

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS  
AND THE  
SENATE COMMITTEE ON FINANCE  
JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT**

**Seventy-Third Session  
May 3, 2005**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on General Government, was called to order at 8:09 a.m., on Tuesday, May 3, 2005. Chairwoman Kathy McClain presided in Room 2134 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.

**ASSEMBLY COMMITTEE MEMBERS PRESENT:**

Ms. Kathy McClain, Chairwoman  
Mr. Morse Arberry Jr.  
Mr. Lynn Hettrick  
Mr. Joseph M. Hogan  
Mrs. Ellen Koivisto  
Mr. Bob Seale

**SENATE COMMITTEE MEMBERS PRESENT:**

Senator Bob Beers, Chairman  
Senator Bob Coffin  
Senator Dean A. Rhoads

**COMMITTEE MEMBERS ABSENT:**

None

**STAFF MEMBERS PRESENT:**

Steve Abba, Principal Deputy Fiscal Analyst  
Bob Guernsey, Principal Deputy Fiscal Analyst  
Michael J. Chapman, Program Analyst  
Rick Combs, Program Analyst  
Joyce Garrett, Program Analyst  
Lila Clark, Committee Attaché  
Connie Davis, Committee Attaché

**COMMERCE AND INDUSTRY  
PUBLIC UTILITIES COMMISSION (224-3920)  
EXECUTIVE BUDGET PAGE PUC-1**

Michael J. Chapman, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that The Executive Budget recommended total funding of

\$25.56 million over the biennium, which was a decrease from the \$30.05 million that had been approved for the 2003-05 biennium. He said the decrease in reserves was primarily driven by the continuing reductions through lower mill assessments over the preceding several years along with the Governor's recommended enhancements.

Mr. Chapman said that in FY2005 the mill assessment was 1.9 mills and the Governor recommended increasing it to 2.6 mills in both years of the upcoming biennium. He said the Public Utilities Commission (PUC) had statutory authority to increase or decrease the mill assessment based upon their reserve levels and operations each year.

Mr. Chapman said there were three items for the Subcommittee to consider before closing the budget. Mr. Chapman said the first issue was whether to expand the Gas Pipeline Safety Program. He said The Executive Budget recommended three new gas pipeline safety engineers who were funded with a combination of reductions in reserves and reimbursements from the federal Office of Pipeline Safety. He said two engineers were recommended to start in the first year of the biennium and the third engineer position would start in the second year of the biennium. Mr. Chapman said the PUC was responsible for administering the state's gas pipeline safety inspection and the Call Before You Dig programs, currently utilizing three full-time gas pipeline engineers. He stated that in addition the positions were responsible for investigating incidents involving gas pipeline damage and also inspection of new gas pipelines. He said the agency had provided information in support of the three additional positions and the Governor's recommendation appeared to be reasonable. He said the most notable element was a large increase in the additional miles of pipeline across the state. Mr. Chapman said staff was recommending some technical adjustments to reduce liability and collision insurance costs for three vehicles that were recommended in the first year and for computer hardware price revisions.

Mr. Chapman said the second item for the Subcommittee's consideration was the Governor's recommendation of a new Electronic Filing and Records Management System. The recommended funding totaled \$1.3 million across the biennium and it would allow the agency to accept and manage electronic documents and records and associated fees electronically over the counter and via the Internet. He said that currently many of the records and database systems were not integrated with one another and there were currently eight independent databases that were managed separately; that situation caused creation and maintenance of redundant information. He said the new Electronic Filing and Records Management System (EFRMS) was comprised of two elements: the Records Management Application (RMA) and the Application Redesign and Development (ARD). He said the RMA was the first of the two phases that were anticipated to be installed and the ARD would be undertaken in the second year of the biennium. Mr. Chapman said that the Division of Information Technology (DoIT), in conjunction with the PUC and vendors' responses to information, developed the cost estimates and staff had not taken any exception to those costs. He said there would be ongoing costs associated with the system that would total approximately \$200,000 in the 2005-07 biennium once the system was fully implemented. Mr. Chapman said if the Subcommittee decided to approve the system it might want to direct the PUC to submit quarterly or semiannual status reports as the project progressed.

Mr. Chapman brought Decision Unit E-710 to the Subcommittee's attention. He said the Governor recommended reserve funding of \$266,651 in the biennium

to replace a variety of equipment including the agency's telephone system, a four-wheel drive vehicle, and a variety of computer hardware and software equipment. He said that working in conjunction with the Budget Office and the agency, the PUC had entered into an agreement with DoIT for telephone service and their monthly payments would include the lease of the telephone equipment, so staff had made an adjustment to eliminate the replacement telephone system that had been recommended at \$49,236 in the first year.

Mr. Chapman said another item that had been discussed in the budget hearings and subsequent follow-up was the number of replacement computers in the account. He said the Governor recommended replacing 50 desktop computers in the first year and 47 in the second year. Mr. Chapman said the agency had submitted a revised computer replacement schedule and included in that schedule was the identification of 27 staff that the agency considered "leading edge users." In that number, staff identified two administrative assistants that staff of the Fiscal Division did not consider "leading edge users" so the agency's recommendation had been adjusted to place those two computers on the four-year replacement schedule. Mr. Chapman summarized by saying staff recommended the replacement of 32 desktop computers in the first year, 29 in the second year, and there were many technical adjustments for revised computer hardware and software pricing. In addition, Mr. Chapman recommended technical adjustments eliminating the additional vehicle insurance for the replacement vehicle in the decision module.

Mr. Chapman stated that Decision Unit E-720 recommended technology-related items including a database server, storage devices, and scanners. He said the agency indicated that the equipment would be utilized to integrate their independent databases regardless of whether the Legislature approved the Electronic Filing and Records Management System.

Mr. Chapman said Decision Unit E-811 recommended salary increases and reclassifications for selected positions and would be considered at a later date by the money committees.

Mr. Chapman requested authority to make necessary technical adjustments for final cost allocations and assessments.

Senator Beers commented that every addition made to the budget would be reflected in the electric and gas bills of the Subcommittee's constituents. He said the agency's estimate of its technology needs was overstated and the request for three additional positions could also be overstated. The agency said it needed 5.5 positions and rounded the number to 6 positions but he believed that could be rounded to 5 positions instead. He asked if there was any federal funding of the budget.

Mr. Chapman said there was some federal regulation impact as there were new federal regulations associated with operator qualification and integrity management inspection programs. He said the agency received up to 50 percent reimbursement from the federal office of Pipeline Safety each year. That meant the funding was 50 percent funded with mill assessment fees and 50 percent federal funding.

Mr. Seale asked if the computers were being replaced according to the DoIT replacement schedule and why were so many computers scheduled to be replaced. Mr. Chapman responded that for "leading edge" users the computers were replaced every two to three years and for those individuals the

replacement was approximately every 2.5 years. For the remainder of the staff, there were a number of computers on a four-year cycle and a few on a three-year cycle because the warranties would be expiring. He said the equipment currently being purchased had four-year warranties.

SENATOR BEERS MADE A MOTION TO CLOSE THE BUDGET AS  
RECOMMENDED BY STAFF WITH TECHNICAL ADJUSTMENTS  
AND THE FOLLOWING DECISIONS:

- APPROVE THE ADDITION OF TWO NEW GAS PIPELINE ENGINEERS EFFECTIVE OCTOBER 2005 AND MAKE ADJUSTMENTS TO THE EQUIPMENT HARDWARE REQUIREMENTS ACCORDINGLY.
- ACCEPT STAFF'S ADJUSTMENTS TO THE REPLACEMENT EQUIPMENT DECISION UNIT.
- THE PUC WAS TO SUBMIT SEMIANNUAL STATUS REPORTS TO THE INTERIM FINANCE COMMITTEE ON THE EFRMS PROGRAM.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

Assemblyman Hettrick asked if there would be an appropriate downward adjustment to the mill assessment since the number of positions had been reduced.

