

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

**Seventy-Third Session
April 26, 2005**

The Committee on Ways and Means was called to order at 7:35 a.m., on Tuesday, April 26, 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

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Linda Smith, Committee Secretary
Susan Cherpeski, Committee Secretary

Chairman Arberry opened the hearing on A.B. 109.

Assembly Bill 109 (1st Reprint): Revises provisions governing regional training programs for professional development of teachers and administrators and makes appropriations. (BDR 34-479)

Carol M. Stonefield, Senior Research Analyst, Research Division, Legislative Counsel Bureau (LCB), said she was present to present A.B. 109 at the request of Speaker Perkins, who chaired the Legislative Committee on Education during the interim. A.B. 109 was a product of the Legislative Committee on Education, and Ms. Stonefield indicated that as a policy analyst for that committee she would neither advocate nor oppose the provisions of the bill. She referred to a handout ([Exhibit B](#)) that included a brief summary of each section of A.B. 109. The first four Sections of the bill were added as an amendment by the Assembly Committee on Education and related to the governance structure of the regional professional development program (RPDP). Ms. Stonefield briefly reviewed [Exhibit B](#):

- Section 4 designated the RPDP governing boards to operate the regional training programs and the early literacy intervention programs. The four school districts that received the appropriations were designated as fiscal agents for the regional governing boards. In addition, the fiscal agent was defined.
- Section 5 changed the RPDP annual reporting date from July 1 to September 1. Ms. Stonefield said Section 5 on page 9 of A.B. 109 provided the content that each of the RPDPs was required to report.
- Section 6 was a new proposal from the interim education committee and was a loan forgiveness program for teacher education students who agreed to teach in critical shortage areas. The forgiveness program would apply to geographic areas of the state as well as certain subject areas. Ms. Stonefield said the genesis of the proposal originated from testimony presented by the Dean of the College of Education, University of Nevada, Reno, who noted that the faculty in the College of Education had few tools available to encourage students to enter the teaching profession, particularly in the high need areas. The Dean suggested a scholarship loan program; the interim committee decided to instead go with the existing structure under the Western Interstate Commission for Higher Education (WICHE). Funding in the amount of \$26,000 in FY2006 would provide \$2,600 for 10 students and in FY2007 the amount would be doubled. The stipends would be made available in the first year to juniors and then to juniors and seniors in the second year. There were provisions to reallocate funds occurring from any students dropping from the program.
- Section 7 proposed grants to schools, in an amount not to exceed \$1,200 per teacher, to pay the costs associated with obtaining endorsements to teach English as a second language. Ms. Stonefield said the proposals included in Sections 6 and 7 were not included in The Executive Budget.
- Section 8 included funding for certification by the National Board for Professional Teaching Standards. The Legislature had provided funding for the program in the past. The appropriation for FY2006 was \$51,429. The proposal for the 2005-2007 biennium was \$87,000 each year, which more closely reflected the amount the Department of Education had been reimbursing. In the past, the Department had obtained some federal funds to assist in the reimbursement program.
- Section 9 was a continuation of the appropriation for the four regional development programs.
- Section 10 provided funding for the annual evaluation of the RPDPs conducted by the Legislative Bureau of Education Accountability and Program Evaluation (LeBEAPE).
- Section 11 provided funding to the RPDP Statewide Coordinating Council to support training for administrators and boards of trustees.
- Section 12 contained an emergency clause to enable the WICHE stipends to become effective immediately upon passage and approval.

In conclusion Ms. Stonefield said the total appropriation for A.B. 109 was in excess of \$21 million for the 2005-2007 biennium. She offered to answer any questions.

Mr. Marvel asked how long teachers who received stipends or grants were required to stay in a school. Ms. Stonefield replied that a teacher would be required to stay in the school three years to satisfy the stipend or repay any portion remaining at 8 percent if the three-year requirement was not met.

Bill Hanlon, Director, Southern Nevada Regional Professional Development Program, testified in support of A.B. 109 as it related to the RPDPs. He pointed out that Sections 4 and 9 of the bill clarified the language in order to be consistent with *Nevada Revised Statutes* (NRS) 391. Mr. Hanlon noted that the change in the annual reporting date included in Section 5 would be most helpful since the RPDPs conducted summer institutes that operated until the last week of June. Mr. Hanlon said his only concern related to the funding recommended in The Executive Budget for fiscal agents. Mr. Hanlon noted that the interim education committee was reviewing the dollar amounts and stated that whatever amounts the committee recommended would be acceptable to the RPDPs.

Assemblywoman Giunchigliani asked for clarification on the purpose of the amendment. Mr. Hanlon noted that the main purpose of the amendment was to clarify the language so it would be consistent with NRS 391 and said there was no new funding included.

Chairman Arberry closed the hearing on A.B. 109 and opened the hearing on A.B. 110.

Assembly Bill 110 (1st Reprint): Revises provisions governing incentives for teachers teaching in certain subject areas and schools. (BDR 34-376)

Assemblywoman Debbie Smith, Washoe, No. 30, said she would be presenting A.B. 110 on behalf of the Committee on Education. Mrs. Smith read her testimony into the record:

A.B. 110 was concurrently referred to the Assembly Committee on Education where it was considered in the Subcommittee along with A.B. 60. Both of the bills had been discussed several times by the Assembly Committee on Education. Both of these bills proposed to fund incentives to teachers to teach in hard-to-fill positions and hard-to-staff schools. I was appointed to chair the subcommittee which met twice on A.B. 110. We received testimony from the Superintendent of Public Instruction and representatives of the larger schools districts, the school administrators' associations, and the School Board Association. What you have before you, Mr. Chairman, is a consensus on providing incentives to certain teachers.

A.B. 110 provides the following: It establishes that all licensed personnel employed in at-risk schools will be eligible for incentive pay and it maintains the incentive pay for hard-to-fill positions of math, science, special education, English as a second language, and school psychologists. It offers licensed employees a choice between the 1/5 year of retirement credit and a cash stipend in the amount of \$2,500. There was a lot of discussion about needing to give the districts some flexibility with the cash stipend to be able to offer some assistance with housing, getting into a home, continuing education. There were varying needs that the districts need to have that flexibility for. It prohibits any licensed employee eligible for this program of incentives from receiving more than one incentive per year.

While it would appear that A.B. 110 expands this program to make many more people eligible for incentive pay, the bill actually puts some controls on the number of schools that can participate. No

Child Left Behind has required every state to designate schools that are demonstrating need for improvement. In 2003 the Legislature included teachers who teach in those schools in the 1/5 retirement benefit. That provision is becoming unworkable. First, because the number of schools designated as demonstrating need for improvement is growing rapidly, which is becoming costly both to the state and to the districts. Second, it seemed inappropriate to provide an incentive to teachers who teach in a school designated as needing improvement when that designation may be based on a very small number of pupils who failed to achieve proficiency. We have heard examples of one high school that ended up in that situation based on one student, so we really needed to take another look at that.

