal note that needed explanation. There had been mention that the amount due the State with the 2 percent tax in place was approximately \$1.5 million and Mr. DiCianno clarified that was for the two years of the biennium, making the tax \$750,000 for each fiscal year.

The hearing on A.B. 347 was closed and the hearing on A.B. 493 was opened.

Assembly Bill 493 (1st Reprint): Requires Department of Human Resources to apply for Medicaid waiver pursuant to Health Insurance Flexibility and Accountability demonstration initiative. (BDR 38-736)

Assemblywoman Barbara Buckley, Clark County, District 8, identified herself for the record and testified in support of A.B. 493. Ms. Buckley presented a PowerPoint program for the Committee.

Exhibit D, “Proposed Amendment to A.B. 493, 1st Reprint,” was submitted for the consideration of the Committee.

Ms. Buckley stated that over the interim she had the honor to chair a subcommittee created by the Legislative Committee on Health Care. The purpose of the subcommittee was to explore ways to look at the unmatched county and state money to determine how it could be matched by the federal government, especially at the 65 percent rate, in order to aid the uninsured population in the state.

In 2003 approximately 45 million people in the United States did not have health insurance. Approximately 400,000 Nevadans did not have health insurance. Nevada had one of the highest uninsured rates in the United States,

according to Ms. Buckley. Nevada consistently had a higher rate of uninsured than the nation as a whole.

The subcommittee had considered a lot of testimony, how this had happened, and what could be done about it. Ms. Buckley said the subcommittee had discovered that most people obtained their health insurance coverage through their employment, but many employers did not offer health insurance to their employees. Even if the employer offered health insurance many workers did not qualify and many who qualified could not afford their share of the insurance premiums.

Most uninsured Nevadans were in working families, according to Ms. Buckley. For 82 percent of uninsured Nevadans, at least one person in the family worked either full time or part-time, and 57 percent had family members who worked full time all year. Ms. Buckley said it really destroyed the myth that a person did not have health insurance because they did not work.

Uninsured Nevadans were in every age group. Because Medicare covered most people over 65, the uninsured were almost entirely under 65. The largest number of uninsured was among those ages of 30 to 49.

Ms. Buckley stated that employer-sponsored coverage was often unavailable or unaffordable. One of the subcommittee's key findings was that small businesses were much less likely to offer health insurance and part-time, temporary workers were often not eligible.

The uninsured problem came down to the fact that low wage workers could not afford their share of the premiums, could not afford to purchase health insurance, and they worked for someone less likely to offer it in the first place.

Ms. Buckley stated there was a direct correlation to the amount of wages paid, and whether health insurance was offered.

The cost of health insurance was a significant problem. In 2004 the premiums for employer-sponsored health insurance rose approximately 11.2 percent, nearly 5 times the rate of inflation. Ms. Buckley noted that was the fourth consecutive year of double digit growth in premiums for health insurance.

Ms. Buckley said, in summary, many working Nevadans did not have employer-sponsored health insurance coverage, did not qualify for Medicaid, and could not afford insurance in the private market.

Ms. Buckley stated the subcommittee had unanimously recommended pursuing a Health Insurance Flexibility and Accountability (HIFA) waiver. The HIFA waiver offered by the federal government would offer new coverage opportunities, primarily at the higher match rate of 65 percent, although some were covered at 55 percent. HIFA waivers were being utilized in at least 10 other states, including Arizona, California, Colorado, Idaho, New Mexico, and Oregon. Ms. Buckley said the goal of the HIFA program was to expand Medicaid coverage to populations with incomes currently above income eligibility levels. There was much greater flexibility with HIFA opportunities, such as coverage groups, cost sharing, and financing options. It was not like Medicaid where everyone who walked in the door had to be covered. Every program offered and every eligible group could be capped, according to Ms. Buckley.

Ms. Buckley stated that in order to implement a HIFA demonstration project the federal government required Nevada to expand coverage, have a public/private coordination component, the goal must be to reduce the uninsured rate, and a maintenance of effort provision must be included that was budget neutral for the federal government. In addition, the project could not hurt Medicaid eligible persons or offer coverage to anyone making more than 200 percent of poverty.

Ms. Buckley stated particular emphasis was placed on whether the state maximized private health insurance coverage options, which had been accomplished in the final recommended product. Advantages of the program were that all the money now spent at the state and county levels could be maximized and include federal participation.

Chairman Arberry asked if the federal participation was guaranteed and Ms. Buckley replied that it was. Chairman Arberry inquired as to how long federal funds were guaranteed and Ms. Buckley said as long as the program existed.

Ms. Buckley continued and said the study committee's approach had been to contract with EP&P Consulting, Inc., to assist in developing the coverage options and the financing alternatives. The contract was paid for by funds from the Tobacco Task Force. The subcommittee also convened a technical working group to assist them. Ms. Buckley remarked that when the subcommittee began everyone had been opposed to the plan, so everyone in opposition was made a part of the working group and now everyone loved it.