Mr. Chapman responded that The Executive Budget had been based on 2.6 mills each year but a downward adjustment could be made; however, the PUC did have the statutory authority to increase the mill assessment. He said when the PUC reviewed its budget each year it looked at ongoing expenses and the projected ending reserve level. Mr. Chapman said if the two positions were approved the PUC could adjust the mill assessment for FY2006 and he believed the PUC would be considering that at one of its meetings in the future.

Mr. Seale asked what the consequence would be of approving two positions rather than three. Chairwoman McClain asked for input from the staff of the PUC.

Mr. Don Soderberg, Chairman, Public Utilities Commission of Nevada, said he believed the savings achieved would be effected by the phase-in of the positions. He said they were being phased-in for training purposes and a proration would have to be made to determine the savings in not filling one position.

Mr. Seale said he was less interested in the money savings than knowing what not having the position would mean to the operation of the Pipeline Safety program. Mr. Soderberg said there had been tremendous growth in gas pipelines over the prior two decades and the PUC had held off on building up the program commensurate with the growth in the pipelines because of things they were waiting to happen on the federal level and to be sure they had a program that worked well. He said he did not want to say that public safety would be harmed by not having one position but he believed the PUC would be back before the next session of the Legislature to request an additional position.

Mr. Seale asked if Mr. Soderberg would evaluate the need for positions in the next biennium and report to the next Legislature the progress that had been made. Mr. Soderberg agreed to do that.

Chairwoman McClain said that it was her understanding that no new pipeline positions had been hired in the preceding ten years and Mr. Soderberg said that was correct. Chairwoman McClain asked how the pipelines had increased in the ten years and Mr. Soderberg said he did not have that information with him but it was at least 200 percent.

SENATOR RHOADS AMENDED THE MOTION TO INCLUDE THE  
APPROVAL OF THREE POSITIONS.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE AMENDED MOTION CARRIED. (Assemblyman Arberry and  
Senator Coffin were not present for the vote.)

BUDGET CLOSED.

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### **JUDICIAL BRANCH**

Rick Combs, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said there were issues that affected multiple accounts within the Court system.

Mr. Combs said the first of the issues was Court administrative assessment revenue. He said The Executive Budget included \$8,780,500 in each year of the biennium in administrative assessment revenue. Mr. Combs said that was approximately a 7.6 percent increase from the amount that had been collected during FY2004 and a 1.8 percent increase from the amount that had been budgeted for FY2005. He said that as time had gone on during FY2005, it appeared that the actual collections for FY2005 were going to be approximately 4.1 percent higher than what was budgeted. Based on that, staff had worked with the Court system and considered various ideas for possibly increasing administrative assessment reserves for the 2005-07 biennium. He said that based on the collections in FY2005 to date, Mr. Combs did not believe there was justification to raise the number of assessments that would be received. He said the recent trend had been a decreasing number of assessments although there had been a significant increase in 2005 in the amount that had been collected per assessment from approximately \$37.35 in 2004 to approximately \$41.10 in 2005. Mr. Combs said that because of the conflicting issues with Court administrative assessments he had projected a very modest increase based upon the amount collected per assessment. Mr. Combs said the increased projection totaled \$230,441 additional dollars in the first year and \$302,526 in the second year, a 2.6 percent increase over what was projected in The Executive Budget in the first year and a 3.5 percent increase over what was in the budget in the second year.

Mr. Combs said that if the Subcommittee made a decision on the Court administrative assessments first that would help with the closure of other budget accounts.

SENATOR BEERS MADE A MOTION TO ACCEPT STAFF'S PROJECTIONS OF COURT ASSESSMENT REVENUE.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Coffin was not present for the vote.)

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Mr. Combs said the second issue pertaining to more than one budget account was the request to remove 16 professional senior management positions from the unclassified pay bill and to consider those positions as being non-classified. He said Decision Unit E-250 in four accounts appeared to eliminate the positions but the Court's proposal was to make the positions non-classified.

Mr. Combs said the Court's proposal was to take the funding for eight executive staff positions and pool that funding in Budget Account 1494, the Supreme Court budget. He said the Supreme Court would then establish the salary of those positions without Legislative approval and could eliminate and create new positions with the funding available in that pool. Mr. Combs said the Assistant Chief Clerk, the Court Administrator, the Chief Clerk, two Deputy Court Administrators, two supervisory staff attorneys, and one of the deputy staff attorneys would be the eight positions for which the funding was proposed to be pooled. He said the remaining positions would remain in their current budget accounts and would be considered non-classified.

Mr. Combs said the positions were not currently considered to be unclassified positions. He said they were included in the bill primarily to set the maximum salaries. He said removing the positions from the unclassified pay bill would remove any control the Legislature might have over the salaries for those positions except the Legislature would have some control when it reviewed the biennial budget because the Legislature would still have to approve the total amount of the budget for the Court system.

Mr. Combs said the second part of the proposal was to pool the funding for eight of the positions. He said it was difficult for the Fiscal Analysis staff to evaluate that proposal fully given that it was not entirely reflected in The Executive Budget and the Court had indicated that if that portion of the proposal was approved it would work with the Fiscal staff to determine the best mechanism for transferring the funding and the positions into the Supreme Court account and pooling the money there.

Mr. Combs said the Subcommittee should consider two issues when deciding the pooling issue. He said two of the positions that had been recommended to be pooled were the Court Administrator position and Deputy Court Administrator position that were currently funded in the Administrative Office of the Courts' (AOC) budget and that budget was funded entirely with administrative assessment revenues. He said the Supreme Court budget was a mix of General Fund and administrative assessment funding. Mr. Combs said there would need to be some control over what funding sources were being used for those two positions. Mr. Combs said that if the two positions continued to be funded with administrative assessment revenues there was a technical statutory concern. He said that currently the Supreme Court account could only receive a maximum of 60 percent of the administrative assessments and currently all 60 percent was put into that account. If the two positions

funded with administrative assessment were transferred from the AOC to the Supreme Court there would probably be a statutory adjustment needed because currently the statutes would not allow for it.

Mr. Combs summarized that there were two distinct issues for the Subcommittee to decide. The first was a policy decision of whether the Subcommittee wanted to approve the removal of the 16 positions from the unclassified pay bill and allow those maximum salaries to be set by the Court without legislative approval.

Mr. Combs said the second issue was that if the Subcommittee decided that it did not want to remove the positions from the unclassified pay bill the Subcommittee would not have to consider the pooling issue. However, if the Subcommittee decided that it wanted to remove the positions, Fiscal Analysis staff would recommend that the positions not be pooled and they be left in the budget accounts they were in and the Court would be allowed to set the salaries available within each of those accounts.

Mr. Seale asked if the Subcommittee would like to hear the argument for removing the positions from the unclassified pay bill and the pooling of the salaries.

Chairwoman McClain said it was her understanding that the only other agency that had non-classified positions was the Governor's Office and she believed a precedent would be set that could be spread to other offices and all legislative oversight would be lost over the positions.