The Subcommittee decided to target the money for hard-to-staff schools or at-risk schools as provided in A.B. 110. To identify these schools where all licensed employees will be eligible for an incentive, A.B. 110 directs the Department of Education to consult with the Nevada Association of School Superintendents and the Nevada Association of School Boards to develop a formula for identifying at-risk schools. The bill directs these groups to consider a number of factors when they define an at-risk school. It has been relatively easy to define an at-risk elementary school based on the percentage of children eligible for free and reduced lunches, the same criteria for identifying Title I schools. It has been more difficult to define middle and high schools at risk. A.B. 110 directs them to consider the following: a school's transiency rate, its rate of children who are limited English proficient, its rate of children on individualized education plans. The group is also to consider the pass rate on the High School Proficiency Exam and the dropout rate in high schools. The bill also requires local boards of trustees to evaluate the effectiveness of these incentives.

Let me just say a few words about including all licensed personnel in hard-to-staff schools and about offering a choice in incentives. The subcommittee received testimony that the school administration and all licensed staff are responsible for the schools and provide many important and necessary services, so it seemed appropriate to encourage our highly qualified administrators, counselors, librarians, and other licensed personnel to work in those schools. A school is more than just the teachers. The subcommittee also heard that the single incentive of providing 1/5 year of retirement purchase of service credit was not an incentive for all teachers. Young teachers in particular are more interested in getting graduate degrees, paying off student loans, buying a house, or something else besides retirement. We even heard testimony from Dr. George Ann Rice who does recruiting for the Clark County School District about how helpful using gas cards would be. Some teachers travel an hour one way just to get to school to teach. People who just moved there, young teachers, are having a hard time accommodating that cost. The districts urged us to convert the retirement benefit to a cash stipend and let the districts offer a selection of incentives.

Finally, Mr. Chairman, in addition to the incentive program established in statute, A.B. 110 provided an appropriation for post-probationary teachers and administrators who work in isolated

rural or remote schools. This appropriation is based on findings made by the Interim Legislative Committee on Education that some rural districts are having a difficult time staffing some isolated schools. Some districts, like Elko County, are already providing isolation pay from its own resources.

The Executive Budget provides an appropriation for retirement benefits in at-risk schools and for high impact positions. The subcommittee received testimony that the unexpected increase in the number of eligible employees caused the districts to have to pick up a portion of this cost last year. It is my recommendation and hope that we work with the districts and the Department to calculate the number of eligible personnel based on these new limitations so that we do not impose an unfunded mandate on the districts. With that, Mr. Chairman, I urge your support for A.B. 110. Its purpose is to clarify something this Legislature started a few years ago. We must recognize that some school personnel are in shorter supply than others and some schools are harder to staff than others. We must find ways to encourage our experienced teachers and other licensed personnel to work with our neediest children.

Assemblywoman Smith concluded her presentation and thanked Chairman Arberry and the members of the Committee and said she would be happy to answer any questions.

Assemblyman Denis asked if the stipends for teachers in subject areas with high need provided an incentive for retired teachers to return to teaching. Mrs. Smith replied no, and said the provision was due to sunset. She noted that the Senate had introduced a bill that would extend the sunset period. However, if the provision continued the Public Employees' Retirement System (PERS) reduction would not take place.

Gloria Dopf, Deputy Superintendent, Instructional, Research, and Evaluative Services, Nevada Department of Education, testified that she was representing Dr. Keith Rheault, Superintendent of Public Instruction. Ms. Dopf said the Department had worked diligently with the chairman of the Education Committee and with the other members of the group in working toward a resolution of some of the issues regarding expanding incentives. She said the Department supported A.B. 110 and the additional stipends. The Department was involved with the development of the formula recommended in the bill to help deal with the issue of better defining the at-risk programs.

Joyce Haldeman, Executive Director, Community and Government Relations, Clark County School District (CCSD), said the district was in strong support of A.B. 110. During the 2004-2005 school year the CCSD hired over 2,500 teachers and was in the process of hiring for the 2005-2006 school year. It was one thing to be able to hire the teachers to teach in every school, it was another to be able to get those teachers to teach in the schools where the children needed them the most. Ms. Haldeman said the CCSD believed the incentives included in A.B. 110 would go a long way in persuading teachers who had strong teaching abilities to help those students who most needed their expertise. Ms. Haldeman said the district did have some reservations related to the 1/5 retirement credit and believed it was not an effective tool in terms of attracting and retaining teachers, because many of those teachers received that benefit by merely being in a school designated as at-risk.

Ms. Giunchigliani asked if the CCSD continued to require a teacher who received the 1/5 retirement credit to remain at the at-risk school for a certain number of years. Ms. Haldeman said individuals receiving the 1/5 retirement credit signed an agreement to stay at the high-risk school for a period of two years. Ms. Giunchigliani indicated that she did not feel the agreement was appropriate. She said the students in at-risk schools needed staff who wanted to teach in those schools. Ms. Haldeman said Ms. Giunchigliani's concern was important and said she thought the agreement was an attempt to provide consistency in the schools; the incentives included in A.B. 110 would be far more persuasive. Ms. Giunchigliani said she understood the district's intent but reiterated that she did not feel an agreement was appropriate.

Ken Lange, Executive Director, Nevada State Education Association (NSEA), said the Association believed reward was always better than punishment. He said there were a number of elements included in A.B. 110 that the NSEA believed were necessary, including the expansion of the stipend to all licensed personnel. The Association was encouraged by the work related to redefining "at risk." Mr. Lange said the NSEA did believe there was a better way to deal with the issue and that would be to roll the stipend provision into A.B. 461. Mr. Lange pointed out that stipends were a form of market-based pay, and the NSEA believed discussion was required by all the individuals affected by that market-based pay.

During the current legislative session and the 2003 Legislative Session, the Association had extensive dialogue with many of its members related to the 1/5 retirement credit. Mr. Lange pointed out that educators were predisposed to fairness and equity and were extremely frustrated because the application of stipends appeared arbitrary. There had been numerous discussions on why a math and a science teacher would receive the stipends when an English teacher would not. Mr. Lange said the NSEA believed that dialogue needed to be deep and fundamental and needed to occur with the employer at the local level; passage of A.B. 461 would help that to happen. Mr. Lange stated that a substantial amount of money was needed in order to make market-based pay attractive and equitable and noted that A.B. 461 included a substantial appropriation. He said everyone was looking to the "Denver model," which took eight years to develop and included a significant provision for market-based pay. The NSEA hoped there would be conversations between the local school districts and the local associations to see if a provision for market-based pay could be developed that was as good or better than the Denver model.

Mr. Lange encouraged the members to consider some of the concepts included in A.B. 110 and A.B. 461 and move to merge the two bills so that the final outcome would work in a positive way for employees.

Chairman Arberry closed the hearing on A.B. 110 and opened the hearing on A.B. 212.

Assembly Bill 212 (1st Reprint): Creates Task Force for Elimination of Cervical Cancer. (BDR S-1172)

Assemblywoman Valerie E. Weber, Clark, No. 5, said she would be presenting A.B. 212, which created a task force for elimination of cervical cancer in Nevada. Ms. Weber read from prepared testimony:

Cervical cancer is one of the only preventable women's cancers. We now know that a common virus, the human papillomavirus virus, or HPV, is the causative agent and with regular and accurate

screening, no woman should die of this disease. However, a new national report shows that Nevada has a long way to go to ensure that no women die unnecessarily.