Ms. Buckley advised the Committee of the final recommendations. The first portion addressed who should be covered with the additional program. The first proposed coverage group would be pregnant women. Coverage would be extended under the Medicaid program to pregnant women from the current 133 percent of poverty to 185 percent of poverty, which would extend coverage to 2,500 eligible pregnant women per year. Ms. Buckley commented that the pregnant women coverage group had been selected because no matter what happened pregnant women would be delivering their babies in nine months; it was not optional coverage. The women would be in Nevada's hospitals anyway, so why not get 50 to 65 percent of that care paid for, according to Ms. Buckley. Additionally, if those women were offered the opportunity to have prenatal care hospital costs would be reduced and their babies would be healthier.

The second group to be eligible for the additional program would be employees of small employers. The recommended coverage was to provide a premium subsidy in the amount of \$100 per person, per month, to employees and their spouses with household incomes of less than 200 percent of poverty. Ms. Buckley said it was apparent why the subcommittee chose employees of small businesses; it was because they were the ones most in need of coverage and most likely not to have coverage. The cost of that coverage would be shared by the employee, the employer, the State government, and the federal government. Employers would be required to cover at least 50 percent of the cost, according to Ms. Buckley.

The third coverage group would be the medically needy. Ms. Buckley stated that coverage group was probably the least defined and would need more work in the waiver process. The idea was to provide coverage for people with high medical expenses who did not qualify for Medicaid because of their income and resources and allow them to "spend down" their bills. When people in this category went to the "safety net" hospitals for their care, if they did not have

health insurance and, for example, had disabling cancer they would fall into the third category. Someone who had been in a traumatic car accident would also fall into that category.

Ms. Buckley explained the recommendation for the financing. Approximately \$38 million would be available in the first year to grow to nearly \$49 million in the fifth year. The sources would be able to create a new HIFA match fund with half of the required funds to come from the supplemental fund and half from a State General Fund appropriation, which was included in The Executive Budget.

Ms. Buckley said that in the beginning there had been a recommendation to take all the indigent accident funds and all the supplemental funds from the county, which put the counties in a very bad position. Even though the counties supported the goal of attempting to get emergency room care paid for, there would be people who would not fall under the coverage groups who would still present themselves to the safety net hospitals. Ms. Buckley stated the subcommittee had worked very hard and for a long time with the counties, the hospitals, and the Governor's Office on what could be done to ensure the counties would still have the funds to treat all the other people going into the hospitals. In his budget, the Governor had recommended \$8 million to ensure that the counties would only lose half of their indigent, accident, and supplemental funds.

Charles Duarte, Administrator, Division of Health Care Financing and Policy (DHCFP), identified himself for the record and testified in support of A.B. 493.

Mr. Duarte stated the bill and the HIFA waiver that would be submitted spread financial responsibility among a number of parties. The counties were big participants by funding the catastrophic program. Half of the General Fund need for the program utilized funds that used to go to the Supplemental Fund. Mr. Duarte stated that besides that there was General Fund and, of course, the State had to deal with federal partners at the Centers for Medicare and Medicaid Services across two separate federal programs, the Medicaid Program and the State Children's Health Insurance Program. Potentially, federal funds would be drawn from both of those program sources.

One of the key sources for funding was from the counties, according to Mr. Duarte. Exhibit E, a three page document entitled "HIFA Waiver-Revised Gov Rec Summary Costs Estimates-7 yr," was submitted for the consideration of the Committee.

Mr. Duarte referred to page 1 of Exhibit E and explained that it was a final report that had been prepared by EP&P Consulting, and proposed funding for the county match component.

Page 2 of Exhibit E explained Indigent Accident Fund (IAF) and the Supplemental Fund. Mr. Duarte said that IAF was essentially funded by a 1.5-cent ad valorem property tax, and the Supplemental Fund by a 1-cent ad valorem property tax.

Mr. Duarte explained that page 3 of Exhibit E demonstrated the proposed fund utilization. It was proposed to take funding that had been going to the Supplemental Fund at 1 cent ad valorem and place it in a Holding Fund, which would include the state funds necessary as matching funds for the Health Insurance Flexibility and Accountability Waiver. Funds remaining in the Holding

Fund would then become balanced forward to the Supplemental Fund if it was not needed.

Mr. Duarte summarized that the Supplemental Fund 1-cent ad valorem tax would be used as part of the State match that was necessary for the program.

Patrick Cates, Administrative Services Officer IV, Division of Health Care Financing and Policy, identified himself and testified in support of A.B. 493.

Mr. Cates referred to page 1 of [Exhibit E](#), and stated it was a seven-year schedule of the HIFA Waiver summary costs, which demonstrated the major cost components of the HIFA Waiver. The FY2006-07 amounts matched The Executive Budget, according to Mr. Cates. Certain administrative components for the Division were noted and several contracts were proposed for implementation of HIFA. One of the contracts would be to aid in implementing the waiver at the federal level. Mr. Cates said there were also two other proposed contracts for managing different components of the program. The total administrative costs for the program were provided in [Exhibit E](#), as well as Pregnant Women Program costs, ESI Program costs, and Catastrophic Program costs.