Nancy Becker, Chief Justice, Nevada Supreme Court, said there were two aspects of the proposal to consider. One was the pooling aspect which would allow the Court to decide who to hire amongst those top executive-level positions and the salaries within the gross appropriation. She said that was something the Governor and Legislative Counsel Bureau had for their executive staff. Chief Justice Becker said they were not asking for the pooling of the salaries of the additional eight positions. She said the eight positions would just be removed from the unclassified pay bill and salaries would be set as part of the budget commensurate with the salaries of the LCB attorneys and the attorneys in the Attorney General's Office.

Chief Justice Becker said she had provided the Fiscal Analysis staff with a tier of salaries and the steps and she had indicated that the salaries would move up step by step. She said if the Subcommittee was not willing to approve a single pooled line item fund she would prefer that the positions be removed from the unclassified pay bill and the tier system be approved. If the tier system was approved she asked that the Subcommittee approve the funding for the first step raises in the tier system. Chief Justice Becker said that would still give the Legislature control over the salaries but allow the Court greater flexibility.

Mr. Seale asked Chief Justice Becker to explain the advantage of the salary proposal. Chief Justice Becker said the advantage was flexibility in future years as the Court looked at its organizational structure. She said currently there were five department heads who all reported to the Chief Justice. She said the Court might wish to decide at some point to establish a position similar to that of Lorne Malkiewich or Michael Hillerby. Chief Justice Becker said that would be one executive position reporting to the Chief Justice and that was the type of flexibility she was referring to as well as the ability to equalize salaries and to hire new positions as individuals retired. She said if the Subcommittee

approved the tier plan that would provide some of the flexibility and would allow the Legislature to control the salaries and that would work well also. Chief Justice Becker said if the Subcommittee was concerned about "the big jump" she would appreciate "the little jump" and approval of the tiers. That would be a big step in helping accomplish some management goals within the Court.

Mr. Seale said he understood what Chief Justice Becker was attempting to accomplish but he had a concern that other offices would ask for the same latitude in setting salaries. Chief Justice Becker said she understood the Subcommittee's concerns.

Chairwoman McClain asked if the Court was included in the unclassified pay study that had been conducted. Chief Justice Becker said the Court had not been included in the study although for the Court Administrator positions the Court had looked at comparable positions in the Executive Branch. She said that for the attorney positions they looked at comparable positions in the Attorney General's Office, the Legislative Counsel Bureau, and the Judicial Discipline Commission.

Chairwoman McClain said the Legislature would not make a decision on the salary study until later in the Session when it would consider the salary issue very broadly. She said attorneys' salaries, for instance, would be compared in all agencies. Chairwoman McClain said she would prefer not to authorize the Court's request at the present time. She wanted to await the decision made on the unclassified pay bill.

Senator Coffin asked if Chief Justice Becker had identified any positions that she believed were close equivalents to political appointees. He said every agency had staff who were involved in politics and he wondered if those were the positions that would be included in the pool.

Chief Justice Becker said the first eight positions dealt with the top policy decisions of the Court, editing and reviewing of opinions for consistency and were the type of positions Senator Coffin referred to. She said the second eight positions were the Court's staff attorneys and the law librarian and were not that type of positions. Chief Justice Becker said that as long as the Subcommittee would make the positions unclassified the Court could present the restructuring of the tiers to be considered at the time the unclassified pay bill was considered. She said detailed information had been provided to staff but had not been provided in the testimony before the Legislature. She said that when testimony was provided on the unclassified pay bill the Court could present testimony on the tiered system.

Chairwoman McClain asked the Subcommittee for questions. There were none.

SENATOR BEERS MADE A MOTION TO ACCEPT STAFF'S  
RECOMMENDATION NOT TO REMOVE THE POSITIONS FROM  
THE UNCLASSIFIED PAY BILL AND NOT TO POOL THE FUNDING  
FOR THE POSITIONS IN THE SUPREME COURT ACCOUNT.

SENATOR RHOADS SECONDED THE MOTION.



THE MOTION CARRIED.

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Mr. Combs said he would be requesting from the Court additional detail on the eight executive positions that the Committee would need when discussing the full details of Decision Unit E-811. Mr. Combs said his understanding of the motion was that the positions would be left in the unclassified pay bill. He said the salaries the Court had requested would still be considered as part of Decision Unit E-811 and he needed the salary information by specific position for the eight positions that the Court had planned to pool. He said that information would be needed to attempt to address the Court's concerns on salary on a position-by-position basis.

**JUDICIAL BRANCH**

**DISTRICT JUDGE/SURVIVING SPOUSE PENSION (101-1491)**  
**EXECUTIVE BUDGET PAGE COURTS-1**

Mr. Combs said the budget served as a pass-through account to the Public Employees' Retirement System for amounts legislatively appropriated to fund the unfunded liability portion of the Judicial Retirement System. He said the amount actuarially determined for FY2006 was \$1,554,600 and \$1,608,800 for FY2007.

Mr. Combs explained that A.B. 412 included an appropriation of \$24.6 million to fund the unfunded accrued liability through a one-shot appropriation that would eliminate the need for the appropriation in the account for the upcoming biennium. Mr. Combs said S.B. 369 made enhancements to the Senior Judge Program and a provision of the bill would allow for senior judges to receive additional retirement credit while working as senior judges. He said that would apply while the judges were receiving their retirement and their salary for working as a senior judge. Mr. Combs said the Public Employees' Retirement System (PERS) had indicated that would be approximately \$200,000 per year fiscal impact on the budget but he believed a revised fiscal note had been submitted indicating that if the bill was amended to sunset the provisions of the bill in four years that during that four-year period PERS would conduct an actuarial study of the costs being experienced and that would remove the fiscal note related to S.B. 369. Mr. Combs said staff's recommendation would be to close the budget as recommended by the Governor.

Mr. Seale asked how the budget would be affected if A.B. 412 and S.B. 369 were passed. Mr. Combs said that if the Subcommittee closed the budget as recommended by the Governor and then A.B. 412 was enacted including an appropriation to fund totally the unfunded liability, the amount of that appropriation could be offset by the General Funds included in the budget.

ASSEMBLYMAN SEALE MADE A MOTION TO CLOSE THE  
BUDGET AS RECOMMENDED BY THE GOVERNOR.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGET CLOSED.

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**JUDICIAL BRANCH**  
**SUPREME COURT (101-1494)**  
**EXECUTIVE BUDGET PAGE COURTS-2**

Mr. Combs said there were three major closing issues in the Supreme Court budget for the Subcommittee to consider. He said the first was a request for four new positions including a Court Document Specialist, a Facility Manager, an Electronics Technician, and a new attorney position for the Civil Division. Mr. Combs said the Court Document Specialist was funded entirely through an offset in the operating expenditures for printing expenses. He said the Printing Division and the Court had determined that if the Court had the Court Document Specialist position, the cost the Printing Division charged for proofing and document preparation could be reduced. Mr. Combs said that based on the information provided by the Court the decision unit appeared reasonable.

Mr. Combs said the second position, Facilities Manager, would serve as a liaison with the Buildings and Grounds Division and coordinate the maintenance, plan and manage any building renovation or expansion project, and would also coordinate special events for the Court. He said the position should be considered in correlation with the request for the Electronics Technician position. Mr. Combs said that the Court, in response to some questions that were submitted by the Subcommittee, indicated that it appeared that the two positions could be combined into the Facilities Manager position. In response to that, staff had moved about \$500 in operating expenses from Decision Unit M-202 into M-201 to support some training on the electronics system and had moved additional money between the decision units for in-state travel in case there were additional electronics issues that needed to be addressed in southern Nevada. Mr. Combs said that based on the duties of the position and the fact that the position could take on the duties of the Electronics Technician, staff indicated that the request for the Facilities Manager position appeared reasonable and that it would support the Court's contention that if the Facility Manager position was approved, the Electronics Technician position would not be required.