Women in Government, or WIG, a Washington, D.C.-based nonprofit, bipartisan organization representing 1,600 plus elected women in state government issued a comprehensive report in January 2005 entitled *A Call to Action, The "State" of Cervical Cancer Prevention in America*. As a result of WIG creating awareness in its national Campaign to Eliminate Cervical Cancer back in January of 2004, legislative activity is now realized in 36 states, including Nevada.

Within the 50-state review, the report reveals that too many women in Nevada remain unscreened or under-screened. However, our state-funded screening programs do offer the new FDA-approved technology, HPV testing, which can better identify women needing early intervention. Such advances in preventive technology give us the tools we need to eliminate this major malignancy, but we must use them. According to the American Cancer Society, more than 10,500 women will be diagnosed with cervical cancer this year, and approximately 3,900 will die. Additionally, a vaccine is now being developed and will further improve our ability to protect against cervical cancer. It may be available as soon as 2006, but there is work to be done right now.

In the study Nevada received a fair rating by scoring 5 out of 16 points. There were 8 categories. We have both higher morbidity, which is incidence of disease, and mortality, which is death by disease, than the national average. In fact, Nevada's incidence rate of 12.4 cases per 100,000 is the second highest in the nation, only behind Washington D.C., at 14.3 cases per 100,000.

I wish to thank the women legislators of both of our Houses who embraced this legislation on behalf of the women of our state; we are committed to reduce the number of women who die each year from this highly preventable disease.

Ms. Weber continued her presentation and provided detail on a few sections of A.B. 212.

- Section 2 detailed the 16 members of the committee and their three routes of appointment to the committee. She noted that Nevada was the only state that included a youth member on its task force. The suggestion to add a member of the Governor's Youth Advisory Council was recommended by the State Health Division, and Ms. Weber said she applauded their effort.
- Section 4 included the charges of the committee, including review, evaluation, raising public awareness, identifying and examining existing law relating to coverage and creation of a statewide comprehensive Plan for the Prevention of Cervical Cancer.
- Section 8 required the task force to submit to the Governor and the Director of the Legislative Counsel Bureau, for transmittal to the Legislature, a report concerning the activities and findings of the task force, including a presentation of the Plan for the Prevention of Cervical Cancer and proposals for implementing the Plan.

Ms. Weber concluded her presentation and said:

I urge you all on this Committee to consider and pass this bill and to renew our efforts to prevent cervical cancer so that no more families lose a mother or daughter or sister to this preventable disease. With action, cervical cancer can be the first cancer we can eliminate.

Patricia K. Elzy, Public Affairs Director, Planned Parenthood Mar Monte, Reno, voiced support for A.B. 212 on behalf of both Planned Parenthood Mar Monte and Planned Parenthood of Southern Nevada. Planned Parenthood health centers had provided reproductive health care, cancer screening, and educational programs in Nevada for over 30 years. Planned Parenthood, a women's health organization that served women from teens through menopause, had a long-standing commitment of increasing access to health care. Ms. Elzy pointed out that developing a comprehensive state plan to prevent cervical cancer to implement and promote awareness would save lives. She said not all women took advantage of PAP smears, due to lack of access, cost, and other barriers. Planned Parenthood supported prevention, screening, early detection, and follow-up. Regular screening was the best defense for cervical cancer. Raising public awareness and implementing strategies for the prevention of cervical cancer would improve the lives of women. As a representative of Planned Parenthood, Ms. Elzy asked the Committee to support A.B. 212.

Chairman Arberry closed the hearing on A.B. 212 and opened the hearing on A.B. 321.

Assembly Bill 321: Provides for Nevada Report to Taxpayers on status of state finances. (BDR 31-1198)

Richard D. Perkins, Clark, No. 23, stated he would be presenting A.B. 321 and read the following testimony:

A complaint echoed time and again by taxpayers is that they do not know how their tax dollars are being spent. For those of us who live in this building for 120 days every other year it is easy to forget this. We probably know more about that subject than any person would really want to. Shareholders demand accountability from the corporations they invest in and so they are provided with annual reports on how their investment is being spent. Our shareholders, the citizens of Nevada, deserve the same level of accountability and transparency from the State. In essence, the citizens are our shareholders, this Legislature is the board of directors, and our Governor is the CEO. While we cannot operate exactly like a business, I believe this is a strong step in that direction. It is for this reason that I have introduced A.B. 321, which would require the Governor to prepare annually a Nevada Report to Taxpayers. The report would give all Nevada citizens and businesses a comprehensive understanding of how their investments, their tax dollars, are being spent.

We are often asked questions about the budget by perplexed constituents. You practically need an MBA to understand the budget, and luckily we have our fiscal staff here to help us. The Nevada Report to Taxpayers will explain the budget to taxpayers in

simple language similar to the mock-up you have in front of you ([Exhibit C](#)). This knowledge will empower our constituents to better communicate their thoughts and suggestions to us. When they read about bills making their way through the Legislature, they will be able to reference the report and access for themselves how a bill could affect spending. This heightened understanding will make us better representatives.

The report will include a summary of state agency budgets, tax revenues received by the state, reports about school districts and local governments, amounts appropriated to government agencies, and the cost to pay public debt. I believe Nevadans deserve a government that is operated efficiently and openly and that provides the essential services we all need in our day-to-day lives. This report will provide taxpayers with the information they need to judge for themselves how the state is operating, after all, it is their state. This will help them communicate with us and make us better representatives. I am sure we all remember having an email or a phone call or a letter from a constituent who absolutely missed what we were doing here. They probably were misinformed and didn't have the best information available to them and I think this will help.

Mr. Perkins thanked the Chairman for the opportunity to present A.B. 321 and said he would be happy to answer any questions.

Carole Vilardo, Nevada Taxpayers Association, testified in support of A.B. 321 and said, "Any time that you can make government more transparent to the taxpayers you have done a great service to the citizens of this state and those taxpayers." She referred to the numerous calls received by the Association and the legislators near the end of a legislative session from individuals trying to determine if a tax was increased and other concerns. A report would help take away some of the mystery, confusion, and misinformation frequently passed to voters at the end of a legislative session. She urged support for A.B. 321 and said she would be happy to answer any questions.

In response to a question posed by Ms. Giunchigliani related to the report, Mr. Perkins noted that all the information contained in the handout ([Exhibit C](#)) was available in different agencies; the Controller, the Budget Division, and the local school districts each generated reports. A.B. 321 would consolidate the reports which would then be placed on the Internet. Speaker Perkins indicated it would not be cost-effective to print and mail the report that would be required under A.B. 321.

Ms. Vilardo said the recommended report was the type of report that the Association would link to because the information should be available.

Mr. Marvel asked how the report would be circulated to those individuals not having access to the Internet.

Ms. Vilardo said she would assume it would be like a number of other reports that were made available to the public. Normally a certain percentage of any report was copied or was available at libraries and other public places. She reiterated that the Association would be happy to make the report available and would probably summarize portions of the report and provide information on accessibility.