Mr. Cates stated the program would be using a combination of State Children's Health Insurance Program (SCHIP) and Medicaid funding. The majority of the costs would be funded with SCHIP funds. There was a considerable amount of federal allotment in the SCHIP program that had not been expended, and the HIFA Waiver would allow flexibility to shift federal funding between Medicaid and SCHIP. Mr. Cates said SCHIP would be preferred because there was a much higher federal match rate, approximately 68 percent, compared to 54 percent for the Medicaid program. It was advantageous to use as much SCHIP money as possible, especially since there were unspent allotments in the program.

Mr. Cates pointed out the Accident Indigent Fund estimates and the General Fund Appropriation estimates, which were equally divided.

Mr. Cates stated that FY2007 represented a "ramp up" for the program. In FY2006 there was very little medical cost. The Pregnant Women Program component would begin late in FY2006, but by FY2008 the program would be well implemented with a maximum 2,500 caseload.

The Employee Subsidy Insurance Program (ESI) would continue to grow over the seven-year period depicted in [Exhibit E](#). Mr. Cates stated that after five years inflationary adjustments were figured into the totals.

Mr. Cates commented that it was important to remember that at the federal level the program was called Health Insurance Flexibility and Accountability, and the purpose was to give the State flexibility to expand coverage and to do so in a fashion that allowed the State to control costs, cap costs, and control enrollment. The program was not the same as a Medicaid state plan program where once the service was implemented it had to be funded no matter what.

Assemblywoman Gansert asked if she was correct in believing the Pregnant Women Program already existed and funds were being added for 2,500 additional women per year.

Ms. Buckley replied that currently women under that percentage of poverty were covered under the Medicaid Program; none of those women were covered

under a HIFA Waiver. The proposal was to provide that coverage through the HIFA Waiver.

Mrs. Gansert asked if an additional 2,500 pregnant women per year would be covered and Ms. Buckley replied that was correct.

Mrs. Gansert asked if it was correct that the State was adding funds to a program already in existence. Ms. Buckley replied that under Medicaid pregnant women were covered.

Mrs. Gansert asked if outside vendors would be used for the ESI. Ms. Buckley explained that existing products in the marketplace would be used.

Mrs. Gansert stated it was her understanding that the Catastrophic Program would be helping one individual at a time as far as medical expenses and wondered if that portion would be administered through the current divisions.

Mr. Duarte replied that the program would be new to the DHCFP; the counties currently administered a similar program under the Indigent Accident Supplemental Funds. It was hoped to use some of their administrative experience in dealing with the new program.

Michael Alastuey, representing Clark County, identified himself for the record and testified in support of A.B. 493. Mr. Alastuey stated he had been privileged to serve as a member of the technical working group of the subcommittee. He stated that everyone knew that uninsured people were a problem, not only from a public policy concern, but as a matter of financial reality for providers. In Clark County's affiliation with University Medical Center in Las Vegas, some hard experiences had been learned over the years in attempting to serve the uninsured, according to Mr. Alastuey. Clark County currently had two county administered funds, the Indigent Accident Fund and the Supplemental Fund. Mr. Alastuey said Mr. Cates' testimony had accurately outlined the approach of taking a portion of the combined levy of those two funds equal to 1-cent ad valorem combined with State General Fund appropriations in an exactly matched amount. In turn, multiply those dollars through the first 65 percent match from the SCHIP program and then blend in at a later point, 55 percent match from Medicaid.

Mr. Alastuey stated that from a county perspective there had been some initial reluctance as the proposal had been explained. There had been concerns that the release of the dollars, which were primarily inpatient dollars, would provide sufficient return of those dollars through a program that related more to comprehensive health insurance than inpatient assistance.

Mr. Alastuey concluded his remarks by stating that Clark County supported A.B. 493.

Jack Kim, representing Nevada Association of Health Plans, identified himself for the record and testified in support of A.B. 493. Mr. Kim stated that he had been on the technical committee representing the health insurers and saw the bill as addressing some of the uninsured problems in Nevada.

Andrew List, Nevada Association of Counties (NACO), identified himself for the record and testified in support of A.B. 493. Mr. List stated that his predecessor, Robert Hadfield, had been on the technical working group of the subcommittee and he felt this was a great opportunity to use existing dollars

and maximize their use for health care without raising any additional tax revenue.

Mr. List referred to [Exhibit D](#) and explained that the proposed amendment was a technical correction that would allow the counties to continue to administer the Supplemental Fund in the same manner. The amendment specified that the term "indigent" should determine a person's eligibility for medical assistance and that determination should be made by each county.

Christina Dugan, Director of Government Affairs, Las Vegas Chamber of Commerce, identified herself for the record and testified in support of [A.B. 493](#).

Ms. Dugan stated that the Las Vegas Chamber of Commerce represented approximately 6,800 member's businesses, and of those businesses roughly 80 percent would fall into the category size that would be able to take advantage of the waiver with respect to the issues of small employers. Ms. Dugan said when the Las Vegas Chamber of Commerce surveyed their members they found time and time again one of the most important issues for them was affordable, accessible health care. The members realized that health care was very important to their employees from a recruitment standpoint as well as a quality of life standpoint.