Mr. Combs said the final position requested was an attorney for the Civil Division. He said there had been many issues of a civil nature that had come before the Court in the preceding years and the Court believed that such issues were likely to continue at least at the current pace if not at a greater pace. Mr. Combs said that staff believed the request was reasonable.

Mr. Seale asked why the Facility Manager position was needed. Mr. Combs answered that currently the Courts worked with the Buildings and Grounds Division to have services provided. He said the Buildings and Grounds Division contracted out for janitorial and maintenance issues. He said the new position would coordinate those efforts with the Buildings and Grounds Division and serve as a position to do the electronics needed for special events. Mr. Combs reiterated that there was no current position performing the service.

Mr. Seale asked if the functions performed by Buildings and Grounds staff would be transferred to the new position and, if so, what services would the Buildings and Grounds Division provide. Mr. Combs said it was not the proposal

to transfer all of the duties of the Buildings and Grounds Division to the new position. He said it would be additional duties that were currently being performed by the Court Administrator, the Deputy Court Administrator, or whoever happened to be available to provide the services at the time. He said the services of the Buildings and Grounds Division would continue although he thought the new Court position would make the duties of the Buildings and Grounds Division a little less burdensome. Mr. Combs said Buildings and Grounds would still be handling all the contracts for services with the advice and consent of the Court position. He said he did not believe any change should be made in the Buildings and Grounds Division budget based on the new Court position.

Chairwoman McClain commented that the Courts were purchasing new videoconferencing equipment and needed someone to operate it.

Mr. Combs said the second major issue in the budget was funding for the Integrated Electronic Filing and Public Access System. He said the initiative the Court was working on would create a system that would allow for the filing and viewing of documents via the Internet and through the use of an Intranet would provide the Court with the ability to distribute, edit, sign, and file orders and opinions electronically. He said that the Court had indicated that the request was for phase II of a two-phase project and that phase I was funded through their budget for the current biennium. He said a portion of the project was funded with funding that had been approved in the Supreme Court account and a portion was funded with the receipts from the \$50 electronic filing fee that was approved by the Legislature in 2001. Mr. Combs said the Court had submitted a revised budget for the project that reduced the costs to \$169,500 in the first year of the biennium and increased the cost to \$173,550 in the second year of the biennium.

Mr. Combs indicated that the training costs for the project had been reduced from \$21,000 in each year of the biennium to \$10,000 in the first year and \$17,500 in the second year.

Mr. Combs said that since a majority of the funding for the first phase of the project was funded through the proceeds of the \$50 technology fee that was approved by the Legislature in 2001, staff asked the Court if it would be appropriate to use some of that money to fund a portion of the costs for phase II. He said the Court had indicated that it would not be inappropriate but cautioned that those funds might be needed to respond to other unanticipated technology needs that the Court was unaware of at that point. Mr. Combs said that based upon the revised budget provided by the Court, the recommended expenditures appeared to be a reasonable estimate of the costs to do the project and staff recommended offsetting the General Fund needed to support the expenditures in the account by earmarking \$35,000 of the \$50 technology fee in each year of the biennium to help support the costs of the project.

Mr. Combs said the third major closing issue was the move to the Regional Justice Center. He said at earlier hearings of the Subcommittee it was not known when the facility would be ready but currently the estimated occupancy date was October 1, 2005. Mr. Combs said three months of rent expenditures had been removed from the budget but there was approximately \$205,000 of funding that had been approved by the 2001 Legislature in the FY2005 budget for the one-time moving costs and furnishings and equipment costs. Because the move would not occur until after the close of FY2005, the money would revert and the Court would need funding in FY2006 for the costs. Mr. Combs

said, based on staff's recommendation to approve the Facilities Manager position, approximately \$20,000 in contract support costs that were in the original request last session for the \$205,000 could be removed although there had been some inflation in the furnishings costs. He said that in total it was estimated that the amount could be reduced from \$205,000 to \$194,204. Mr. Combs said staff recommended that the Subcommittee consider asking the full committees to include a separate one-shot appropriation for the costs so that the funding would be available over both years of the biennium and that if there were any delays in the opening date of the Regional Justice Center the funds would not revert at the end of FY2006.

Mr. Combs said Decision Unit E-200 recommended the approval of approximately \$11,000 in the first year of the biennium and approximately \$20,000 in the second year for the costs of splitting two full-time attorney positions into four half-time positions. He said the Court had indicated the request was an attempt to provide greater flexibility in the hiring process. Mr. Combs believed that request was reasonable.

Mr. Combs said Decision Unit E-251 was a request for additional funding for salary increases for the 16 positions that had been discussed at length earlier in the meeting.

Mr. Combs stated that Decision Unit E-252 requested appropriations totaling \$40,986 in the first year of the biennium and \$64,430 in the second year to increase the salaries for 14 Senior Law Clerk positions. He said those were unclassified positions and would be considered as part of the Decision Unit E-811 unclassified pay discussions.

Mr. Combs said Decision Unit E-253 requested \$10,000 in each year of the biennium to expand and enhance the in-house attorney training program based on the information provided by the agency and he believed that request was reasonable.

Mr. Combs said Decision Unit E-710 requested \$115,745 in the first year of the biennium and \$88,610 in the second year for replacement and upgrades of equipment and computer software. Mr. Combs said those amounts had been adjusted for the updated prices provided by the Division of State Purchasing. He pointed out that seven laptops with workstation add-ons had been requested each year and he had asked the agency whether the desktop computer request could be reduced. The agency indicated that the laptop computers and add-ons were needed to replace existing stations and to supplement other locations. He said some of the users in the account had more than one workstation and the Court allowed for home use of computers as well.

Mr. Combs said Decision Unit E-711 included \$8,514 in the first year of the biennium to replace the recording system with a new recording system that was similar to the one used by the Legislature. He said the request appeared reasonable.

Mr. Combs stated that Decision Unit E-712 requested \$35,000 in FY2006 for phase III of the Court's security system upgrade. He said phase I was approved in 2001 and phase II was approved in 2003. He said the estimate of \$35,000 was provided by the contractor who performed the work on the first two phases and the request appeared reasonable.

Mr. Combs said Decision Unit E-721 requested approximately \$73,000 for videoconferencing between the Court's Carson City and Las Vegas offices. The Court had indicated there were two sets of equipment and one would be primarily for the use of the Court and the second one would be for the use of the Administrative Office of the Courts (AOC) and other bodies that were appointed as part of the responsibilities of the Court. Mr. Combs pointed out that in the Judicial Travel and Support budget there was a significant reserve on hand currently and staff recommended that in an effort to control the General Fund costs of the videoconferencing equipment that two of those units could possibly be funded through the reserve. The other two units would be a General Fund obligation and, therefore, Mr. Combs recommended only one-half be funded General Fund and the other one-half be funded through the reserve in the Judicial Travel and Support fund.

Mr. Combs said technical adjustments included the elimination of compensatory time payoff expenditures that were not considered an ongoing expense and there were some duplicated expenses for the DoIT Silver Net connection costs and those had been eliminated in the base budget.

Mr. Combs said the in-state travel costs for the Facilities Manager position had been reduced by three trips because the position would not be starting until October 2005 and the building would not be occupied until October 2005. However, he added two trips back into the budget because of the decision not to fund the Electronics Technician position.