Vice Chairwoman Giunchigliani closed the hearing on A.B. 321 and opened the hearing on A.B. 525.

**Assembly Bill 525: Makes appropriation for innovative educational programs.
(BDR S-1352)**

Bonnie Parnell, District No. 40, said A.B. 525 was a bill about daring to stray from the status quo and read the following testimony:

More often than not we hear about the pressure on our schools by both the state and federal government requiring that every effort be made to come into compliance with state standards and the No Child Left Behind legislation. To get many of our schools to AYP (adequate yearly progress) funds have been diverted into remedial education programs. While this is a very necessary step in making sure that students have the opportunity to obtain the best education possible, focusing solely on remediation funding can result in a failure to consider the needs of all of Nevada's students, such as students who are fortunate to be on an accelerated path, who need to be challenged and guided at their own level of learning in a gifted and talented program; students who are at high risk because they are transitioning into a large high school who need to feel a sense of community at a school within a school perhaps; and students who learn best by tactile learning, who need to be able to build and create in order to solidify traditional thoughts and concepts. A.B. 525 is intended to shake up the course that we have taken so far to provide schools with flexibility and to ensure ample opportunity for all of our students.

Ms. Parnell referred to a document presented to the Committee ([Exhibit D](#)) that provided detailed information about what the innovational educational programs could look like. She continued her testimony and said:

I would like to talk about some examples of programs that could be implemented with funds from A.B. 525. Certainly everyone here has heard of our gifted and talented students. Of the state funds allocated for 2004-2005, none were dedicated to our gifted and talented students and programs. Less than 100 high schools in Nevada have gifted and talented programs in place. Of the 400,000 students in the state, only 3,800 have been identified as gifted and talented. Statistically we know that 5 percent of the student population typically qualifies when tested, which would equate to 20,000 students in Nevada. With funding from A.B. 525 programs could be established that would provide an innovative learning environment for our gifted students who have a strong desire for learning, who are able to work independently, and who need flexibility beyond the traditional classroom setting in order to pursue their educational goals.

Additionally, and this is one I am very fond of, the school within a school concept would provide a community within a high school starting with 9th grade students. These students are clearly going through a difficult transition from middle school to, in most cases, extremely large high schools, which poses a daunting challenge to many of Nevada's students. If these students can be reached during this period of transition, then they may be much less likely to drop out. We have students going into the 9th grade who are

absolutely lost in the system; high schools with 3,000 students. If you are someone who maybe is not an athlete, is not involved in student activities, you do not have a strong peer group, you do not really have a place, you go into a school with 3,000 students, you can get lost very quickly. Allowing schools the flexibility and opportunity to create a program to cater to these needs, be it putting a small school or community within the high school, or something else we have not even yet thought of, is one proactive step the state could take toward helping all students succeed.

A.B. 525 requests an appropriation of \$25 million for schools to apply for funding to create or further innovative programs that help students at all levels of learning. This bill is not asking for new money, but simply makes money already included in the Governor's budget extend to innovative programs which can help all of Nevada's students.

Ms. Parnell pointed out that remediation money was set aside in the Governor's budget and A.B. 525 would use 25 percent of the \$100 million for the innovative programs. Ms. Parnell said she did not believe that innovative programs were separate from remediation. She said, "If you are teaching to the highest level in a classroom, the student who is the most challenged is still going to benefit from that teaching style." A.B. 525 recognized that great numbers of students were getting lost in the struggle to make AYP, which could be devastating to the students who needed to be challenged and were not, due to the efforts required to comply with the standards.

Ms. Parnell said under A.B. 525 applications would be submitted to obtain funding and the criteria would be established by the Department of Education. The bill also required an evaluation of the program by both the school and the Department. Any remaining balance of the appropriation not expended would revert to the General Fund. Ms. Parnell concluded her presentation and said,

In testifying today, I am not advocating opposition to the remediation programs that are being funded in this state, rather I am hoping to bring to light the need to continue to keep a broad focus on the methods of education that we are using so that we truly don't leave any students behind.

Vice Chairwoman Giunchigliani thanked Ms. Parnell for her presentation and said she believed there would not be a need to spend so much money on remediation if instruction was provided in a broader method and engaged young people.

Ms. Parnell said in 1988 she was honored to be named as state Teacher of the Year and thought one reason she was selected was due to the time she had to devote to innovative teaching, which included weaving current issues into the instruction. She indicated if she was still in the classroom, she probably would not have the time to provide an innovative program because of the demands placed on teachers.

Mr. Denis voiced concern that many of the schools really needing the grants would not have the time to complete the applications because of the numerous other requirements. He wondered what could be done to ensure that the funding was provided to the schools in need, not just the schools that had the ability or time to complete the applications.

Ms. Parnell said she thought recognizing the schools in need of the funding would be part of the responsibility of the Department of Education. She recognized that there were gifted and talented students in the ESL classes and in special education classes and a gifted and talented program might well be the saving grace for those students. The Department would need to make certain that all the schools were aware of the innovative programs. Ms. Parnell pointed out that some of the programs, such as the school within a school program, were not extremely expensive.

Assemblywoman Smith interjected that A.B. 525 supported the standards and allowed young people to achieve the standards in a different way. There had been a great deal of discussion during numerous education conferences related to different methods of funding schools. One concept often discussed was to provide the funding to the schools and let the schools develop budgets that fit their own needs. A.B. 525 would allow schools to have some funding that could be used to better serve the students.

Vice Chairwoman Giunchigliani noted that the funding included for innovative programs was similar to a Challenge grant. She stated that every school had an improvement plan and already knew what needed to be done. Ms. Parnell said A.B. 525 included a provision that any innovative program would have to tie to a school's improvement plan. She said there had been a consensus that the schools should submit the plans, not the school districts.

Ray Bacon, Nevada Manufacturers Association, said the Association supported the concept of A.B. 525, but was not certain the dollar amount was correct. He pointed out that there were successful integrated programs around the state and the country and he suggested that members visit Anderson Elementary School in Reno, which had an exemplary program. Mr. Bacon did not think it would require a great deal of funding to initiate many more integrated programs in the state.

Ms. Haldeman stated for the record that the Clark County School District supported A.B. 525 and encouraged passage of the bill. She pointed out that there was an educator in almost every school who knew the answer to helping his student population achieve. There were principals who had great ideas. One of the things that was very frustrating to the staff was completing a school improvement plan and knowing that the funds needed to make the school improvements would not be available to them. A.B. 525 would allow principals who were innovative and had great ideas to put those ideas in place.

Mr. Lange said the innovative programs were the kind of programs that educators thrived on in terms of delivering quality education to their students. As the school environment was infused with innovation and opportunities, the ability to deliver the programs and to increase academic achievement was also amplified. Mr. Lange stated that the NSEA also supported A.B. 525.

Vice Chairwoman Giunchigliani closed the hearing on A.B. 525 and opened the hearing on S.B. 72.