Michael Pennington, representing the Reno-Sparks Chamber of Commerce, identified himself for the record and testified in support of [A.B. 493](#). Mr. Pennington expressed his thanks to Assemblywoman Buckley for bringing the measure forward. Last summer the Reno-Sparks Chamber of Commerce had performed a survey of their membership and over 80 percent of their members had named access and affordability of health care as the number one concern.

Pilar Weiss, Culinary Workers Union, Local 226, identified herself for the record and testified in support of [A.B. 493](#). Ms. Weiss stated she was also a member of the technical working group and wanted to voice the support of the Culinary Workers Union, Local 226. She stated that one of the most important things heard early on in the presentations by the consultant who had been retained was that Nevada was facing a loss of \$90 million in funds that had been designated to the state but were in danger of being reallocated. Ms. Weiss said it was a big step forward if that money could be recaptured and placed in the health care system.

Jon Sasser, Washoe Legal Services, identified himself for the record and testified in support of [A.B. 493](#). Mr. Sasser stated he also had had the pleasure of serving on the technical working group. As was evidenced by the variety of interests presented today the bill presented a win-win partial solution to a very complex problem, according to Mr. Sasser.

Mr. Sasser stated his role on the technical working group had been to represent the interests of low income working families, who won two ways; one, by the expansion of coverage and two, by the continued health of the safety net providers that were supported through the bill.

Louise Bayard deVolo, representing the Nevada Women's Lobby, identified herself for the record and testified in support of [A.B. 493](#). Ms. deVolo said she would like to commend the subcommittee and Assemblywoman Buckley for a bill that could fill so many health care gaps. She stated the Nevada Women's Lobby had worked on the issue of prenatal care for pregnant women for many years and this was an opportunity for 2,500 more pregnant women to receive

important prenatal care. Ms. deVolo stated that Nevada was last among the states in terms of the number of women who received early prenatal care. National studies had shown that for every \$1 spent on prenatal care, \$3 was saved later in medical costs.

Pat Elzy, representing Planned Parenthood Mar Monte and Planned Parenthood of Southern Nevada, identified herself for the record and testified in support of A.B. 493. Ms. Elzy urged support of the bill and specifically prenatal care. Adequate and accessible prenatal care translated into better outcomes and lower costs and Ms. Elzy urged support of A.B. 493.

Chairman Arberry closed the hearing on A.B. 493 and opened the meeting on A.B. 388.

Assembly Bill 388 (2nd Reprint): Revises provisions regarding occupational education. (BDR 34-935)

Assemblywoman Bonnie Parnell, Carson City District 40, identified herself and testified in support of A.B. 388.

Ms. Parnell explained that A.B. 388 was about keeping children in school, and the opportunity for students to find something to be excited about that made them want to attend school. With all the demands being placed upon schools, giving students programs that made them excited to attend and learn was often forgotten.

Data from the 2002-03 school year indicated that the dropout rate for students' participating in a career technical education classroom in Nevada's secondary schools was 1.7 percent; considerably lower than Nevada's overall dropout rate of 6 percent.

Ms. Parnell said the bill was also about the look on a student's face when they were in the classroom that they were excited about and it might be the reason they even went to school. Sometime during a school day a student would go to a classroom and do what they really loved. Many students found that challenge in career technical classes, which could explain the lower dropout rate. Ms. Parnell commented that it might be in an automotive class, a welding class, a drafting class, a web design class, or as would be heard shortly, it might be in a culinary arts program.

A.B. 388 directed attention to those students and those classes, as well as encouraging a working relationship between the public schools and local business and industry. That relationship had become a necessary part of career technical excellence, according to Ms. Parnell. An example could be an automotive class. With the sophistication of computer-based automotive systems, came the need for students to acquire skills not available in a classroom, therefore requiring exposure to the real workplace, such as an auto shop. Ms. Parnell said that was an example of the term "work-based experience," which was apparent throughout the bill. Another goal of A.B. 388 was to produce students who were "workforce ready" when they graduated from school. An advantage for business and industry was the ability to design programs around their particular needs. For example, Elko County could decide to develop a program involving the mining industry, or Clark County around the gaming industry. In Carson City it had resulted in a working relationship with Charlie Abowd of Adele's Restaurant and Carson High School's culinary program.

Ms. Parnell stated A.B. 388 actually did five things:

- It changed the term “occupational education” to “career technical” education.
- It created advisory committees in each of the 17 school districts, including having representatives from business and industry.
- It required a subcommittee of the Legislative Committee on Education to study career and technical high schools.
- It required a public awareness campaign so students were informed of the programs.
- It provided for an appropriation of \$1 million to implement the recommendations.

Ms. Parnell noted that she had worked for one year as a Technical Preparation Coordinator for Washoe County School District and Truckee Meadows Community College. She said in high schools, where 90 percent of the students had never considered going to college or acquiring a skill, career technical classes were very important. The technical preparation program gave students free college credit if they received a grade B or better in one of their classes. For the first time some of the students were realizing that they might go on to college.

Ms. Parnell introduced Penny Reynolds, culinary arts teacher at Carson High School, and Jeremiah Schenzel, a student at Carson High School.