ASSEMBLYMAN SEALE MADE A MOTION TO CLOSE THE BUDGET AS RECOMMENDED BY STAFF WITH THREE NEW POSITIONS INCLUDING THE COURT DOCUMENT SPECIALIST, THE FACILITIES MANAGER, AND AN ATTORNEY FOR THE CIVIL DIVISION. THE ELECTRONICS TECHNICIAN POSITION WAS NOT APPROVED. THE MOTION INCLUDED THE APPROVAL OF THE FUNDING FOR THE INTEGRATED ELECTRONIC FILING AND PUBLIC ACCESS SYSTEM AND COSTS FOR THE MOVE TO THE REGIONAL JUSTICE CENTER, BUT DID NOT INCLUDE APPROVAL OF DECISION UNITS E-250, E-251, and E-252.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Beers was not present for the vote.)

BUDGET CLOSED.

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**JUDICIAL BRANCH**  
**ADMINISTRATIVE OFFICE OF THE COURTS (101-1483)**  
**EXECUTIVE BUDGET PAGE COURTS-12**

Mr. Combs said there were two major closing issues in the account that were somewhat intertwined. The first issue was the increase in the professional service expenditures in the base budget. He said the 2003 Legislature approved professional services expenditures of approximately \$1,000 in each year of the biennium. In 2004 the actual expenditures on professional services were almost \$95,000 and those expenditures were included in the base budget for the 2005-2007 biennium. Mr. Combs said that in response to questions the Court

had indicated that it typically averaged approximately \$75,000 in professional services expenditures in each year. That was with the exception of a couple of years when there was an extreme concern about the reserve in that account and the expenditures were approximately \$1,000. Mr. Combs said that although the expenditures had been as high as \$90,000, the most that the Legislature had ever approved in recent years was approximately \$52,389 and that was for FY2002-2003. He said that he started with that number and increased it by 5 percent inflation for each year since then and arrived at a recommendation of \$60,647 in the first year and \$63,679 in the second year.

Mr. Combs said the second issue in the account was a request to transfer a Judicial Branch Auditor position from the budget account to the Division of Planning and Analysis budget. He said that currently the position was funded with Court administrative assessment revenue but if the position was transferred to the Planning and Analysis account, it would be funded from the General Fund. Mr. Combs said the position had been requested in the Division of Planning Analysis in the 2003 Session of the Legislature in response to a legislative audit. He said the audit recommended that the Administrative Office of the Courts (AOC) be the central point for reconciling and verifying the collection of funds and assessments from the cities and counties. Mr. Combs stated that although the position was recommended to be in the Division of Planning and Analysis budget, the Legislature instead approved funding it from the AOC budget through the use of administrative assessments because the duties of the position primarily related to the collection and audit of administrative assessment revenues.

Mr. Combs said the position had not been filled due to the concern about the administrative assessment levels. He said that although it appeared that the reserve would be reduced to \$33,000 or \$34,000 at the end of the biennium if the Auditor position was not transferred or eliminated, the changes that had already been approved in terms of the revenue in the account from the administrative assessments, in addition to the recommendation to reduce professional services expenditures in the base budget, would result in a reserve of approximately \$257,000 at the end of the biennium. He said that would be approximately \$33,000 higher than what was in The Executive Budget. Mr. Combs said that for those reasons he would recommend denying the request to transfer the Judicial Auditor position from the account to the Division of Planning and Analysis account.

Mr. Combs said the other closing issues in the account included two positions, the Court Administrator and Deputy Court Administrator, for which salary increases had been requested. He said the Court had asked that revised amounts be considered when Decision Unit E-811 was considered.

Mr. Combs said Decision Unit E-710 requested two office chairs, various software upgrades, four desktop computers, one laptop computer, and two printers in the first year and five desktop computers, one laptop computer, and one printer in the second year of the biennium. He said those expenditures had been adjusted for the updated pricing information and appeared reasonable.

Mr. Combs said Decision Unit E-720 requested \$10,812 in each year of the biennium for the lease costs for a medium capacity photocopier and \$1,749 in the first year for the purchase of a rotary file cabinet. He said the request in the decision unit appeared reasonable.

Mr. Combs stated that the only technical adjustment was a compensatory time payoff issue that was removed from the base.

Mr. Seale asked if the Auditor position would still perform the same duties if it was moved to the Division of Planning and Analysis account. Mr. Combs replied affirmatively and said the duties for the position would not change in whatever account it was in. He said both accounts were AOC accounts and the duties of the position included making sure the assessments were being transferred to the Court appropriately.

Mr. Seale asked for confirmation that the position was currently vacant and Mr. Combs said it was.

Chairwoman McClain added that if the position was transferred it would be funded from the General Fund. She said she believed it was appropriate to fund the position from the Court assessments.

ASSEMBLYMAN SEALE MADE A MOTION TO CLOSE THE  
BUDGET AS RECOMMENDED BY STAFF. DECISION UNITS E-250  
AND E-251 WERE NOT APPROVED.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGET CLOSED.

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**JUDICIAL BRANCH**  
**DIVISION OF PLANNING AND ANALYSIS (101-1484)**  
**EXECUTIVE BUDGET PAGE COURTS-18**

Mr. Combs said the major issue remaining in the budget was the new Rural Courts Coordinator position funded in Decision Unit E-325. He said the request for the position was based upon a recommendation of the "Interim Study of the Criminal Justice System in Rural Nevada and Transitional Housing for Released Offenders," which was created by the 2003 Legislature and referred to as S.C.R. 32. Mr. Combs said the Committee recommended sending a letter to the Chief Justice indicating that the position should be included in the budget request to coordinate the needs of rural courts. Based on the recommendation of the interim study committee and the response from the Court regarding the salary range for the positions, staff believed that the request appeared reasonable.

Mr. Combs said Decision Unit E-710 requested \$3,064 in the first year and \$2,484 in the second year for replacement and upgraded technology and software.

Mr. Combs stated that Decision Unit E-900 was the receipt of the position that the Subcommittee earlier determined would not be transferred to the account and that decision unit would be eliminated.

SENATOR RHOADS MADE A MOTION TO CLOSE THE BUDGET  
AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGET CLOSED.

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**JUDICIAL BRANCH**  
**UNIFORM SYSTEM OF JUDICIAL RECORDS (101-1486)**  
**EXECUTIVE BUDGET PAGE COURTS-24**

Mr. Combs said the only major issue in the account was in Decision Unit M-200 which was a request for a new Database Management Specialist position in the second year of the biennium. He said the position was being requested to act as the Program Administrator to maintain and advance the functionality of the Multi-County Integrated Justice Information System (MC-IJIS). He said the MC-IJIS system was an electronic data exchange system that allowed various governmental and Court computers to communicate with one another. The system also allowed the system participants to control the information the other participants could view while still allowing the data to be shared across multi-governmental lines.

Mr. Combs said the Fiscal Division staff had one concern and the Subcommittee seemed to have similar concerns during the hearing on March 8, 2005, regarding the system. The concern was that the expenditures in the second year of the biennium were significantly higher than the revenues going into the account. He said the Court had responded that as MC-IJIS went online more fully and there were more users that more and more of the costs of maintaining the system would be funded through user fees. Mr. Combs said that, based on that response, the new position appeared to be warranted.

Mr. Combs said the other closing issues were included in Decision Unit E-710, which included funding for the replacement of two desktop computers, two file servers, and a medium-duty laser jet printer in the first year of the biennium. He said the costs had been adjusted for the changes in prices.

Chairwoman McClain asked if MC-IJIS would help with the information in the criminal repository. Chief Justice Becker responded, "yes."