Senate Bill 72 (1st Reprint): Revises provisions concerning refunds of property taxes paid by certain senior citizens. (BDR 38-282)

Senator Dina Titus, Clark, No. 7, said S.B. 72 was related to property taxes. She pointed out that earlier in the session the legislative members had struggled to find a way to provide relief for all property taxpayers across the state. One of the things that became clear during that debate was that there was a

provision already in place that needed to be updated, and that was the provision that provided some property tax relief through the form of a rebate to low-income senior citizens. The provision had been on the books for a number of years, but as property tax rates and property tax bills had increased, the amount of the rebate and the qualifications for the rebate had not been changed. S.B. 72 specifically addressed the property tax rebate program and attempted to revise the figures to be more in keeping with current financial situations. Under S.B. 72 the assessed value of a home owned by an individual eligible for the rebate program increased from \$87,500 to \$120,000. The amount of liquid assets that a senior citizen could have and still be eligible for the program would increase from \$150,000 to \$205,000, and the amount of the rebate itself increased from a potential of \$500 to \$1,000. Senator Titus said she thought senior citizens on fixed incomes would access the program, which would provide immediate relief. The Senator noted that the Senate passed S.B. 72 unanimously. She referenced a handout ([Exhibit E](#)) that included eligibility requirements and other information related to the property tax rebates.

Assemblyman Seale asked how the increase to \$25,304 for the household income was derived. Senator Titus said the amount was automatically increased several years ago with a consumer price index (CPI) rolling increase. The other amounts included in S.B. 72 did not have any ability to increase over time.

Chairman Arberry asked the cost of implementing S.B. 72 and Senator Titus said it was difficult to estimate the cost since the number of applicants was unknown. Under the old program, the average rebate amount was \$275. Even if the cap increased to \$1,000, the Senator said she was not sure the cost to the state would be significant because the percentage was so small.

Mr. Marvel said over the years he had a problem with the rebate and pointed out that the state did not receive any ad valorem tax, only the counties. He said he was troubled that the state had to assume the responsibility of the rebates. Senator Titus said she appreciated Mr. Marvel's concern and noted that the counties did not come forward and testify against the bill.

Mr. Denis asked if it was correct that the person who would qualify must not own property valued over \$30,000. Senator Titus explained that the requirement was that the individual did not own property over \$30,000 aside from the home.

Shirley Swafford, AARP volunteer, read from prepared testimony and said:

Seniors want to stay in their homes. There are many reasons they may have to move out of their homes involving disabilities and care they might need. Financial reasons should never be the cause forcing them to move.

We all know what has happened with property taxes recently. Seniors living on fixed incomes need help. The rising costs of medicine and health care are additional things that squeeze their retirement income.

I know many low-income seniors who have trouble paying all their bills and are afraid of losing their homes if they cannot pay their taxes. Older adults in this country have always believed in paying their fair share, but sometimes we need help.

S.B. 72 will help my neighbors stay in their homes, living in the community where they want to be. Increasing the maximum for home values and assets is really just keeping up with inflation and the rise in property values.

I, too, am on this program and it sure is a big help to me.

Please help my friends and neighbors by supporting S.B. 72.

Thank you for listening to me today.

Barry Gold, Associate State Director for Advocacy AARP Nevada, said the AARP (American Association of Retired Persons) provided information and education; was an advocate on legislative, consumer, and legal issues; and assisted members in serving their communities. Mr. Gold stated:

AARP Nevada supports S.B. 72 that revises the Senior Citizen Property Tax Refund program. This vital program enables older adults to stay in their homes. Increasing the maximum assessed value of homes to \$120,000 and the assets to \$205,000 is critical for keeping the intent of the program in light of both increasing property values, and in providing assistance to the segment of the population who may be most at risk.

The effects of inflation are especially detrimental for those on a fixed income. AARP Nevada and its members appreciate this effort of the Legislature to keep older adults living in their own homes.

Ninety-four percent of members surveyed in our 2004 Member Opinion Survey were concerned about staying in their own home. We will continue to be a voice for our more than 287,000 members on legislative and regulatory issues related to quality of life concerns.

Thank you for the opportunity to speak on this issue.

Danny N. Coyle, representing AFSCME Retiree Chapter Local 4041 and the Nevada Alliance of Retired Americans, said both organizations supported S.B. 72, as amended, and urged favorable passage out of the Committee. The bill, if enacted into law, would not by any means solve the financial problems faced by seniors on fixed incomes of \$24,000 or less but it would help mitigate their difficulties by providing some tax relief to those affected whose property values and other assets had escalated by markets for which they had no control.

Mr. Coyle thanked the Committee and said he would be happy to answer any questions.

William Birkman, Chairman of the Retired Member Council, Communication Workers of America, representing approximately 500 members, asked the Committee to support S.B. 72.

Ms. Vilardo indicated support for the increases in the dollar amounts included in S.B. 72. She said the last time the figures were addressed was in 1979 when the amount was changed from \$350; there were no changes made at that time relative to income qualifications or changes made to asset amounts. The bill did increase the assessed value. The change to the \$205,000 for liquid assets was

the same percentage increase between the old assessed value and the new assessed value, it was not a CPI number.

Ms. Vilardo referenced Mr. Marvel's concern related to the counties receiving the ad valorem tax and said, based on the research she had conducted, the rebate was initially presented as an entitlement program, which was probably why the state assumed the responsibility for the funding. The program was moved from the Department of Taxation; it was the assessor who qualified an individual and then the Department of Taxation would arrange for the rebates. In 2001 the function was moved to the Division of Aging Services, an entity that was better able to coordinate similar types of programs. Historically, the Legislature appropriated an amount of money, and around 1995 or 1997 there were insufficient funds appropriated to cover the amount of refunds requested. At that time, the Department of Taxation had to prorate down and Ms. Vilardo recalled that the Department went before the Interim Finance Committee to request additional funds. Ms. Vilardo said, given all the concerns and what the Legislature was trying to do with the property tax, and given that the numbers had not been changed since 1979, it was probably time the amounts were updated to reflect what was actually occurring.

Assemblywoman Gansert asked for clarification on the duties of the Division of Aging Services related to the rebates. Ms. Vilardo explained that the refunds were established in statute. If an individual's income ranged from \$21,000 to \$24,016, that individual would be entitled to 10 percent of the rebate. The rebate was calculated on a graduated schedule and, depending on the income bracket identified in statute, the amount increased from 90 percent of an eligible abatement up to \$1,000 and down to 10 percent of an eligible abatement. Ms. Gansert asked if Ms. Vilardo envisioned that the amount of abatement would be doubled. Ms. Vilardo replied no, because the schedule of scale was still applicable. It would be hard to believe that the amount would be doubled. Ms. Vilardo said there might be some variation, but she could not tell until the fiscal note was prepared.

Chairman Arberry closed the hearing on S.B. 72 and opened the hearing on A.B. 556.

Assembly Bill 556: Requires Department of Personnel to add step to pay plan for classified employees. (BDR S-1296)

Scott G. MacKenzie, Executive Director, State of Nevada Employees Association (SNEA), AFSCME Local 4041, said A.B. 556 provided an additional step in the state compensation plan. He noted that state employees' salaries were less than workers in comparable positions in many competing cities and counties within Nevada. Establishing an additional step in the state compensation plan would help retain long-term employees and narrow the disparity. The additional step would bring the number of steps within the state's plan to 10. The additional step would be given in the 10th year of employment. Mr. Mackenzie provided members with a brief history and noted that in January 2000 the system had 15 half steps and was changed to 8 full steps. In July 2001 the steps were increased to 9. Mr. MacKenzie said the SNEA believed adding an additional step would help in retaining long-term employees, impact turnover rates, and move toward narrowing the salary gap between the state and the cities and counties. Mr. MacKenzie urged the Committee to support A.B. 556.