Penny Reynolds, Culinary Arts Teacher, Carson High School, identified herself for the record and testified in support of A.B. 388. Ms. Reynolds said she had been recognized as Nevada’s ProStart Teacher of the Year and the National Restaurant Association’s Teacher of Excellence last year. The reason she had received the awards was because she had been fortunate enough eight years before to open the Culinary Arts Program at Carson High School.

As the program had developed, much had changed, according to Ms. Reynolds. The average students in the program were English as a Second Language (ESL) students, severe and profound special education students, and honor students. Ms. Reynolds was very happy to say that 90 percent of all seniors in the past several years had gone on to post secondary education. Of that 90 percent, 100 percent had received scholarships. The other 10 percent had gone into the workforce, but not in entry level jobs. Ms. Reynolds said she had four students currently in a mentorship at the restaurant at Thunder Canyon Golf Course, making \$13 per hour. Ms. Reynolds stated there were 22 seniors in the program currently and there was \$380,000 in scholarships promised to those students. The million dollar mark had been reached in scholarships for culinary arts students.

Ms. Reynolds said a Technical Skills Committee had been very important to her vision for the Culinary Arts Program. That committee, which had been part of the program at Carson High School for eight years, was composed of local members of the community as well as a few members from other parts of the country. Ms. Reynolds said the Culinary Arts Program was successful because students took their knowledge out of the classroom and into the workforce.

Ms. Reynolds noted that the new Wynn Casino in Las Vegas had recently hired 5,106 new employees. Of those new employees only 10 percent had a 4-year college degree, 70 percent had technical training, but only 20 percent were working for minimum wage. Ms. Reynolds said it was the 70 percent block that was being reached by high school technical programs.

Jeremiah Schenzel, Senior, Carson High School, identified himself for the record and testified in support of A.B. 388. Mr. Schenzel read the following testimony into the record:

Today I could sit in this seat and give you a bunch of statistics about how career and technical education benefits students, but to save some of your time and save some of mine I am not going to do that. But I can give you one statistic, career and technical education is no longer for students who are not fit for college or are not bound for college. Career and technical education is not for students who do not excel in their core subjects. When I was asked to speak here today I started to think; since I began my school career I have been gifted, well, to say I am smart and I have always excelled in all core subjects. This posed a unique problem when I got to high school. School was boring. Career and technical education changed that. When I enrolled in Penny Reynolds' Culinary Arts Program as a sophomore, school totally changed. Culinary Arts caused me to be creative and work hard in all my subjects in school. It took concepts from all of my classes and combined them under one roof. It made school fun again. In addition, career and technical education tied me to other students who were interested in the same things I was and who had the same problem I did, being bored in school. It also brought me to organizations like SkillsUSA, for which I have served as the Nevada state president and now serve as the Region 5 vice-president on the national board, serving over 284,000 members nationwide, over 2,000 of which are in Nevada.

More importantly, career and technical education has brought me the professional skills I need to succeed in the workforce. It has taught me things such as public speaking, parliamentary procedure, how to tie a tie, even how to speak to prestigious individuals such as yourselves. But I am most proud to say that career and technical education has provided me with education for my future. Next year I will be attending the top culinary academy in the United States, Johnson and Wales University, at no cost to myself or my parents. A.B. 388 gives a chance for students to excel in career and technical education, no matter what kind of student they are; a bright student, or someone who is not that great at English and math. It gives them a chance. So I ask you, when you go home tonight, take a look at something. Whether you live in a house, an apartment, or a condo, everything in that house was built by students in career and technical education at one point. When you go out to lunch or dinner this afternoon, think about it, everything you are eating was prepared by a student or a person who was once in career and technical education. I thank you for your time.

Zach Copoulos, Senior, Carson High School, identified himself for the record and testified in support of A.B. 388. Mr. Copoulos read the following statement into the record:

You might have noticed that I am wearing a gold medal around my neck. That is because I am a champion, a champion at work. "Champions at Work" is the theme of SkillsUSA. SkillsUSA is just one of many career and technical student organizations that help prepare students for the real world. I have been fortunate enough to have participated in career and technical education and I have

witnessed firsthand its importance. Last year I served on the state officer team for Nevada SkillsUSA. This opportunity opened my eyes to what career and technical education really is. At a leadership conference at Lake Tahoe I met with many other student leaders of different career and technical student organizations and we all agreed how lucky we were to be a part of something that helped so many students. Recently, at the Nevada SkillsUSA state championships I met an automotive student from Las Vegas who attributes his future to SkillsUSA. Because of career and technical education programs he found something that interested him. Next year he plans to go to WyoTech, an automotive trade school in Sacramento. It is because of the automotive class funded by the career and technical education programs that made this possible for him.

Another ideal example of how career and technical education has benefited students is my friend, Courtney Seach, a fellow state officer. She attributes her college education entirely to career and technical education. She is not only a member of SkillsUSA, but also DECA, a student marketing organization. Because of her involvement in organizations like SkillsUSA and DECA, she has received enough scholarships that next year she can afford to attend Johnson and Wales University.

Like other students I have my own story. I am a drafting student at Carson High School and through an internship under my father, John Copoulos, and the help of my drafting teacher, Theresa Breeden, I have found a passion in architecture. It is because of the drafting class at Carson High School that I am the state champion in architectural drafting and have this gold medal around my neck. It is because of SkillsUSA that I have sharpened my leadership skills. It is because of my experience in SkillsUSA that next year I will be an architecture student at Cal Poly, San Luis Obispo, California. Fortunately for me I have participated and observed the effects of career and technical education, not only in student lives, but also in business. My father owns his own architecture firm in Carson City. J. P. Copoulos, Architect, has employed many high school drafting students over the years. This year I am proud to say that his firm helped produce the top two architectural drafting students in the state of Nevada. Steve McCrease, a drafting student from the Regional Technical Institute in Reno won the silver medal at the state competition, and I won the gold. This is just one example of how career and technical education not only has had an impact on students but also industry.

By passing A.B. 388 think of all the potential that you are giving students to help them succeed. All I hear these days is how America's youth is going to ruin this country. Well this may be true if no one positively supports them. This is your chance to help students succeed. Thank you for your time.

Amanda Beer, Student, Carson High School, identified herself for the record and testified in support of A.B. 388. Ms. Beer read the following statement into the record:

I have been in culinary for three years now and next year I will be attending Johnson and Wales University as a baking and pastry student. I have never been a sport type girl and what I mean by that is I have never been involved in school. Culinary and all the vocational classes were a way for me to become involved. Many students do not have a way to become involved unless they are involved in sports. The school sponsored activities are sports. You never hear about a pep rally for welding, or a car show for auto, so this is a very good way for students to become involved. I am an active member in SkillsUSA and a competing participant in ProStart. By these classes I have found a way to be able to talk to you guys and to also learn many ways of becoming involved in my community. By passing A.B. 388 I believe it will give the other half of the school a way to become involved.

Jerry Wilson, private citizen, Sparks, Nevada, identified himself for the record and testified in support of A.B. 388. Mr. Wilson said 20 years before he had been a participant in a vocational training education program. He said he was one of "the kids on the cusp." There were many negative influences out there and more today than in the past, according to Mr. Wilson.

Mr. Wilson said he had had an opportunity to participate in a computer class where he had received training and had become interested in attending college. He had become a productive member of society and been engaged in a wonderful career.

Mr. Wilson stated there was an opportunity to continue career and technical education in Nevada and urged the support of A.B. 388.

Anne Loring, representing the Washoe County School District, identified herself for the record and testified in support of A.B. 388. Ms. Loring stated the Washoe County School District appreciated Assemblywoman Parnell's support for the bill. There had been some terrific opportunities to discuss career and technical education in the Assembly this year, according to Ms. Loring, and she believed A.B. 388 would serve to continue that discussion through the biennium.

Ms. Loring addressed Section 22 of A.B. 388 and urged support of the appropriation. Career and technical education was one of the most expensive course offerings in school districts for a number of reasons. It was equipment intensive and required up-to-date equipment in order to prepare students for the current workplace.

Ms. Loring said career and technical education could also be very expensive in terms of personnel as it required highly skilled, specialized teachers, especially when beginning a program. In addition, there could be transportation costs for school districts with magnet programs.

Ms. Loring maintained that career and technical education was a program with enormous value. Regardless of whether students pursued careers in areas actually studied in school, it provided a workplace work ethic that was invaluable.

Ms. Loring addressed subsection 2(b) of A.B. 388 and stated that whether by amendment or legislative intent, she urged recommending that grants be based upon the previous year's total career and technical enrollment of the school

districts with an appropriate “floor” set by the Department, especially for the smaller districts. Beyond that, Ms. Loring recommended leaving expenditures up to the local school districts. There could be differences between school districts as to what areas needed support at any given time.

Chairman Arberry requested a copy of the amendment be provided to staff and Ms. Loring responded that one would be provided.

Michael Pennington, Reno-Sparks Chamber of Commerce, identified himself for the record and testified in support of A.B. 388. Mr. Pennington stated the Chamber was in support of the bill and they had worked very closely with the Washoe County School District in their initiatives and believed it was an excellent opportunity to move forward.

Ray Bacon, Nevada Manufacturers’ Association, identified himself for the record and testified in support of A.B. 388. Mr. Bacon stated he had had the honor approximately a decade before to be the chairman of the “School to Work” Committee that had been created by legislation sponsored by the late Assemblywoman Jan Evans. That program had been relatively successful and approximately three years into the program federal support had been provided and the name had been changed to “School to Careers.” Mr. Bacon said the federal entanglements had hurt the program, but the present program was about what the state should be doing for its students. It was not about lowering standards, but improving the focus. Career and technical programs throughout the state were routinely successful because the old warehousing occupational education programs no longer existed. Mr. Bacon explained that across the state, there was limited capacity in almost every career and technical program. In almost every case if the programs had more resources, more students could be graduated and employed.