ASSEMBLYMAN SEALE MADE A MOTION TO CLOSE THE  
BUDGET AS RECOMMENDED BY STAFF.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGET CLOSED.

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**JUDICIAL BRANCH**  
**JUDICIAL EDUCATION (101-1487)**  
**EXECUTIVE BUDGET PAGE COURTS-29**

Mr. Combs brought Decision Unit E-710 to the attention of the Subcommittee. He said the decision unit included funding for the replacement of a desktop computer and software upgrades for the agency's computers in the first year of the biennium and funding for the replacement of one desktop computer in the second year of the biennium. He said staff recommended closing the budget with those adjustments as well as with the adjustments to the administrative assessment revenue.

ASSEMBLYWOMAN KOIVISTO MADE A MOTION TO CLOSE THE  
BUDGET AS RECOMMENDED BY STAFF.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGET CLOSED.

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**JUDICIAL BRANCH**  
**DISTRICT JUDGES' SALARY (101-1490)**  
**EXECUTIVE BUDGET PAGE COURTS-33**

Mr. Combs reminded the Subcommittee that the state funded the salaries and salary-related costs for the District Court Judge positions and any other costs associated with the District Judges were funded by the counties. He said Budget Account 101-1490 only included the personnel costs for the District Judge positions.

Mr. Combs said that on March 2, 2005, the Fiscal Division received a letter from the Public Employees' Retirement System indicating that the contribution rate for the Judicial Retirement System would be decreased from 25.6 percent to 22.5 percent. He said that the decreased rate had reduced the General Fund support necessary in the account by \$210,000 in the first year of the biennium and approximately \$214,000 in the second year. Mr. Combs said those adjustments were reflected in the budget closing document. He mentioned that S.B. 195 would increase the number of district judges in the Eighth Judicial District from 33 to 40. He said that would be seven new judges in Clark County but an amendment had been presented that would reduce the number to 4 new District Court judges. Mr. Combs said those judges would be elected in the general election in 2006 and would begin serving January 1, 2007, and that bill included an appropriation that would fund salary expenditures for those 4 new positions.

ASSEMBLYMAN HETTRICK MADE A MOTION TO CLOSE THE  
BUDGET AS RECOMMENDED BY STAFF.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGET CLOSED.

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**JUDICIAL BRANCH**  
**SPECIALTY COURT (101-1495)**  
**EXECUTIVE BUDGET PAGE COURTS-35**

Mr. Combs said the two major closing issues were the Court administrative assessment revenues and the creation of an account reserve. He said the account was not funded through the regular Court assessment but through a \$7 Court assessment especially for the account that was enacted in A.B. 29 of the 2003 Session of the Legislature. He said the amount included in The Executive Budget was based on the fact that in 2004 approximately 85 percent of the regular assessments also had the special assessment attached and the special assessment could only be attached to assessments for crimes that were committed after the effective date of the new \$7 assessment. Mr. Combs said that over time the percentage would get closer and closer to 100 percent. In FY2005 the actual experience had shown that approximately 90 percent of the regular assessments also included the special \$7 assessment. Mr. Combs said that based on that, and the number of projected assessments for FY2006 and FY2007, he had multiplied 425,673 assessments by 90 percent and multiplied that figure by \$7 to project the new assessment revenue total. He said that had increased the amount shown in The Executive Budget by \$152,990 in each year of the biennium.

Mr. Combs said the second issue dealt with the fact that The Executive Budget included the creation of a reserve for the account. He said the account was viewed by staff as a pass-through account because the money was received in that account and then given to the various specialty courts for their operations. Mr. Combs said that typically a reserve was created to provide funding for unexpected expenditures that arose during the fiscal year for accounts that did not have access to the contingency fund and also to provide startup working capital at the beginning of any fiscal year. Mr. Combs said the Court had a concern that the specialty courts might commit to certain expenditures based on what the Court told them was available and then the administrative assessment level would not be adequate. He said he had reviewed past years to determine the worst case of assessments falling below projection and that occurred in the 2001-2003 biennium and the assessments were 8 to 9 percent below projections in the first year and approximately 14 percent below projections in the second year. Mr. Combs said that based on that he recommended a reserve limited to 10 percent of the amount of the assessments in any given year which would increase the amount of funding that could be provided to help fund specialty Court operations. He said that he made the recommendation because he believed that as much as possible of the \$7 assessment should go to the specialty courts. Mr. Combs said the adjustments to the reserve and to the revenues in the account would increase the amount available to fund specialty court programs by approximately \$722,000 over the biennium.

Mr. Combs said S.B. 369 would be discussed in more detail when he discussed the Retired Justice Duty Fund budget closing, for the purposes of that account, the bill would transfer the administrative assessments that were currently going to the Retired Justice Duty Fund as well as a \$5 filing fee that was currently going to that account to the Specialty Court budget.

ASSEMBLYMAN HETTRICK MADE A MOTION TO CLOSE THE BUDGET AS RECOMMENDED BY STAFF.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGET CLOSED.

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**JUDICIAL BRANCH**  
**JUDICIAL TRAVEL AND SUPPORT (101-1493)**  
**EXECUTIVE BUDGET PAGE COURTS-37**

Mr. Combs said there were no major issues in the account and the only adjustment that was made was the transfer of \$36,490 in the first year of the biennium from the reserve in that account to the Supreme Court account to fund videoconferencing equipment.

ASSEMBLYMAN HETTRICK MADE A MOTION TO CLOSE THE BUDGET AS RECOMMENDED BY STAFF.

ASSEMBLYMAN ARBERRY SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGET CLOSED.

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**JUDICIAL BRANCH**  
**RETIRED JUSTICE DUTY FUND (101-1496)**  
**EXECUTIVE BUDGET PAGE COURTS-40**

Mr. Combs informed the Subcommittee that there was a significant General Fund appropriation request to expand the Senior Judge program in Decision Unit E-225. He said the Governor included in The Executive Budget General Fund appropriations totaling \$1.2 million in the first year of the biennium and \$1.8 million in the second year of the biennium to carry out the enhanced program that had been requested. Mr. Combs said that historically the account had been funded entirely with assessments and filing fee revenue. He said the expenditures included in The Executive Budget for the upcoming biennium represented an increase of over three times the expenditures approved by the 2003 Legislature for the current biennium.

Mr. Combs said that primarily the enhancement in the program was requested to enhance the ability to use Senior Justices and Senior Judges on an increased level to assist with Court backlogs and other critical judicial needs. Mr. Combs said the agency had made a presentation during a March 2005 committee hearing regarding the backlog, especially in the Eighth Judicial District. He said the assessment that had been done by the Court of the Senior Judge program revealed that there was a higher demand for Senior Justices and that the Court could not respond to the demand based on the lack of funds in the account for those requests. Mr. Combs said the Court had provided specific details regarding how it determined that \$3 million was needed over the biennium to

establish the more enhanced program and had provided workload projections. Mr. Combs said the Court had indicated that it wished to revise the request that had been included in The Executive Budget by increasing the General Fund appropriation in the first year of the biennium to \$1.4 million and reducing the appropriation the second year to \$1.6 million.

Mr. Combs said the costs and workload statistics included administrative costs and the Court had not determined whether the funds would be used to hire a permanent, full-time position or if the funds would be used to contract with a consultant or to hire a part-time position. He said the costs included in the budget were based on the costs of a Management Analyst III position. Mr. Combs said it was unclear to him that the duties listed for the position would result in the need for a full-time position but the total funding requested did not appear to be affected by the decision to hire a full-time position or a consultant because any funding that was not used for staffing would be used for salaries for Senior Judges and Senior Justices in the program. Mr. Combs said that, based on the information that had been provided regarding the number of hours and the number of judges who wanted to work, it appeared to him that there were a significant number of hours to justify the \$1.4 million and \$1.6 million.