Gary H. Wolff, representing Teamsters Union Local 14, said he wanted to go on record as supporting A.B. 556.

Jeanne Greene, Director, Department of Personnel, said the Department's administration was not taking an official position on A.B. 556, but did support higher salaries for state employees. The allocation included in A.B. 556 was not included in The Executive Budget. Ms. Greene pointed out that the Governor had worked hard to include cost-of-living increases for all employees and provide special adjustments to classes significantly behind. Ms. Greene said when the budget numbers were finalized and if the economic forecast was favorable, the Department hoped to be able to fully support A.B. 556.

Ms. Greene said when the 2001 Legislature authorized an additional step on the salary schedule, they also authorized a corresponding adjustment to salaries for the unclassified and medical employees. She requested that if A.B. 556 passed, such an adjustment again be granted, which would address compaction issues of classified employees earning more than, or the same as, their unclassified supervisors. Ms. Greene concluded her presentation and said she would be happy to address any questions.

Ms. Giunchigliani asked when the fiscal impact of A.B. 556 would be available and Ms. Greene said the information was submitted the prior week. Ms. Greene said the estimated funding required for A.B. 556 was approximately \$16 million in FY2006 and \$17 million in FY2007. The cost for including the unclassified and medical employees was approximately \$1.5 million per year. Ms. Greene said 5,794 individuals would automatically move to the 10th step July 1, 2005, if A.B. 556 passed, and then approximately 758 each year thereafter.

Chairman Arberry closed the hearing on A.B. 556 and opened the hearing on S.B. 97.

Senate Bill 97 (1st Reprint): Makes appropriation for security enhancements in Attorney General's Office, Capitol Building and Supreme Court Building. (BDR S-1208)

Cindy Edwards, Administrator, Building and Grounds Division, said the Division was requesting a one-shot appropriation in the amount of \$433,500 for security enhancements to the Attorney General's Office, the Capitol Building, and the Supreme Court Building. The Attorney General's Office and the Supreme Court Building card access systems were obsolete, vintage 1990. The software and equipment were no longer supported by the manufacturer and replacement parts were not available. The Capitol Building did not have a card access system. Ms. Edwards explained that a card access system heightened security and would allow the Capitol Police greater control over access to the building and the constitutional officers. The camera security systems within the Capitol and the Attorney General's Office were also outdated and recorded on VHS tapes, resulting in grainy images that made it difficult to identify people and objects. New high resolution color digital cameras would resolve the problem. Additional cameras would be installed in the parking areas of the Attorney General's Office and the Capitol. Ms. Edwards concluded her presentation and said she would be happy to answer any questions.

Chairman Arberry closed the hearing on S.B. 97 and opened the hearing on S.B. 99.

Senate Bill 99: Makes appropriation to Department of Administration for litigation costs incurred by Interstate Commission for Adult Offender Supervision. (BDR S-1214)

Andrew Clinger, Deputy Director, Budget Division, Department of Administration, said S.B. 99 appropriated \$3,000 to the Department of Administration for litigation costs incurred by the Interstate Commission for Adult Offender Supervision. Mr. Clinger explained that the Commission provided oversight and assistance in administering the Interstate Compact for Adult Supervision to ensure cooperation in the transfer of supervised offenders between states. In 2004 Pennsylvania filed suit in the U.S. District Court challenging the Commission's adoption of rules concerning supervision of misdemeanants under the Interstate Compact for Adult Supervision. To date, the Commission had incurred approximately \$50,000 in legal fees and expenses to defend the action in federal court and anticipated spending an additional \$50,000 as a result of appeals. Because of the legal fees and expenses, the Commission requested the \$3,000.

Chairman Arberry closed the hearing on S.B. 99 and opened the hearing on S.B. 504.

Senate Bill 504: Makes appropriation to Legislative Fund. (BDR S-1423)

Lorne J. Malkiewich, Director, Legislative Counsel Bureau, said S.B. 504 appropriated \$5 million from the State General Fund to the Legislative Fund to pay the costs of the legislative session. The first day of the 2005 Legislative Session \$10 million was appropriated and passage of S.B. 504 would increase the amount to \$15. The LCB estimated the cost of the session to be between \$17 million and \$18 million. Mr. Malkiewich said at the end of session the Bureau would calculate the total amount expended for the legislative session and would spend from the Legislative Fund and appropriate the remainder to cover the remaining costs of session. The majority of the initial \$10 million appropriation had been expended. The appropriation included in S.B. 504 was needed to meet payroll. Mr. Malkiewich said he appreciated Mr. Stevens including the bill on the current agenda and said he would be happy to answer any questions.

With no further testimony forthcoming regarding S.B. 504, Chairman Arberry closed the hearing and declared the meeting in recess.

The Chair called the meeting back to order at 9:28 a.m.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said there were a number of bills to bring before the Committee.

Assembly Bill 104: Makes appropriation to Western Interstate Commission for Higher Education for upgrades in information technology for accounting system. (BDR S-1221)

Mr. Stevens said A.B. 104 appropriated \$67,900 to the Western Interstate Commission for Higher Education (WICHE) for data processing equipment and for the system that was used to account for outstanding loans and repayments. After review of the bill, Mr. Stevens said staff would not recommend any changes.

ASSEMBLYMAN MARVEL MOVED DO PASS A.B. 104.

ASSEMBLYWOMAN GIUNCHIGLIANI SECONDED THE MOTION.

THE MOTION CARRIED. (Mr. Hettrick was not present for the vote.)

* * * * *

Assembly Bill 105: Makes appropriation to State Department of Agriculture for acquisition of equipment for State Sealer of Weights and Measures. (BDR S-1223)

Mr. Stevens said the next bill to be considered by the Committee was A.B. 105. An appropriation of \$290,000 was included in The Executive Budget for the acquisition of equipment for the Bureau of Weights and Measures of the Department of Agriculture. Previously the Committee had discussed whether to utilize 100 percent General Fund dollars for the account because there were fees assessed to the businesses the Bureau regulated. Mr. Stevens noted that the Bureau of Weights and Measures was a General Fund and fee account and because of the General Fund appropriation, the Bureau was not allowed to retain a reserve; any excess money remaining in the account was reverted to the General Fund at the end of the fiscal year. Mr. Stevens pointed out that there was not another funding source for the appropriation. The funding would be used to replace a medium duty truck with 180,000 miles, a 51-year-old trailer-mounted LPG mobile prover, and a heavy duty truck with hoist flatbed trailer and weights. Mr. Stevens explained that the equipment was expensive and said staff recommended do pass.

ASSEMBLYMAN SEALE MOVED DO PASS A.B. 105.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION CARRIED. (Mr. Hettrick was not present for the vote.)

* * * * *

Assembly Bill 108 (1st Reprint): Revises provisions governing appointment of hearing officers in certain cases involving licensed educational personnel. (BDR 34-378)

Mr. Stevens said A.B. 108 would require the appointment of hearing officers within the Department of Administration for cases involving licensed educational personnel. Existing law required that an arbitrator be assigned to the cases.

ASSEMBLYWOMAN SMITH MOVED DO PASS A.B. 108 AS AMENDED.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Mr. Hettrick was not present for the vote.)

* * * * *

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

Mr. Stevens said A.B. 438 was a bill introduced by Assemblywoman Koivisto and was heard by the Committee on April 5, 2005. A.B. 286 passed by the 2003 Legislature provided for a calculation of a subsidy for retiree health insurance benefits. In counting years of service in multi-public employers, if an individual did not have at least 5 years of service at each agency that service did not get counted; A.B. 438 would alleviate the problem. Mr. Stevens said the Public Employees' Benefits Program (PEBP) suggested deleting Sections 1 and 2 and adding the following language to Section 3, line 21, on page 4 of the bill: "to the extent the reduced subsidy required an increased contribution from the participant." The amendment was designed so that the time worked by a public employee, with a minimum service of a year with a public employer, would count toward how the subsidy was calculated.

Ms. McClain asked why Sections 1 and 2 would be deleted and Ms. Giunchigliani said the language was currently in statute and would not be changed. Ms. Giunchigliani suggested amend and do pass and then if there was a problem the bill would be revisited. She thought there was a date change included that was not necessary.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED AMEND AND DO PASS A.B. 438 BY DELETING SECTIONS 1 AND 2 AND ADDING THE LANGUAGE "TO THE EXTENT THE REDUCED SUBSIDY REQUIRED AN INCREASED CONTRIBUTION FROM THE PARTICIPANT" TO SECTION 3, LINE 21, PAGE 4, OF THE BILL.

Mr. Stevens said he would check to see if there was a problem with the amendments to A.B. 438 and would advise the Committee before the bill was reported.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

Mrs. Smith said she recalled that the language did not come out that would actually resolve the issue, it was the language that would be added to Section 3 of A.B. 438 that resolved the issue.

Mr. Denis asked if he understood correctly that an employee had to have a minimum of 12 months of service with any public employer. The Chair answered in the affirmative.

THE MOTION CARRIED. (Mr. Hettrick was not present for the vote.)

Assembly Bill 532: Extends date for reversion of portion of appropriation made by 2003 Legislature for digital microwave project. (BDR S-1039)

Mr. Stevens said A.B. 532 extended the reversion date on the appropriation made by the 2003 Legislature for the digital microwave project within the Department of Information Technology (DoIT). Mr. Stevens said staff had reviewed the bill and recommended do pass.

ASSEMBLYMAN HOGAN MOVED DO PASS A.B. 532.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Mr. Hettrick was not present for the vote.)

Assembly Joint Resolution 3: Proposes to amend Nevada Constitution to revise provisions governing certain constitutional officers. (BDR C-947)

Assemblyman Seale said the recommended amendment to A.J.R. 3 eliminated the constitutional offices of Treasurer and Controller and transferred the duties to a new constitutional officer, the Office of Secretary of Finance. The Secretary would appoint as deputies a Treasurer and a Controller to assist in carrying out the duties of the Office of Secretary of Finance. The amendment also required the Legislature to set the qualifications of the appointed Treasurer and Controller. A.J.R. 3 set the effective date of January 2, 2010.

Assemblywoman Koivisto pointed out that the effective date had not been changed from 2011 to 2010.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED AMEND AND DO PASS WITH A CHANGE IN THE EFFECTIVE DATE ON PAGE 3 of A.J.R. 3 FROM JANUARY 2, 2011, TO JANUARY 2, 2010.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Assembly Bill 40: Makes various changes concerning community triage centers. (BDR 40-905)

Mr. Stevens said A.B. 40 was the community triage bill and there were some proposed amendments. The amendments would change the appropriation to the triage center located in Clark County to \$370,000, eliminate the appropriation of \$100,000 for Washoe County, would change the effective date in Section 6 to passage and approval, and change the reversion date to June 30, 2005.

ASSEMBLYWOMAN LESLIE MOVED AMEND AND DO PASS A.B. 40.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Senate Bill 12: Creates Motor Carrier Division within Department of Motor Vehicles. (BDR 43-610)

Mr. Stevens said S.B. 12 created a Motor Carrier Division within the organizational structure of the Department of Motor Vehicles, which had already been accomplished but the statutory reference needed to be changed.

ASSEMBLYWOMAN MCCLAIN MOVED DO PASS S.B. 12.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Senate Bill 87: Eliminates additional fee charged for renewal of driver's license by mail. (BDR 43-1036)

Mr. Stevens said S.B. 87 would remove the additional \$1.50 charge for renewing a driver's license by mail. Mr. Stevens pointed out that an individual who obtained a driver's license at the DMV office did not have to pay a fee and the DMV wanted to encourage renewals by mail.

Mr. Hettrick said after the earlier discussion regarding the credit card fees he had contacted the DMV, and the agency agreed to track the e-payment process for a few years to determine what would be the best process. Mr. Hettrick said having the people renew at the office was the most expensive method and he thought S.B. 87 should be passed.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED DO PASS S.B. 87.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Senate Bill 92 (1st Reprint): Makes supplemental appropriation to Department of Public Safety for unanticipated out-of-state travel, in-state travel and operating expenses for dignitary protection. (BDR S-1193)

Mr. Stevens said S.B. 92 made a supplemental appropriation to the Department of Public Safety for dignitary protection. The Senate had increased the appropriation for dignitary protection from \$28,710 to \$38,000. Mr. Stevens stated that the Department had indicated that the amount could be reduced to \$35,000 if the Committee so desired.

ASSEMBLYMAN MARVEL MOVED AMEND AND DO PASS.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Senate Bill 108 (1st Reprint): Makes supplemental appropriation to Department of Education for unanticipated expenses for Fiscal Year 2004-2005 relating to Individuals with Disabilities Education Act. (BDR S-1227)

Mr. Stevens said the supplemental appropriation to the Department of Education was for the NRS 395 out-of-state placement program for individuals with disabilities, and he recommended do pass.

ASSEMBLYMAN MARVEL MOVED DO PASS.

ASSEMBLYWOMAN GIUNCHIGLIANI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Senate Bill 504: Makes appropriation to Legislative Fund. (BDR S-1423)

Mr. Stevens referenced S.B. 504, which was presented earlier in the meeting by Mr. Malkiewich. The appropriation was needed to cover session costs.

ASSEMBLYMAN PERKINS MOVED DO PASS.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chairman Arberry noted that the Committee would begin closing budgets.