Ms. Giunchigliani commended the Committee on Education for their work on A.B. 388. She said her disappointment as a classroom teacher was that for years the school districts had phased out many technology programs without consideration for equipment or per-pupil funding that was already committed. At some point she believed something would have to be done to determine what the school districts had done with the resources that had been committed to the career and technical programs in the past and had disappeared.

Christina Dugan, Las Vegas Chamber of Commerce, identified herself for the record and testified in support of A.B. 388. Ms. Dugan said the Las Vegas Chamber of Commerce echoed the comments of the Reno-Sparks Chamber of Commerce as well as the Nevada Manufacturers’ Association, and appreciated the work of the Committee on Education with regard to the bill.

John Madole, representing the Associated General Contractors, identified himself for the record and stated his support for A.B. 388.

Phyllis Dryden, Director, Occupational and Continuing Education, Department of Education, identified herself for the record and stated the Department of Education gladly supported A.B. 388. Ms. Dryden explained there was just one amendment concerning the term “apprentice,” and introduced Michael Raponi to define the term.

Michael Raponi, Occupational Education, Department of Education, introduced himself for the record and stated that in Section 3, subsection 2(d)(1), the requirement for the learning and business settings took the form of apprentices,

and the Department would prefer to see the definition broadened so that it was not confined to apprentices.

Mark Sullivan, Nevada Association of Mechanical Contractors, identified himself for the record and testified in support of A.B. 388. Mr. Sullivan commented regarding SkillsUSA and the students who participated with that organization. He said there was a charter school that began a few years before in construction engineering, and those students competed with SkillsUSA. The students were provided with skills that they would use for a lifetime in their careers. Mr. Sullivan stated that in three years the charter school had accomplished some amazing things with career and technical education students who had been failing in a traditional environment.

Chairman Arberry declared the hearing A.B. 388 closed.

Assembly Bill 520: Makes appropriations to support various services to assist homeless persons. (BDR S-1393)

Assemblywoman Sheila Leslie, Washoe County, District 27, identified herself for the record and testified in support of A.B. 520. Ms. Leslie stated the bill came out of the Committee on Health and Human Services and was the result of a hearing that was held on homelessness for A.B. 84. There had been such a demonstrated need, particularly in the Clark County area, that the Committee on Health and Human Services had worked on the bill and Ms. Leslie had assigned it to Assemblywoman Peggy Pierce.

Assemblywoman Peggy Pierce, Clark County, District 3, identified herself for the record and testified in support of A.B. 520. Ms. Pierce thanked Assemblywoman Leslie for allowing her to shepherd the bill.

Ms. Pierce stated that earlier in the session the Committee on Health and Human Services heard a presentation of homelessness presented by Philip F. Mangano, Interagency Council on Homelessness. The Council was created as an independent establishment within the federal Executive Branch through the Stewart B. McKinney Homeless Assistance Act and was part of the Domestic Policy Council of the White House. The Council, which was composed of 20 Cabinet Secretaries and agency heads, was currently chaired by the Secretary of the Department of Veteran Affairs, Anthony J. Principe.

Part of Mr. Mangano's message was that ending homelessness in our nation was a priority for the Bush Administration. Ms. Pierce stated she did not often find herself on the same side of an issue with President Bush, but on the subject of homelessness they agreed. It was in the spirit of bipartisanship that Ms. Pierce asked the Committee to consider A.B. 520.

The homeless population in southern Nevada had increased nearly 20 percent since 1999. Ms. Pierce said approximately 8,000 homeless individuals had recently been counted in southern Nevada. Officials from various jurisdictions had begun taking a regional approach to addressing homelessness. The Southern Nevada Regional Planning Coalition (SNRPC) created a Committee on Homelessness to consider the issue, with members representing local government, state and federal agencies, education, and a coalition of nonprofit and faith-based advocates and service providers. The Committee on Homelessness had collaboratively adopted an inclement weather shelter plan and appropriated funding for winter shelter beds and a regional coordinator to function as a liaison between the jurisdictions. Ms. Pierce said the Committee on Homelessness recently completed a regional gaps analysis in preparation for

the creation of a 10-year plan to address homelessness in southern Nevada. It also provided oversight to the area's continuum of care process to obtain federal funding for homeless programs. Ms. Pierce informed the Committee that Clark County Manager, Thom Reilly, was the chairman of the SNRPC Committee on Homelessness, and was present to speak on A.B. 520.

Thom Reilly, Clark County Manager, identified himself for the record and testified in support of A.B. 520. Mr. Reilly stated that southern Nevada was making great strides on the issue of homelessness and the regional approach was paying off.

Mr. Reilly stated all of the cities together with Metro, Mental Health, faith-based groups, and State mental health agencies were addressing the homelessness issue in southern Nevada. July 2005 would be the first time the elected officials in southern Nevada would vote on a continuum of care for homelessness, which was quite significant, according to Mr. Reilly. The focus would be on supportive services and housing.

Mr. Reilly stated A. B. 520 contained an appropriation addressed from the regional perspective. The appropriation of \$4,221,787 was to be used for the following:

- Construction costs for a community assistance center
- A mobile crisis intervention team
- An intensive case management team
- Purchase of a mobile locker room, shower, and trailer
- Installation of a shower and restroom facilities at the Las Vegas Rescue Mission
- Storage facilities for personal belongings of homeless persons
- Housing for homeless persons

Kimberly McDonald, Chief Lobbyist, City of North Las Vegas, identified herself for the record, and testified in support of A.B. 520.

Ms. McDonald stated that as a member of the Southern Nevada Regional Planning Coalition she strongly supported and urged passage of A.B. 520.

Sabra Smith-Newby, representing the City of Las Vegas, identified herself for the record and testified in support of A.B. 520.

Ms. Smith-Newby pointed out that if A.B. 520 was approved the appropriation would aid southern Nevada in the continuum of care. The federal government liked to see local and state commitment in terms of funds, so when the Continuum of Care application was submitted to the Department of Housing and Urban Development (HUD), it would have a list of all the funds that had been appropriated. Ms. Smith-Newby said an increased commitment at the local and state levels would bode well for southern Nevada at the federal level.

Kelly Marschall, contract consultant for the northern Nevada Continuum of Care and the rural Nevada Continuum of Care, identified herself for the record and testified in support of A.B. 520.

Ms. Marschall stated she was before the Committee to speak briefly regarding Section 2 of the bill, which was specifically the Shelter Plus Care program.

Ms. Marschall stated that for both northern Nevada and rural Nevada Continuum of Care a specific amount of funding was available from the HUD. For northern

Nevada the amount of funding available was \$824,000 per year and for rural Nevada the amount of funding was \$324,000 per year. Ms. Marschall commented that was not very much money to address homelessness in 16 counties. The Shelter Plus match in A.B. 520 would allow access to a dollar for dollar match with the HUD.

Ms. Marschall summarized by stating if Section 2 of the bill was funded, and Shelter Plus Care submitted successful applications to the HUD, the amount of housing dollars in northern and rural Nevada would be built upon and increased for years to come.

Brandi Brown, American Civil Liberties Union of Nevada (ACLUN), introduced herself and read the following testimony into the record:

My name is Brandi Brown and I am testifying today on behalf of the ACLUN in support of A.B. 520. The main reason that the ACLU supports the \$4 million funding for the homeless in Clark County is because we believe that it should not be illegal to be homeless.

According to the National Coalition for the Homeless, Las Vegas was ranked as the fourth meanest city to the homeless in the nation. However, being mean does not make homeless people go away. In fact, it was reported in 2004 that the number of homeless people in Las Vegas increased by 18 percent.

The cost of arresting, processing, and jailing homeless people is higher than the cost of creating housing. People experiencing homelessness are being arrested for camping or sleeping outside and police resources are being used to clear out homeless camps. The National Coalition for the Homeless reported that many homeless people who have been arrested are pleading "no contest" instead of "not guilty" in order to get off with time served due to a lack of adequate legal representation and/or due to the lack of knowledge of their rights.

Having a criminal record also makes it nearly impossible to qualify for public housing assistance, and in this time of severe housing increases, public housing assistance might be the only way a family is able to stay off the streets.

Currently, our nation's prisons and jails are holding 1 in every 138 U.S. residents. We should not be looking for other reasons to increase this number and we feel that appropriating these funds to help with direct services for the homeless in Las Vegas is a better use of funds as compared to paying for more homeless sweeps.

Anne Cory, President, United Way of Northern Nevada and the Sierra, identified herself for the record and testified in support of A.B. 520. Ms. Cory stated that while she supported the entire bill, she especially supported Section 2 which addressed northern and rural Nevada. As federal dollars were increasingly targeted for the development of new housing to end homelessness, it became more and more difficult to leverage funds for supportive services.

Renny Ashleman, City of Henderson, introduced himself for the record and stated his support for A.B. 520.

Chairman Arberry declared the hearing on A.B. 520 closed.

Chairman Arberry indicated that due to lack of time A.B. 556 and S.B. 97 would be heard at a later time.

Senate Bill 496: Makes appropriation and authorizes expenditure of federal money for early funding for design of Las Vegas Readiness Center. (BDR S-1419)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that S.B. 496 involved the Readiness Center in Las Vegas and the bill needed to be passed in order to provide early funding to the Office of the Military.

ASSEMBLYMAN MARVEL MOVED DO PASS S.B. 496.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Giunchigliani, Assemblywoman McClain, and Assemblyman Perkins were not present for the vote.)

Chairman Arberry adjourned the meeting at 10:39 a.m.

RESPECTFULLY SUBMITTED:

Anne Bowen
Committee Attaché

APPROVED BY:

Assemblyman Morse Arberry Jr., Chairman

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>April 25, 2005</u>		Time of Meeting: <u>8:30 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
A.B. 347	B	Assemblyman Pete Goicoechea	Packet of 17 pages of material.
A.B. 347	C	Daniel G. Smith, Smith Valley Garage	Letter to Chairman Arberry dated April 24, 2005
A.B. 493	D	Assemblywoman Barbara Buckley	Proposed Amendment to A.B. 493, 1st Reprint
A.B. 493	E	Charles Duarte	Three page document, HIFA Waiver