Mr. Combs stated that the impact of S.B. 369 on the funding of the account was briefly mentioned in the discussion of a previous account but he discussed it in more detail in Budget Account 101-1496. He said Budget Account 101-1496 included administrative assessment revenue totaling \$307,317 in each year of the biennium and, based on the updated projections that the Subcommittee had approved, that had been increased to \$315,383 in the first year of the biennium and \$317,906 in the second year. He said S.B. 369 would transfer from the account to the Specialty Court account the revenue generated by those assessments as well as the \$5 multi-party filing fee that was approved by the 2003 Legislature as part of S.B. 106. He said that fee was projected to generate approximately \$53,000 in each year of the biennium. Mr. Combs said The Executive Budget included the General Fund money necessary to fund the program fully as contemplated in S.B. 369 but The Executive Budget did not transfer the administrative assessments or the filing fee revenue to the Specialty Court as proposed in S.B. 369.

Mr. Combs said the fiscal note provided by the Public Employees' Retirement System (PERS) had been removed from S.B. 369 and the two basic decisions that he believed the Subcommittee needed to make were whether the enhanced Senior Judge program should be funded at the \$1.4 million and \$1.6 million level that had been requested by the Court. If the Subcommittee decided to fund the program at that level, then the second decision was whether the General Fund appropriation should be reduced in the account due to the fact that The Executive Budget included the administrative assessment revenue and the filing fee revenue rather than transferring it out of the Specialty Court account. Mr. Combs said that if the Subcommittee decided to leave the revenue that was currently in the account in place, the General Fund appropriation could be reduced to \$1,011,307 in the first year of the biennium and to \$1,228,784 in the second year of the biennium. He said that would still enable the Court to have \$1.4 million and \$1.6 million available for the Senior Judge program. Mr. Combs said that if the Subcommittee elected to transfer the funds to the Specialty Court program then the General Fund appropriation for the first year of the biennium would need to be increased to \$1.4 million and the General Fund appropriation for the second year would be \$1.6 million.

Mrs. Koivisto asked if the cost of the Senior Judge program indicated the need for additional judges. Mr. Combs said the Fiscal Division staff had no problem with the request based on the need for additional judges but the problem was that the state only funded the salary portion with General Funds and the remaining costs for adding District Court judges was borne by the counties. Therefore, the request was only for four new judges and that was not going to address completely the backlog problems, especially in the Eighth Judicial District Court, but it would, hopefully, keep the problem from getting worse and he believed that was what the program was intended to do.

Senator Coffin said the agency wanted eight new judges in the Eighth Judicial District Court but four had been approved although he would have preferred more. He said it was an important program and he hoped it would help with the backlog since the higher number of judges was not approved.

Chairwoman McClain said there were many retired judges willing to help out with the backlog.

Assemblyman Arberry said the program was needed because the retired judges were experienced and a valuable resource. He believed their experience would help reduce the time spent on cases and believed the state benefited from the program.

ASSEMBLYMAN ARBERRY MADE A MOTION TO CLOSE THE  
BUDGET AS RECOMMENDED BY STAFF.

ASSEMBLYMAN SEALE SECONDED THE MOTION. (Senator Beers  
was not present for the vote.)

THE MOTION CARRIED.

BUDGET CLOSED.

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Mr. Combs asked if the Subcommittee's action pertained to the budget as a whole or only the issue of whether or not to increase the expenditures.

Chairwoman McClain said the action was on the budget account as a whole. Mr. Combs said he wanted to be sure that the Subcommittee understood that the fee funds currently in the budget would be used to offset the amount of General Fund needed.

Chairwoman McClain said that was correct. Mr. Combs said S.B. 369 would make changes to statutory language that would provide some additional enhancements to the program.

Chairwoman McClain asked the Subcommittee if it should "take a stand" on A.B. 412 which would fully fund the unfunded liability in the Judge's Retirement Program.

Mr. Hettrick said A.B. 412 was his bill and he believed it was the correct thing to do but the Subcommittee did not need to make a statement on the bill.

Senator Coffin said he believed A.B. 412 was a good idea although it remained to be seen what funding was available.

**JUDICIAL BRANCH**  
**JUDICIAL SELECTION (101-1498)**  
**EXECUTIVE BUDGET PAGE COURTS-42**

Mr. Combs said there were no significant closing issues in the account and staff recommended closing the budget as requested by the Judicial Branch.

ASSEMBLYMAN HOGAN MADE A MOTION TO CLOSE THE  
BUDGET AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Beers was not present for the  
vote.)

BUDGET CLOSED.

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**JUDICIAL BRANCH**  
**LAW LIBRARY (101-2889)**  
**EXECUTIVE BUDGET PAGE COURTS-44**

Mr. Combs said there were no major closing issues in the account. He mentioned that Decision Unit E-251 would be considered as part of the E-811 discussion for a salary increase for the Law Librarian. He said Decision Unit E-710 recommended funding for the replacement of computer hardware and software and those costs had been adjusted for the Purchasing Division price changes.

ASSEMBLYWOMAN KOIVISTO MADE A MOTION TO CLOSE THE  
BUDGET AS RECOMMENDED BY STAFF.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Beers was not present for the  
vote.)

BUDGET CLOSED.

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**BUSINESS AND INDUSTRY**  
**TRANSPORTATION SERVICES AUTHORITY (226-3922)**  
**EXECUTIVE BUDGET PAGE B&I**

Joyce Garrett, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said there was one closing issue in the budget and that was the revenue projections in The Executive Budget for the limousine fees. She said the amount of revenue collected to date in FY2005 was \$141,200. Ms. Garrett said The Executive Budget recommended \$123,800 in the first year of the biennium and \$126,300 in the second year. She said it appeared that the recommended funding was fairly conservative and could be increased. Ms. Garrett said the Subcommittee might wish to consider three options. She said that the agency had indicated that a 7.7 percent increase to The Executive

Budget would be feasible and an offsetting adjustment could be made to decrease the Highway Fund. Ms. Garrett said the 7.7 percent increase equated to \$9,585 in FY2006 and \$9,753 in additional revenue in FY2007.

Ms. Garrett said the second option was a more significant increase to the limousine licensing revenue. That would be a 20 percent increase which represented \$24,760 in the first year of the biennium and \$25,260 in the second year with an offsetting adjustment to decrease the Highway Fund appropriation.

Ms. Garrett stated that the third option was to accept the recommended revenue authority in each year of the 2005-07 biennium.

Ms. Garrett said that other closing items included Decision Unit E-811 which was the unclassified salary increases as recommended in The Executive Budget. She said one Administrative Attorney position was included in that decision unit. Ms. Garrett said the decision unit recommended a 60.7 percent increase.

Ms. Garrett said Decision Unit E-817 recommended \$7,353 in Highway Fund support in each year of the biennium for routine maintenance costs for the agency's 800 MHz radio system. She said staff requested approval to adjust the recommendation based upon the final Department of Transportation budget closing.

Ms. Garrett said staff requested authority to make adjustments to assessments and cost allocations that might be necessitated by budget closings in other accounts.