BUDGET CLOSINGS - ELECTED OFFICIALS

WASHINGTON OFFICE, (101-1011)
BUDGET PAGE ELECTED-9

Mr. Stevens said BA 1011 supported the Washington Office. The Committee had asked the Office numerous times to provide performance indicators and the indicators had not been provided when the initial budget was reviewed, but had since been received. Mr. Stevens pointed out the indicators were not really outputs, but said the document was a first step. Another item included on page 3 of the closing document ([Exhibit F](#)) related to earlier questions by the Committee on the limited budget information provided initially by the Washington Office. Mr. Stevens said the remaining item provided information on the contractor; the current plan was to extend the contract beyond the termination date of June 30, 2005.

Ms. Giunchigliani interjected that she had not supported the Washington Office in the past and noted that information that had been requested by the Committee had not been received. Ms. Giunchigliani was concerned that the Office did not have the courtesy to justify their existence and said she would not be supporting the budget.

ASSEMBLYMAN MARVEL MOVED TO CLOSE BUDGET
ACCOUNT 1011 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

Following a brief discussion with staff the Chairman informed the Committee that BA 1011 would be held.

ENERGY CONSERVATION (101-4868)
BUDGET PAGE ELECTED – 22

Mr. Stevens said the Committee had discussions earlier related to the new positions being recommended in BA 4868. Decision Unit E-250 recommended a

new unclassified Deputy Director position to be funded 100 percent from the General Fund. Previously, the Energy Office had not received a direct General Fund appropriation for support of the agency. Mr. Stevens said a second position was a new Grants and Project Analyst position included in E-251 to be funded from federal grant funds. The agency had indicated the position was needed for compliance monitoring of grant funds and to provide training and assistance to grantees. Mr. Stevens referenced the \$125,000 one-shot appropriation recommended in The Executive Budget to update the state Energy Assistance Plan. The Director had indicated earlier that federal funding might be available to update the plan, however, Mr. Stevens said at present no definitive answer had been received.

Ms. Giunchigliani said she felt both recommended positions were warranted, however, she wanted to hear from Mr. Burdette on the status of federal funding for the Energy Assistance Plan. She noted that there were several bills that would be affecting the Energy Office and would result in a greater review of the issue of energy conservation, which would have a significant impact on the workload.

Richard Burdette, Director, Nevada State Office of Energy, said he thought federal funds were available. He indicated that much of the funding received from the federal government had to be leveraged with state investment, including half of the Director's salary and the oil overcharge funds. Over the past few years Nevada had experienced substantial increases in the price of natural gas, electricity, and petroleum. Mr. Burdette said the state was actively engaged, both interstate and intrastate, with private and public sector organizations to deal with the energy issues. The agency was able to leverage federal funds to assist in many of the areas, particularly renewable energy and renewable transportation fuels.

Ms. Giunchigliani asked for clarification on the need for the \$125,000 appropriation. Mr. Burdette said it was his opinion that the agency would be able to obtain federal funds, but did not have assurance. The \$125,000 appropriation could be reduced through working with other states. He said the agency was generally able to obtain federal funds for programs that were supported by the federal government; this one was not specifically supported by the federal government because at this point it was only a guideline for renewing the Energy Assistance Plan. Ms. Giunchigliani asked if the \$125,000 could be reduced to \$31,250, and Mr. Burdette answered in the affirmative.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO CLOSE BA 4868
AS RECOMMENDED BY STAFF INCLUDING TECHNICAL
ADJUSTMENTS, TO APPROVE THE DEPUTY DIRECTOR AND THE
GRANTS AND PROJECT ANALYST POSITIONS, AND TO ADJUST
THE GRANT MATCH FROM \$125,000 TO \$31,250.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

ETHICS COMMISSION (101-1343)
BUDGET PAGE ELECTED – 162

Mr. Stevens said the first issue for the Committee to consider was the salary level of the recommended investigator for the Ethics Commission. The agency initially requested a new Compliance Auditor position at a grade 35 with a maximum salary of \$57,524. The Governor recommended a new unclassified investigative position at a salary of \$61,787 prior to any cost-of-living increases. Mr. Stevens noted that the Medicaid Fraud Unit in the Office of Consumer Protection and the Insurance Fraud Units within the Attorney General's Office utilized the senior investigator classification for positions who supervised a number of investigators. An alternative for the Committee to consider was to set the salary of the new investigator position at \$58,608, the salary set for investigator positions within the Attorney General's Office who did not supervise other investigators. The new position would be an investigator, not a senior investigator. Mr. Stevens said there had been a question in Committee on the authority of the investigator position and the agency indicated that it was not a law enforcement agency and the position would be a legal compliance investigator and would investigate potential civil violations and would not have to be P.O.S.T.-certified.

Mr. Stevens said another item to be considered was the amount recommended for investigative expenses within category 15. The budget included the amount expended in FY2004 for investigative expenses and the agency indicated that if the new investigator position was approved, the investigative expenses category amount could be reduced by \$6,568 in each year of the biennium.

Mr. Stevens referenced the office rent for the Carson City and Las Vegas offices and said the Ethics Commission had finalized leases for both offices. Minor adjustments needed to be made to the recommended lease amounts in each year of the biennium.

Mr. Stevens concluded and said there were four or five technical adjustments that involved the local/state funding split, the differences in statewide cost allocation amounts, and updated computer pricing.

Ms. Giunchigliani referred to A.B. 530 which required the training of elected officials in ethics and asked if any changes in the Ethics Commission's budget could be handled through the bill. Mr. Stevens said if the bill would have an impact on the Ethics Commission's account, the amount could be included in the budget, or an appropriation could be included in the bill.

Stacy M. Jennings, Executive Director, Commission on Ethics, testified that she had considered Web-based training, or person-to-person training, and hoped the amounts provided by DoIT would be close to \$5,000 to \$8,000, additional money would have to be added for staff to conduct the training sessions, and the total amount should not exceed \$15,000. Ms. Jennings said it would be her preference that the Committee close BA 1343 and include any funding required for A.B. 530, if passed, in the bill.

ASSEMBLYMAN MARVEL MOVED TO CLOSE BA 1343 WITH
STAFF RECOMMENDATIONS AND TECHNICAL ADJUSTMENTS
AND AN INVESTIGATOR POSITION WITH A SALARY OF \$58,608.

ASSEMBLYWOMAN GIUNCHIGLIANI SECONDED THE MOTION.

Mr. Denis asked if the investigators in the Attorney General’s Office were P.O.S.T.-certified, and Mr. Stevens said he believed so because the duties included criminal investigation. Mr. Stevens said there was not a similar non-investigative unclassified position for comparison of duties and salary.

THE MOTION CARRIED UNANIMOUSLY.

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Chairman Arberry recessed the meeting at 10:12 a.m. and said the meeting would not resume until after the Assembly Floor session.

Due to time constraints, this meeting was not reconvened.

RESPECTFULLY SUBMITTED:

Linda Smith
Committee Secretary

APPROVED BY:

Assemblyman Morse Arberry Jr., Chairman

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>April 26, 2005</u>		Time of Meeting: <u>7:30 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B	C. Stonefield, LCB Research	Summary of <u>A.B. 109</u>
	C	Assemblyman Perkins	Handout
	D	Assemblywoman Parnell	Document – Unique Smaller Learning Communities Programs
	E	Senator Titus	Document – Seniors Eligibility Info For Property Tax Rebate
	F	Mark Stevens, LCB	Closing list no. 4