Chairwoman McClain asked the Subcommittee to select one of the options identified by Ms. Garrett. Chairwoman McClain said it appeared that the agency's revenue projections were conservative. She said the agency did not anticipate a great deal of growth because the limousine industry was in financial distress and was not spending money to comply with industry requirements such as having insurance. Chairwoman McClain said a number of companies' operating licenses had been revoked and the agency had projected very conservative revenues but Fiscal Division staff believed the revenues would come in higher. Chairwoman McClain summarized by saying that the projection in The Executive Budget was low, the agency proposed a slight increase, and Fiscal Division staff believed it would be better than the agency had proposed.

Senator Coffin said the agency would be "put in a real bind" if the revenue was projected too high and he wondered what the agency would do if that happened.

Mr. Hogan said he was a member of the Transportation Committee and he was unaware of any pending legislation that should radically affect the Subcommittee's decision. He said his inclination with the three choices was to consider increasing the revenue authority by 20 percent to save money for the Highway Fund. He said the trends in the Las Vegas area indicated that the strong economy would continue.

Chairwoman McClain said she agreed with Mr. Hogan.

ASSEMBLYMAN HOGAN MADE A MOTION TO CLOSE THE  
BUDGET AS RECOMMENDED BY STAFF INCLUDING OPTION 2.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.  
(Senator Beers was absent for the vote.)

THE MOTION CARRIED.

BUDGET CLOSED.

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**BUSINESS AND INDUSTRY**

**TRANSPORTATION SERVICES AUTHORITY ADMINISTRATIVE FINES**  
**(226-3923)**

**EXECUTIVE BUDGET PAGE B&I-196**

Ms. Garrett said there were no major closing issues in the budget and staff recommended that the account be closed as recommended by the Governor with one technical adjustment for replacement equipment which included three vehicles and various computer hardware and software. She said costs had been adjusted for the changes in computer hardware and software prices.

SENATOR RHOADS MADE A MOTION TO CLOSE THE BUDGET  
AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL  
ADJUSTMENTS BY STAFF.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Beers was not present for the  
vote.)

BUDGET CLOSED.

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**BUSINESS AND INDUSTRY**

**FINANCIAL INSTITUTIONS (101-3835)**  
**EXECUTIVE BUDGET PAGE B&I-97**

Ms. Garrett said there were three closing issues in the budget. The first issue concerned the revenue projections. She said the agency's fee revenue was primarily flat in each year of the upcoming biennium as recommended by the Governor. She said the agency was asked to review the revenue projections and provide revisions to the Subcommittee. She said the revenue would have a net increase in FY2006 of \$285,986 and \$347,499 in FY2007 with examination fees showing the largest increase with a \$268,080 increase in FY2006 and \$313,048 in FY2007. Ms. Garrett said Fiscal Division staff had reviewed the revenue projections and determined that they appeared reasonable. She said the growth in revenue correlated with the agency's projected growth in the number of licensees.

Ms. Garrett said that if the new Examiner positions that were requested in Decision Unit E-325 were approved additional examination fees would be charged and brought in as a revenue source with the additional positions.

Ms. Garrett continued by saying the Financial Institutions Division currently received a General Fund appropriation set by the 2003 Legislature for an ongoing appropriation of \$1,000 in each fiscal year for the agency to support



operations in case of a downfall in the economy or any other type of funding deficit that occurred. She said any unused funds would revert to the General Fund at the end of the fiscal year. Ms. Garrett said that since the dollar amount of the General Fund appropriation did not appear to be a factor in the purpose of having General Fund support in the budget, which allowed the agency to go to the IFC and have access to the General Fund, the Subcommittee might wish to consider reducing the appropriation of \$1,000 recommended in The Executive Budget to \$100 in each year of the biennium.

Ms. Garrett said the agency had requested five new Examiner positions and they were included in The Executive Budget. She said the agency testified that it had not been meeting its statutory deadlines due to the workload to conduct annual examinations and the agency currently had an existing backlog of approximately 207 exams. Ms. Garrett said the agency's request appeared reasonable based on the workload data that had been provided. She said five new positions had been requested in Decision Unit E-325. In Decision Unit E-901 an Examiner position was being transferred out of the agency to the Mortgage Lending Division and that meant there would be four positions. She said there were currently 14 examiners in the office and they would end up with 18 if the positions were approved. Ms. Garrett said calculations indicated the agency could support 19.2 full-time equivalent (FTE) positions. She said the request appeared reasonable for the agency to address the backlog and to process current workload.

Ms. Garrett discussed two positions being transferred to the Mortgage Lending Division in Decision Units E-900 and E-901, the Deputy Commissioner position and an Examiner II position. She said the two positions were assigned to the Mortgage Lending Division in September 2003 by the Director of Business and Industry when the Mortgage Lending Division was established. She said the Financial Institutions Division had been reimbursed by the Mortgage Lending Division on a monthly basis for the positions and the proposed action would officially transfer the positions.

Ms. Garrett said Decision Unit E-811 recommended salary increases for two positions, the Division Administrator and Deputy Administrator. She said the increase for the Division Administrator would be 6 percent and the increase for the Deputy Administrators would be a 4.6 increase.

Ms. Garrett requested authority to make the necessary technical adjustments.

Mr. Arberry disclosed that he was the owner of a mortgage company and would abstain from voting on the budget. He commented that because of the growth in Clark County and the state, the agency needed the new positions to avoid the types of fraud that had taken place around the country. He said he believed the agency had made a modest request for positions and all the positions were needed to handle the new companies and the complaints filed.

Senator Coffin disclosed that his wife was a Director of a bank and his family owned a significant number of shares in the bank. He said he would not abstain from the vote.

Mr. Seale disclosed that he was involved with a financial institution and he would not abstain from the vote.

SENATOR BEERS MADE A MOTION TO CLOSE THE BUDGET AS  
RECOMMENDED BY STAFF WITH THE REVISED REVENUE

PROJECTIONS, APPROVAL OF REQUESTED NEW POSITIONS AND  
REDUCTION OF THE GENERAL FUND APPROPRIATION FROM  
\$1,000 TO \$100 PER YEAR.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Arberry abstained from  
the vote.)

BUDGET CLOSED.

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**BUSINESS AND INDUSTRY**  
**FINANCIAL INSTITUTIONS INVESTIGATIONS (101-3805)**  
**EXECUTIVE BUDGET PAGE B&I-106**

Ms. Garrett said there were no major closing issues in the budget. She recommended the budget be closed as recommended by the Governor with one technical adjustment for pricing adjustments on computer equipment.

ASSEMBLYMAN HETTRICK MADE A MOTION TO CLOSE THE  
BUDGET AS RECOMMENDED BY THE GOVERNOR WITH  
TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGET CLOSED.

\* \* \* \* \*

**BUSINESS AND INDUSTRY**  
**FINANCIAL INSTITUTIONS AUDIT (101-3882)**  
**EXECUTIVE BUDGET PAGE B&I-109**

Ms. Garrett said there were no major closing issues in the account and she recommended that the account be closed as recommended by the Governor with the technical adjustments.

SENATOR RHOADS MADE A MOTION TO CLOSE THE BUDGET  
AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL  
ADJUSTMENTS.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGET CLOSED.

\* \* \* \* \*

There being no further business, the meeting was adjourned at 10:17 a.m.

RESPECTFULLY SUBMITTED:

\_\_\_\_\_  
Lila Clark  
Committee Attaché

APPROVED BY:

\_\_\_\_\_  
Assemblywoman Kathy McClain, Chairwoman

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

\_\_\_\_\_  
Senator Bob Beers, Chairman

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

<u>EXHIBITS</u>			
<b>Committee Name:</b> <u>Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on General Government</u>			
<b>Date:</b> <u>May 3, 2005</u>		<b>Time of Meeting:</b> <u>8:00 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda