

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

**Seventy-Third Session
May 11, 2005**

The Committee on Ways and Means was called to order at 4:31 p.m., on Wednesday, May 11, 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. Bob Seale
Mrs. Debbie Smith
Ms. Valerie Weber

COMMITTEE MEMBERS ABSENT:

Mr. Richard Perkins

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Mindy Braun, Education Program Analyst
Lila Clark, Committee Attaché
Susan Cherpeski, Committee Attaché

Assembly Bill 398: Makes appropriation for statewide parental involvement and communications consultant. (BDR S-837)

Assemblywoman Debbie Smith, District 30, presented testimony on [A.B. 398](#) which provided funding for a parent involvement/communications consultant in the Department of Education. She said the cost would be \$84,000 for the first year of the biennium and \$105,000 for the second year. Mrs. Smith said Dr. Rheault could answer specific questions about the costs and Barbara Clark would provide the bulk of the testimony on the bill.

Mrs. Smith said that everyone seemed to agree that education was one of the most important issues for which the Legislature was responsible. With No Child Left Behind requirements and the growth that the state was experiencing the Legislature needed to provide assistance from the state level for schools and

families and needed to be proactive in communications regarding education issues. She said the Department of Education was forced to be in a reactive mode at all times because it had no staff dedicated to those jobs. Mrs. Smith said parent involvement activities were parsed out to a staff member who had other primary duties. Communication issues generally fell on the shoulders of the superintendent. Not only was that unfair to the superintendent, whose training was not as a public information officer and who did not have time to be proactive, but it was unfair to the public affected by education policy and information necessary to the well-being of students.

Mrs. Smith said that if the schools could not provide information in other than crisis mode they were not doing a good job. She said the following departments all had at least one public information officer:

- Department of Business and Industry
- Insurance Division within the Department of Business and Industry
- Division of Environmental Protection
- Department of Cultural Affairs
- Department of Employment, Training, and Rehabilitation
- Department of Human Resources (proposed new position)
- Health Division
- Department of Motor Vehicles (Director's Office)
- Department of Public Safety
- Public Utilities Commission
- Department of Transportation
- Attorney General's Office
- Public Employees' Benefits Program
- Secretary of State

Mrs. Smith said that parents, who were the legislators' constituents and taxpayers, deserved to have a staff member in the Department of Education who was dedicated to working with the districts to improve parent involvement and someone who could communicate to the public about education issues. Those could easily be two separate positions but at least one position could make a difference.

Mrs. Smith said that after listening to a budget closing discussion in an earlier meeting of the Committee, it occurred to her that the Legislature always needed to find the money to fund projects. She suggested that if the \$100 million remediation money proposed by the Governor was used, there would still be \$99,811,000 to spend on remediation. She encouraged the Committee to consider the importance of the position.

Barbara Clark, Nevada Parent Teacher Association (PTA), said the PTA supported A.B. 398. Thirty years of research had shown that parent involvement was the number one variable to academic success. She said just as there were academic standards, there were six parent involvement standards. She said legislation was passed in 2001 which required the development of policies based on the six parent involvement standards compiled by the Department of Education, the school districts, and the individual school sites. Ms. Clark said the developed policies had little impact on parent involvement within the state unless there were mechanisms and strategies for implementation. As with all policy, unless it was executed it was just words on a piece of paper. Ms. Clark said that currently only one school district had developed a strategic plan to bring about the policy and that was Washoe County, and Washoe County was also the only school district with a parent involvement coordinator. Ms. Clark said it was unlikely that most of the rural

school districts would ever have the resources to effectively implement their parent involvement plans.

Ms. Clark said she regularly heard from legislators and educators about the importance of parent involvement and how it should be improved. Ms. Clark said the definition of parent involvement varied with each person who posed the question and everyone needed to understand what parent involvement was. She said it was not just volunteering and reading to your child. That was important but more was needed. She said it was training teachers in pre-service classes how to involve parents in teaching their children to learn. Most parents wanted their children to be successful but were not given the tools needed to make them successful because teachers were not trained how to work with parents. She said there were teachers who did not allow parents in the classrooms, administrators who discouraged parents from being on school grounds because the administrators were never trained on how to integrate parents and families onto the school site or how to use them after school hours. Ms. Clark said that very often schools did not have an atmosphere of encouraging and fostering involvement. She asked the Committee to consider, for example, being lost on a high school campus and to imagine if you spoke Spanish how difficult it would be to find your way.

Ms. Clark said that in some schools parent involvement was restricted to fund-raising, open houses, and parent teacher conferences. She said the communication between home and school was often not effective and only one way. There was no partnership in decision making and there were impairments to parent involvement if you did not speak English or had a different cultural base. Ms. Clark said there was research, strategies, and effective programs ongoing across the country but Nevada did not have a position at the state level to carry out such programs or to assist districts with doing so. Ms. Clark said she did not believe implementation of the program throughout the state would ever happen without the position.

Ms. Clark said that within our society we know what we value by the allocation of resources. She said that up to the present, the State of Nevada had not allocated resources to parent involvement. In essence, the resources allocated to parent involvement could be contained in an empty vessel. Ms. Clark said that on the other hand, for example, the Regional Professional Development Program (RPDP) was established in 1999 to train teachers to teach standards and in 2001 the RPDP also established a coordinating council to adopt a system-wide professional development standard for development and implementation of long range plans. The RPDP was asking for funding of \$10,166,525 for 2005-06 and with 20,924 teachers, that equated to an expenditure of \$485.88 per teacher for training. Ms. Clark said Nevada PTA wholeheartedly supported ongoing, systematic training for teachers to help make Nevada students successful. She said that research had indicated that teacher quality was the second most important factor after parent involvement for student academic success. Ms. Clark said the funding requested in A.B. 398 was \$105,000 for fiscal year 2006. As of the 2004-05 school year there were 401,211 students in the state of Nevada and if the bill passed it would equate to 26 cents allocated for parents of Nevada students to provide a statewide consultant who would help the school districts support ongoing, systematic, everyone on the same playing field, parent involvement programs.

Ms. Clark asked what message should be sent to the parents of Nevada's students. She said that as of the current moment parent involvement had no value. Ms. Clark said that with the passage of the bill it would at least say

there was a value of 26 cents per student. Ms. Clark asked the Committee to show that it found parents important and pass A.B. 398.

Dr. Keith Rheault, Superintendent of Public Instruction, Department of Education, said he fully supported the bill. He said it had been well documented that the more parents could be involved in their child's education the better the achievement scores were. He said he looked forward to the Department of Education receiving the position and fully supported subsection 4 of the bill that would require a report on what had been done with the position, what programs had been put in place, and were they effective. He said he believed it was in line with what the Legislature had done six years ago when it funded the Cultural Diversity Consultant and the Indian Education Consultant that were contingent on the positions being effective and a report of their effectiveness being made to the Legislature before they would be continued. Dr. Rheault summarized by saying he hoped the Committee would approve the bill and give the Department a chance to show that a difference could be made, particularly in the rural counties where, unless someone coordinated it on a state level, things just did not get done.

Ms. Giunchigliani said she was not familiar with *Nevada Revised Statutes* (NRS) 392 but it was bothersome to her that a position was being requested before the districts had laid out a plan on how the position would be utilized.

Mrs. Smith said there was a parent involvement policy in statute based on the national parent involvement standards. She said the districts were all required to adopt a policy but the problem was, particularly in the rural counties where staff was not available to implement policies, that sometimes the policy just became a "document on a shelf." She said the State Board of Education had also adopted a parent involvement policy but there was no dedicated staff to attempt to move forward.

Ms. Giunchigliani said that perhaps the policy was the problem and it should include language on how to enact it. She said she did not understand how a consultant would be able to improve parental involvement. She said that as a classroom teacher she had been required to take parental involvement classes as part of her licensing. She did not see how one person could make the districts or teachers more sensitive to what parents' needs were.

Mrs. Smith said she believed the issue was that there was no staff to provide resources or training statewide. She said that Washoe County had developed a strategic plan and was working with the University of Nevada, Reno, on teacher education programs for parent involvement. Mrs. Smith said there was no one centrally located person who could help to filter and share the information. She said there was such a shortage of staff that there was no real training taking place. Mrs. Smith said she believed there were several bills being passed in the Legislature that had some parental involvement mandates for the Department of Education and she said those mandates would be parsed out to staff who already had multiple duties. Mrs. Smith said she believed several staff members could be used statewide to implement a parent involvement plan but at least one staff position should be established to act as a resource to the rural districts as well as the large districts.

Dotty Merrill, Washoe County School District, expressed strong support for the bill and encouraged the Committee to pass the bill and dedicate the resources to enact the bill. She said that in response to the question that was asked about what the person would do, as the only district in the state with a parent involvement coordinator, she said the parent involvement coordinator in Washoe

County was busy "150 percent" of her time. Ms. Merrill said the coordinator arranged various informational events for parents, worked with schools to provide opportunities for them to better communicate with parents attending various meetings in the district, worked on brochures aimed at parents, brought focus groups of parents together to review the brochures so that the district was sure that it was providing what parents needed and wanted to know before resources were expended to provide them to parents.

Ms. Merrill said that the Washoe County School District had found the parent involvement position to be invaluable and believed that it would be invaluable for the other school districts in the state as well.

Joyce Haldeman, Executive Director, Community and Government Relations, Clark County School District, supported the bill and said that a position had been approved and funded in Clark County for parent involvement. She said she had not yet hired a person to fill the position because she was in Carson City and could not conduct interviews but the position would be filled in summer 2005. Ms. Haldeman said that when she was writing the job description for the position she became very excited and wondered how the district had been able to manage without the position. She said she eventually hoped to hire five individual parent involvement specialists, one for each of the regions.

Ms. Haldeman said a state coordinator could work on the activities that the PTA was involved in on a voluntary basis for those schools that had PTA parents and work on needs in schools that had no PTA parents. She said the need for statewide coordination was apparent and that until the position was in place it would be difficult to see how much it could benefit the districts.

Douglas Byington, Nevada Association of School Administrators, said he agreed with all the testimony presented that day on the bill.

Assemblyman Denis asked where the parent coordinator in Washoe County obtained the resources for the program.

Ms. Merrill said that resources were channeled through the Communications office and an additional amount of funding was provided through the district General Fund for the various functions of that office.

Mr. Denis asked where the parent coordinator got ideas for the program and would the district coordinator take advantage of ideas provided by the state coordinator position.

Ms. Merrill said that part of the advantage of having a statewide consultant was that the person could gather ideas that were working in one area of the state, share those ideas, bring in other ideas, develop ideas, and let those ideas build. Ms. Merrill said the Washoe County School District would want to share ideas that had worked well in that district while at the same time learning new strategies.

There being no further testimony on A.B. 398, Vice Chairwoman Giunchigliani closed the hearing on A.B. 398 and opened the hearing on A.B. 37.

Assembly Bill 37: Transfers duties relating to mental health of children from Division of Child and Family Services of Department of Human Resources

**to Division of Mental Health and Developmental Services of Department.
(BDR 39-669)**

Michael J. Willden, Director, Department of Human Resources, said the bill was to be removed from the Agenda and he was not prepared to testify.

Vice Chairwoman Giunchigliani said A.B. 37 had been removed from the Agenda.

**Assembly Bill 361: Revises provisions governing state financial administration.
(BDR 31-856)**

Assemblyman Brooks Holcomb, District 24, submitted Exhibit B, letter dated May 11, 2005, from the Reno-Sparks Chamber of Commerce, Exhibit C, letter dated May 10, 2005, from the Las Vegas Chamber of Commerce, and Exhibit D, Mock-Up of Proposed Amendment to A.B. 361.

Mr. Holcomb said the bill contained a program to promote operational efficiencies within state agencies. He said the program identified and established measures to eliminate agency waste and provided for incentives for departments that implemented cost-saving efficiencies. Mr. Holcomb said the program was modeled after Washoe County's suggestion program which was a nationally recognized county efficiency program. He said he had made a campaign promise to the voters of his district to introduce a program to cut government waste.

Mr. Holcomb said he had the good fortune to have lunch with Washoe County Manager Katy Singlaub and Strategic Planning Manager John Slaughter. Mr. Holcomb said they had told him of their efficiency program and provided him with a copy of the program. He said that with the help of Susan Scholley, Research Division, Legislative Counsel Bureau; John P. Comeaux, Director, Budget Division, Department of Administration; and Carole Vilardo, Nevada Taxpayers Association, he was able to draft and amend A.B. 361. Mr. Holcomb said Mr. Comeaux would explain the bill and its amendments.

John P. Comeaux, Director, Budget Division, Department of Administration, said the purpose of the bill was to provide an incentive to state agencies to become more efficient in their operations and thereby save the state money. He said the purpose of the proposed amendment to the bill was to keep the process as simple as possible initially and focus on agencies that were funded in whole or in part from the General Fund.

Mr. Comeaux said the bill began with Section 2. He said Sections 2, 3, and 4 were simply definitions. The bill defined the Chief of the Budget Division and the Department of Administration. He said Section 5 defined the term "state agency" as the standard department, division, bureau, institution, office, board, commission, or other agency of the Executive Branch of the state government.

Mr. Comeaux said Section 6 was where the "meat" of the bill started. He said the original bill with the amendment would have Section 6 read that each state agency that was funded in whole or in part from the state General Fund should adopt a program to improve the efficiency of the state agency or service provided by the state agency or both.

Mr. Comeaux said Subsection 2 indicated that pursuant to Subsection 1 the program required a list of items that the program would include without limitation, including contracting with a private entity for the purpose of

outsourcing, consolidating functions or services within the state agency, acquiring or improving technology that would result in more efficient operations, and any other policy or procedure that would improve efficiency.

Mr. Comeaux stated that the amendment would delete Section 7 entirely. That section required the formal adoption of a plan and reporting on that plan. He said his opinion was that Section 7 did not add value to the program in relation to the work that would have been involved.

Mr. Comeaux said Section 8 would become Section 7 and would require that on or before October 1 the Chief of the Budget Division would identify the reversions of each agency and that was being done currently. Mr. Comeaux said that subsection 2 indicated that on or before December 1 of each fiscal year the State Controller, with the consent of the Governor, and except as otherwise required, would establish a special account in the state General Fund on behalf of the state agency for which a portion of a reversion had been identified by the Legislative Auditor as savings pursuant to the appropriate section of the act and then transfer the other half to the state General Fund as other reversions were transferred.

Mr. Comeaux said the existing Section 9 of the bill would be eliminated entirely. It was originally intended to provide the same type of treatment for other than General Fund agencies but would be too complicated and would not work. He said that in order to keep the program simple in the initial phase of the program Section 9 would just apply to General Fund agencies.

Mr. Comeaux said Section 10 would become Section 8 and indicated that the Interim Finance Committee would develop a form to be used by state agencies to determine the portion of their reversions identified pursuant to the appropriate section of the act that would constitute savings. He said the state agency using that form on or before October 15 of each year would submit to the Legislative Auditor an application to identify unspent money as a savings. The application must be submitted on the form developed by the Interim Finance Committee. He said the application would be required to include, without limitation, the amount appropriated to the state agency for its work program, the amount authorized for expenditure by the state agency, a description of the claimed savings, and the manner in which those savings were realized.

Mr. Comeaux said that in subsection 3 the bill stated that except as otherwise provided in subsection 4, the description of the manner in which the savings were realized must include the amount of the claimed savings, the program used to realize the savings, the date on which the program was initiated, the time required to carry out the program, the manner in which the program improved the efficiency of the state agency or the service provided by that agency, and any other information necessary to determine whether the savings were realized as a result of increased efficiency and not from money that did not qualify for consideration as savings.

Mr. Comeaux said Section 4 indicated specific sources of funding that would not qualify as savings under the program. He said subsection (a) was money set aside as a reserve pursuant to NRS 353.225 and that was the reserve that the Chief of the Budget Division, with the approval of the Governor, could require agencies to set aside. Mr. Comeaux said subsection (b) was money realized from the deferred payment of a capital expense or for equipment purchased by the state agency including savings realized from price reductions; subsection (c) was supplemental appropriations; (d) was money realized from shifting costs to other state agencies; (e) was money realized by the state

agency from the failure to fill a position unless that position was eliminated; (f) was money received from a grant that was not expended; and (g) was money realized from reducing the amount or quality of necessary services provided by the state agency.

Mr. Comeaux said Section 11 would become Section 9 and would indicate that on or before November 15 the Legislative Auditor would review those forms to identify any amounts that qualified as savings under the act and it would transmit to the Governor for his approval all forms that the Legislative Auditor determined to include amounts that qualified as savings.

Mr. Comeaux said Section 12 would become Section 10 and the section related to the construction of The Executive Budget. Any money expended from one of the special accounts that were set up by the Controller could not be included as an expenditure in the budget of the state agency and therefore would not be built into the base of the agency.

Mr. Comeaux said Section 13 would become Section 11 and that indicated the manner in which the money in the special account could be utilized, and it could be utilized to purchase equipment, including computers, and for expenses related to training employees of the state agency. He said subsection 2 of that section indicated that any interest earned on the money in that special account would have to go into the special account.

Mr. Comeaux said Section 14 would become Section 12 and that would change NRS 353.255, which was the section that required appropriations to be spent for the object specified by the appropriation and prohibited expending the appropriation in any other manner. That would except the amounts transferred to the special accounts from that restriction.

Mr. Comeaux said Section 15 would become Section 13 and that would increase from \$500 to \$1,000 the amount that could be awarded to a state employee under the merit award program, which could result in cash awards to employees who came up with suggestions that saved the state money.

Mr. Comeaux said Section 14 would require the Legislative Auditor to prepare a summary each year of the amounts identified as savings under the program.

Assemblyman Seale asked if the program had a maximum that could be distributed to employees for cash awards. Mr. Comeaux said there was \$5,000 appropriated each year for the merit award program but that would not cap the program that the bill would create.

Ms. Giunchigliani asked how the merit award program had worked in past years. Mr. Comeaux said the state had a merit award program that the Legislature funded at \$5,000 per year and a Board consisting of state employees. He said state employees could submit a suggestion to that Board that would then be reviewed by the employee's agency and if the agency adopted the suggestion and it resulted in savings, under existing law, that employee would be entitled to a cash award up to \$500 and A.B. 361 would increase that amount up to \$1,000.

Ms. Giunchigliani asked how many people had been awarded cash awards. Mr. Comeaux said there were several awards made each year.

Ms. Giunchigliani asked if the program was cumbersome or not well publicized. Mr. Comeaux said the program was a difficult program in that the process was

fairly lengthy. He said the employee would submit the suggestion to the Merit Award Board who would review it and forward it to the agency for its review.

Mrs. Smith asked if the cap should be changed if the "stipend" was being doubled. Mr. Comeaux said the cap had been \$5,000 since the inception of the program and that money had not been spent in any year and he believed that if the amount was changed to \$1,000 the amount might be spent in a year's time. He said the Committee might want to consider increasing the \$5,000 amount to a higher amount.

Mrs. Smith referred to the part of the bill that dealt with contracting with a private entity for the purpose of outsourcing and asked if the state had in statute a regulation about outsourcing. Mr. Comeaux said he was not aware of a statute dealing with outsourcing but the state contracted for many services. He said the Board of Examiners approved contracts for services and he did not know of any restriction on outsourcing.

Ms. Giunchigliani said there had been a committee that looked at outsourcing and privatization that had developed suggested language but she did not believe any language had been adopted.

Mr. Denis asked if the bill would ease the bureaucracy in state government. Mr. Comeaux said he believed it would because it would require state agencies to develop a program to improve their efficiency and one of the dangers of incremental budgeting, which was what the state did, was that programs could get built into the base that might have been a great idea when first accomplished but because that funding was in the base there was a tendency to avoid critically reviewing it as often as it should be reviewed. He said the bill would require the agency to set up a program to improve its efficiency and would give an incentive to take steps to save money because the agency would get to keep one-half of the savings for projects it would not otherwise be budgeted to do. Mr. Comeaux said the two areas that had been identified were equipment and training and those were two areas in which most state agencies were underfunded because there were other priorities.

Mr. Denis asked a question regarding Section 6, subsection 1, line 13. He asked why the program pertained to only programs funded in whole or in part from the General Fund. Mr. Comeaux said that originally the bill provided in Sections 8 and 9 for the program to apply to General Fund agencies and also to non-General Fund agencies and it would not work the way it had been written in those sections. He said it would be complicated to include non-General Fund agencies so Section 9 had been eliminated entirely and, therefore, the program that would be left would apply to General Fund agencies.

Mr. Denis asked if there were other agencies that were not General Fund agencies and whether the bill would apply to them. Mr. Comeaux said it would not apply to non-General Fund agencies, at least initially, but if everyone was pleased with the way the program worked after the first one or two bienniums the program could add other agencies, such as agencies funded with Highway Funds. Mr. Comeaux said it would be complicated to add fee-funded agencies.

Mr. Hettrick commented that Section 8, page 4, line 20, should be amended to add a subsection (h) to address money realized from the timing of the provision of necessary services, otherwise provision could be delayed to some other time and a remainder left in the budget. He said that other than that suggestion, he liked the language of the bill.

Paul V. Townsend, Legislative Auditor, Audit Division, Legislative Counsel Bureau, said that as staff of the Legislative Counsel Bureau he was neutral on the bill but Assemblyman Holcomb requested that he explain to the Committee what the role would be of the Audit Division and the bill's effect on the Audit Division.

Mr. Townsend said agencies would be submitting applications to the Audit Division on October 15 of each year for review and verification and by November 15 a report to the Governor would be made on the savings that had been identified. He said the information could be put on the website, there would be minimal impact to the budget, and it could be done within the Audit Division's budgeted resources.

Carole Vilardo, Nevada Taxpayers Association, discussed the history of bills in previous legislative sessions that contained similar provisions as those contained in A.B. 361. She said the bill that had been proposed in 1993 would have made a cash award to the employees and there was concern expressed by representatives of employee groups that that type of program could be too subjective. Ms. Vilardo said the Nevada Taxpayers Association had supported the concept 100 percent and believed that A.B. 361 was excellently written.

Ms. Vilardo said that the Legislature was charged with having the fiduciary responsibility to efficiently and effectively spend the state's money when the budget was prepared but the reality was that it was the people in the agencies who expended the funds. She said the front line staff were the people who could usually say the best way to do a job. Ms. Vilardo said that was the reason the Cashman Good Government Award had been established and it recognized agencies that were being efficient and were maximizing the use of dollars. She said her recommendation to put the program on the website keyed to that because she believed that legislators received questions from their constituents about how state funds were spent. Ms. Vilardo said the program would allow the public to see a positive side and would provide an incentive for the good employees to come forward with things they believed could be done better. She said putting the program on the website would help legislators to answer questions from constituents and would acknowledge the work of the employees.

Ms. Vilardo said the Nevada Taxpayers Association had consistently supported efficient government and she believed the program would be a motivation toward that goal.

Assembly Bill 127 (1st Reprint): Provides subsidies from Fund for a Healthy Nevada for coverage of certain additional benefits, including dental and vision benefits, for certain senior citizens. (BDR 40-714)

Assemblywoman Kathy McClain, District 15, said she had brought the bill forward on behalf of the Fund for a Healthy Nevada recognizing that Medicare provided very limited services for senior citizens and that lifelong use of tobacco had probably created additional dental problems in our aging population. Ms. McClain said that she felt strongly that dental benefits should be provided for seniors.

Ms. McClain said that the preceding year there had been awarded a \$100,000 grant for a pilot program and that program proved to be very successful. It had helped at least 70 seniors with approximately 47 repeat trips to the dentist.

Connie McMullen, Vice Chairman, Strategic Plan for the Accountability for Seniors, introduced herself and interjected that she believed 60 seniors were helped with 47 trips to the dentist. She said the repeat trips indicated that the dental needs were so severe that they had to return for care.

Ms. McMullen said the pilot program was significant in that it demonstrated the need for the service. She said the pilot program was held in Las Vegas where the population was growing rapidly. Ms. McMullen said the need for senior dental care was well-documented.

Ms. McClain said the criteria for qualifying for the Senior Rx Program provided the criteria for the dental program. She said the bill would provide language in the statute to allow that the tobacco money be used for providing pharmaceutical products, dental, or vision services. Ms. McClain said she wanted the language in the statute so when it was recognized that seniors needed dental care, vision care, and possibly even hearing aids, that the ability to include those services would be in the Senior Rx Program.

Ms. McClain said that the bill did not have a fiscal note attached to it because it was only enabling legislation.

Ms. McMullen pointed out that the bill would require that funds be available in the Senior Rx fund and if funds were not available the program would not be funded. She said the Senior Rx Program should be funded first and she believed if there was additional funding available it should go to the pilot projects.

There being no further testimony on A.B. 127, Chairman Arberry closed the hearing and opened the hearing on A.B. 176.

Assembly Bill 176 (1st Reprint): Requires portion of money in Fund for a Healthy Nevada to be used to provide dental benefits to certain senior citizens. (BDR 40-347)

Assemblywoman Kathy McClain, District 15, said the bill would extend the pilot program to provide dental benefits to seniors. She asked that up to \$500,000 of the independent grant funds from the tobacco money be earmarked to expand the dental program. She said the bill had been amended to become effective October 1, 2006, because that date would coincide with the next grant cycle so that competitive grant applications could be submitted.

Connie McMullen, publisher of the *Senior Spectrum*, said that in 2002 she published an article titled "Oral Health, A Silent Epidemic." The article addressed the deficiency of lack of proper dental care in the state based on a statewide oral health needs assessment that was completed by oral health stakeholders commissioned in the state in 2002. She said the needs assessment essentially identified existing gaps in adequate oral care that included lack of support from policymakers, cited an inadequate number of dental schools with a lack of capacity, lack of incentives to provide dental services to the underserved, inadequate infrastructure, gaps in education, lack of collaboration, coordination, and partnership. She said another deficiency included a lack of state funding for an oral health care program, inadequacies in the current Medicare and Medicaid programs and inadequate coverage from private insurance companies.

Ms. McMullen said funding an oral health care program is what A.B. 176 sought to do for the reasons stated above and because the lack of proper dental hygiene led to poor nutrition, exposure to infection, prolonged periods of pain

often resulting in weakened strength, poor self-esteem, and lack of quality of life. She said poor dental hygiene could be life threatening and should be a required direct preventive service. She said A.B. 176 sought to provide access to dental services and while the cost had drawn some criticism, she did not believe that anyone could deny that the need was very critical.

Ms. McMullen said that the need for seniors' dental services was well-documented in the Strategic Plan for Senior's Health Care and its follow-up report that was given to the Governor in the preceding year.

Mr. Hettrick said there had been criticism of the funding for the program and he said he had been receiving numerous emails from the independent living community who were dissatisfied with the fact that \$500,000 would be removed from the independent living program and "pushed" into the dental program. He said he thought the program was a wonderful idea and felt that it should be done but he had concerns about moving the funds out of the independent living program. Mr. Hettrick said he had been a legislator that had concerns about the dental school and since funds were still "pushed" into the dental school he hoped that the dental school was providing some kind of benefits for senior citizens who needed dental care.

Ms. McClain said it was important to understand that the independent living grants were competitive grants that had to be applied for every two years. She said there was no automatic entitlement from one grant cycle to the next. Ms. McClain said it was appropriate that the funding come from the independent living grants as earmarked for the dental program in the form of grants and contracts.

Ms. McClain said that there was some tobacco money being used as matching funds for other programs that needed to be returned to the independent living grant program. She said the dental school was working as a part of the dental program and she believed that in the future it would be a big help to the program. Ms. McClain said she did not want the dental pilot program to end and she had been told by the Division of Aging that through reversions and the continuing funding the pilot program could be kept in operation until the next grant cycle.

Ms. McMullen said that the bill would not take effect until 2006 and all independent living grantees knew that their funds were only for a period of three years. She said many had the grant and had been receiving the grant since the beginning. Ms. McMullen said she did not mean to imply that some needs were more important than others because there were many unmet needs in the state. She said she had been told by the administrator of the pilot dental program that was recently awarded in Washoe County that the program was in such need that she would be willing to undergo a 5 percent cut overall for her independent living fund if the dental program could be kept operating. Ms. McMullen said the problem was that the program had to start somewhere and then it could work toward collaboration with others for resources. She said the need was important and the grantees of independent living grants would be upset but the issue would become more of an issue in the future as the tobacco settlement funds declined. Ms. McMullen said that efforts were being made to find a new funding mechanism to help offset the problem, including the Letter of Intent that would be written regarding the Children's Health Insurance Program (CHIPS) budget.

There being no further testimony on A.B. 176, Chairman Arberry closed the hearing and called for a short break. After a short break he reconvened the meeting.

BUDGET CLOSINGS

ECONOMIC DEVELOPMENT AND TOURISM **COMMISSION ON ECONOMIC DEVELOPMENT (101-1526)** **EXECUTIVE BUDGET PAGE ECON DEV-1**

Mr. Stevens informed the Committee that the budget had been discussed earlier in the week. He said the Committee had discussed the \$10 million in General Funds that had been recommended by The Executive Budget for regional development authority grants. He said there had been some discussion on utilizing \$250,000 per year for a related purpose and at that point the budget was held for further information and additional discussion.

Robert E. Shriver, Executive Director, Division of Economic Development, reported that he had no information to provide to the Committee. He added that the Commission on Economic Development that day had voted to support the Governor's budget as recommended.

Chairman Arberry said the Committee waited to have the hearing because Mr. Shriver had committed to the Committee that the Commission on Economic Development would be amenable to using funds for economic development of the inner cities. Chairman Arberry said he had no choice but to hold the budget until Mr. Shriver returned to the Committee with a plan to accommodate economic development activities related to inner cities.

Mr. Shriver said he understood.

ECONOMIC DEVELOPMENT AND TOURISM **COMMISSION ON TOURISM (225-1522)** **ECON DEV-21**

Mr. Stevens said the Committee had reviewed portions of the budget earlier in the week but ran out of time. He said the next item up for discussion was Internet advertising.

Lieutenant Governor Hunt said she was present to support the budget and to answer any questions.

Mindy Braun, Education Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that The Executive Budget contained \$50,000 in each fiscal year of the biennium for Internet advertising. She said that according to the agency, the funds would generate approximately 15,000 requests for visitor information at a cost of \$3.25 per request. Ms. Braun said that if the Committee wished to approve funding for Internet advertising there were two options for the Committee's consideration. The first was to approve the funding for Internet advertising as recommended by the Governor and, second, the agency had indicated that the program was a priority 2 program and had said a 50 percent reduction could be provided. She said that would provide a reduction of \$25,000 in each fiscal year of the biennium.

Bruce Bommarito, Executive Director, Division of Tourism, said the agency did not recommend that the program could be successful with the 50 percent reduction. He said the agency was compelled to prioritize projects and he said

he had proposed the 50 percent reduction as an alternative. Mr. Bommarito said the reason the alternative was listed as a priority 2 was because it would cut the effectiveness by 50 percent. He said nothing was submitted for the budget that did not meet the agency's criteria and was over \$800 return on investment for every dollar spent. Mr. Bommarito said the priority 2 projects were compromises and not degradation of the value and the proposal to reduce the funding for Internet advertising came with a degradation of results.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO APPROVE THE INTERNET ADVERTISING WITH A 50 PERCENT REDUCTION.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

Mr. Denis asked if the cost per request would be increased if the budgeted funds were reduced.

Mr. Bommarito responded that the cost per request would remain the same. He said the agency averaged a 62 percent conversion rate, and people, when interviewed afterwards, said they saw the product, came to Nevada, and spent \$462 apiece. He said those numbers were research-driven and factually calculated. Mr. Bommarito summarized that the cost per request would not increase but the number of responses would be 50 percent.

THE MOTION CARRIED WITH ASSEMBLYMAN HETTRICK, ASSEMBLYMAN MARVEL, AND ASSEMBLYWOMAN WEBER VOTING NO. (Mr. Perkins was not present for the vote.)

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Ms. Braun said the Governor had recommended \$450,000 in each fiscal year to increase advertisements in publications from 21 placements in 7 publications to 46 placements in 11 publications. She said there were two options for the Committee. The first option was to approve the funding as recommended by the Governor and, second, the agency again had indicated that the placement of advertising was a priority 2 program and had noted that a 20 percent reduction could be made. That would reduce State General Funds \$90,000 in each fiscal year of the biennium.

Mr. Bommarito pointed out that in the prior fiscal year the agency had taken half of the account to experiment with television advertising and that meant that the account was already at half of what it was in the past. He said the agency had found a great response with the television ads and the continuation of those had been denied. Mr. Bommarito said if the television ads were not going to be continued the agency needed to continue the advertisements in publications because of the return on investment.

ASSEMBLYMAN HETTRICK MADE A MOTION TO APPROVE THE PLACEMENT OF ADVERTISEMENTS AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

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

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Ms. Braun said the Governor recommended \$80,823 in FY2005-06 and \$151,016 in FY2006-07 to be utilized primarily for additional outside postage needs. She said that during fiscal year 2004 the agency spent \$265,397 on outside postage. The agency was budgeted to spend \$543,355 in 2005 and, if the decision unit was approved, would have authority to spend \$670,306 in FY2006 and \$782,536 in FY2007. Ms. Braun said year-to-date expenditures in FY2005 showed \$480,000 had been spent.

Ms. Braun said that if the Committee approved the request, serious consideration should be given to transferring the funds to a separate category. She said the funding, as recommended, would exceed 65 percent of the operating category in both years of the biennium and a separate category would facilitate tracking expenditures and help ensure that funding was used exclusively for outside postage.

Ms. Braun asked the Committee to note that the Governor was also recommending approximately \$200,000 in each fiscal year to convert all print collateral to an electronic version and to provide monthly e-subscriptions to Nevada events and shows. Although it did appear to staff that the conversion from print to electronic would reduce the need for postage, the agency had disagreed and indicated that electronic materials went to a different population from the print. Ms. Braun said that if the Committee wished to approve the decision unit staff requested authority to transfer costs for the outside postage to a separate category.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO
APPROVE THE FUNDING FOR POSTAGE AND MOVE IT TO A
SEPARATE CATEGORY.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION CARRIED. (Mr. Perkins was absent for the vote.)

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Ms. Braun continued by saying the Governor recommended \$87,500 in each fiscal year of the biennium to increase the number of Territory and Open Roads brochures to the estimated amount needed for a one-year supply. She asked if the Committee wished to approve the additional cost for the printing of the brochures to provide a one-year's supply of each brochure.

ASSEMBLYMAN MARVEL MADE A MOTION TO APPROVE THE
BROCHURE FUNDING AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Mr. Perkins was absent for the vote.)

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Ms. Braun said the Governor recommended \$100,000 in FY2006 for the agency's host fund. She said the recommended funds would cover the costs of conducting 32 media familiarization tours at \$3,125 each. Ms. Braun said there were two options for the Committee to consider. The Committee could approve the budget as recommended by the Governor or, because the agency had indicated that the brochure funding was a priority 2 project and noted that a

50 percent reduction could be provided, the Committee could approve the budget and provide a reduction of \$50,000 in FY2006.

Mr. Bommarito said the Society of American Travel Writers last came to Nevada 20 years ago and probably would not come again for 20 years. He said the requested funding was dedicated to making that stay productive for Nevada as it was a once-in-a-lifetime chance to demonstrate the greatness of Nevada so the writers would write about Nevada in their publications.

Mrs. Gansert asked if the full \$100,000 was needed for the familiarization tours. She said it seemed to her that there would be some fixed costs and then less cost for each tour.

Mr. Bommarito said the tours were all separate tours to separate areas with a different group of writers to each area so the cost would not go down by adding people to the tours. Mr. Bommarito said the transportation costs were already taken care of to the initial site through the Las Vegas Convention and Visitors' Authority, who had paid dearly in order to get the convention to come to Las Vegas.

Ms. Giunchigliani said she was not convinced the expense was necessary and she did not understand why \$3,125 was necessary for each familiarization tour. Ms. Giunchigliani said she wondered what the expense would provide for the state.

Lieutenant Governor Lorraine Hunt said she believed the \$3,125 could possibly capture millions of dollars of free advertising in media and publications all over the world. She said it was the best bargain imaginable. Lieutenant Governor Hunt said the tour would include a bus tour to memorable areas in Nevada such as Red Rock Canyon in southern Nevada or Great Basin National Park. She said many photographs were taken and articles were written and it was a great investment for Nevada. Lieutenant Governor Hunt said that even to have the fund at \$100,000 was to her underfunded because there was a great return on the investment. She described the free advertising the state would receive as phenomenal.

Ms. Giunchigliani said the problem was that there was nothing to track the results of the program. Mr. Bommarito said that all print, video, and audio media was tracked and he was very proud that \$22 million worth of free media was generated in the prior year through doing events without the benefits of the Society of American Travel Writers' national conference.

Mr. Bommarito said the general rule in the industry was that there was a five to one believability factor when an article came from a travel writer as compared to a paid advertisement. He said the agency could track the results and the agency would know about every article written by everyone who participated and what it would have cost to buy the advertisement.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO
APPROVE THE FUNDING FOR MEDIA FAMILIARIZATION TOURS
WITH \$50,000 IN FY2005-06.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

Ms. Weber commented that her understanding was that the group of travel writers came to Nevada very infrequently and the funding was targeted at that particular convention.

THE MOTION CARRIED WITH ASSEMBLYWOMAN GANSERT,
ASSEMBLYWOMAN WEBER, AND ASSEMBLYMAN HETTRICK
VOTING NO. (Mr. Perkins was absent for the vote.)

Ms. Braun explained that the Governor recommended a full-time, unclassified Project Analyst II position at a total cost for salary and benefits of \$54,149 in FY2006 and \$74,171 in FY2007. In addition, there were some additional funds for office furnishings, computer and software for the new position. She said that according to information received from the agency the position would provide media relations including writing, editing, and distributing. Ms. Braun asked the Committee to note that the agency currently had 1.5 full-time equivalent (FTE) positions dedicated to media relations. According to the agency the current staff generated approximately \$16.3 million in free broadcast and print news in FY2003-04. The agency also indicated that the ability to generate even more free tourism was restricted only by the limitations of such a small staff. Ms. Braun asked if the Committee wished to approve the new position.

Ms. McClain asked if all the Project Analyst positions in the agency were unclassified positions.

Mr. Bommarito said the agency believed in the necessity of the new position. He said currently there was one clerical position and one unclassified position working on the project. He said the agency felt it had "left several million dollars on the table this year" because the media requests could not all be filled.

Ms. Giunchigliani said she meant no disrespect but the salary of \$74,171 was more than education consultants earned. Mr. Bommarito explained that the figure included the salary, costs, and benefits associated with the position and the person hired would be an experienced media relations person.

Ms. Giunchigliani asked how many more free media events were needed. Lieutenant Governor Lorraine Hunt said free media was very valuable and Nevada was competing in a global economy that was fiercely competitive. She said that in her opinion the entire budget should have been set at what was included in The Executive Budget and she believed a mistake was being made in cutting the budget as that would result in a cut in revenues for education, social services, and all the other needs of government. Lieutenant Governor Hunt said consideration should be given to each and every one of the line items in the budget as to the kind of damage that might be done. She said the Committee might believe it was cutting the budget when it was actually cutting revenues for the state.

ASSEMBLYMAN MARVEL MADE A MOTION TO APPROVE THE
FUNDING FOR THE PROJECT ANALYST II POSITION.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

THE MOTION CARRIED WITH ASSEMBLYWOMAN
GIUNCHIGLIANI, ASSEMBLYWOMAN SMITH AND
ASSEMBLYWOMAN LESLIE VOTING NO. (Mr. Perkins was not
present for the vote.)

Ms. Braun said the Governor recommended \$6,450 in each fiscal year for increased out-of-state travel. She said funding would be utilized for attendance at four additional trade shows and three international programs. She said the Committee could approve the funding as recommended by the Governor or approve the funding for out-of-state travel for three additional trade shows excluding the trade show in Australia. Ms. Braun said the agency had indicated that attendance at the trade show in Australia was a priority 3 program and that travel to that trade show could be eliminated. That would provide a reduction of \$7,500 in each fiscal year of the 2005-07 biennium.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO APPROVE FUNDING FOR THREE ADDITIONAL TRADE SHOWS AND DISALLOW FUNDING FOR THE TRADE SHOW IN AUSTRALIA.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

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

Ms. Braun said the Governor recommended \$11,955 in each fiscal year for increased in-state travel. She said funding would be utilized for participation at two additional sports program events in Nevada and the remaining \$10,875 would expand the Nevada Tourism University. Approval of the funds would provide the agency with \$53,658 per year for in-state travel. She said the actual amount spent in FY2004 was \$41,759. Ms. Braun said the Nevada Tourism University provided rural communities and rural chambers of commerce and visitor's bureaus with training in co-op advertising, marketing strategies, meeting and conference planning. Ms. Braun said that according to the agency, the program had increased the quality of grant applications from the rural areas.

Ms. Braun said the additional funds of \$10,875 would triple the number of classes and participants. She asked the Committee to note that in addition to the \$10,875 the Governor also recommended \$4,500 in each fiscal year of the biennium for additional supplies for the university.

Ms. Braun asked if the Committee wished to approve the additional \$15,375 in each fiscal year of the biennium for increased in-state travel and funding for supplies to triple the number of participants in the Nevada Tourism University. She also asked if the Committee wished to approve \$1,080 in each fiscal year for attendance at two additional sports program events.

Ms. Giunchigliani asked what a Nevada Tourism University was and what was its origin. Mr. Bommarito said that one of the agency's roles was providing grants and training in rural Nevada. Mr. Bommarito said that most of the people working on tourism in rural Nevada were volunteers and the agency had just completed a course in Fallon for 25 people.

Mr. Bommarito said the Nevada Tourism University (NTU) was a traveling rural training program that had been well received in the state. He said it had been started with no funding and was teaching basic, practical skills such as how to write a grant application to the federal government.

Ms. Giunchigliani asked when funding had been allocated for the program. Mr. Bommarito said existing in-state travel funds had been used and all the teachers were volunteers. He said the Executive Vice President for the agency's advertising agency taught the class in Fallon and the agency's employees had expertise for the travel industry.

Ms. Giunchigliani asked what the two additional sports program events were. Mr. Bommarito said those events were related to motorcycles as they were a vastly growing market. He said the agency had been going to trade shows but had not been represented at motorcycle shows.

Ms. Giunchigliani asked if the agency did anything with amateur sports and Mr. Bommarito said the agency did. He said the Sports Commission had not done anything yet and the agency did not need the Commission's assistance. Mr. Bommarito said the agency was involved in the Olympic effort and the Commission was not. The agency had bids out to have international skiing and swimming teams come to Nevada. Ms. Giunchigliani said that perhaps the Governor's Sports Commission could assist the agency with recruiting amateur sports.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO DENY
ADDITIONAL FUNDING.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED WITH ASSEMBLYMAN MARVEL,
ASSEMBLYWOMAN WEBER, ASSEMBLYMAN SEALE,
ASSEMBLYWOMAN GANSERT, AND ASSEMBLYMAN HETTRICK
VOTING NO. (Mr. Perkins was not present for the vote.)

Ms. Braun asked for clarification on the \$1,080 for the two sport program events and Ms. Giunchigliani said it was not included.

Ms. Braun said that to enhance Nevada's presence at trade shows, the Governor recommended establishing authority of \$104,950 in FY2006 and \$157,425 in FY2007 to collect fees from private entities to participate with the agency and Nevada's territories at trade shows. According to the agency, the funds collected would be used to enhance Nevada's booths above what would be available if the fee was not collected. She said that in order to participate, the entities would pay an additional 15 percent above the total amount to participate in that trade show. Ms. Braun asked if the Committee wished to provide authority to the agency of \$104,950 in FY2006 and \$157,425 in FY 2007 for the collection of fees to enhance Nevada's appearance at trade shows.

Mr. Bommarito said there was no cost for the decision unit. He said that when the agency went to trade shows it tried to combine all the Nevada entities together in the same area. He said that saved each of the entities money and instead of paying an individual registration fee the entities were combined to make a bigger presence that represented Nevada better, saved money, and did not cost the agency anything. He said there was no cost because it was a transfer of funds.

Ms. McClain asked if other entities currently paid a fee and Mr. Bommarito said they did pay a fee currently but it would be a lesser fee if they could negotiate

as a group. Mr. Bommarito said even though the fee would be increased by 15 percent it would still be a better bargain for other entities than if they went independently.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO APPROVE THE AUTHORITY TO COLLECT FEES FOR PRIVATE ENTITIES.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

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

Ms. Braun said the next item was the consideration of funding an office in Mexico.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO DISAPPROVE THE FUNDING FOR AN OFFICE IN MEXICO.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

Mr. Bommarito said that recently the five top ski tour operators from Mexico City and Guadalajara were in Nevada in an effort to market Nevada to them. He said the agency was in serious late-stage negotiations with Mexicana Airlines to fly direct to Reno. Mr. Bommarito said there was a huge, very lucrative, high spending market that went to Colorado to ski and missed Nevada.

Mr. Bommarito said that the agency could not afford the Mexico office; however, the Las Vegas Convention & Visitors Authority (LVCVA) paid for three-quarters of the cost and they allowed the agency to have equal representation at the office.

Ms. Weber asked what percentage of foreign travelers coming to Nevada came from Mexico. Mr. Bommarito said the statistics were not firm but he estimated that it was approximately one-third.

THE MOTION CARRIED WITH ASSEMBLYMAN MARVEL, ASSEMBLYMAN HETTRICK, ASSEMBLYWOMAN WEBER, ASSEMBLYWOMAN GANSERT, AND ASSEMBLYMAN SEALE VOTING NO.

Ms. Braun explained that the Governor recommended \$806,298 in FY2006 and \$1,175,718 in FY2007 for an interactive marketing enhancement. Ms. Braun said that the Committee should note that the agency indicated that the components of the interactive marketing enhancement were conceptual in nature and, although the agency believed the recommended expenditures were reasonable and some were based upon surveys sent to vendors, no bids had been sought to confirm that the expenditures were reasonable. Ms. Braun said there were several components to the enhancement.

Ms. Braun said the first enhancement was the Web translation into six languages. That would require funding of \$245,000 in FY2006 and \$35,200 in FY2007 to do a Web translation into six languages.

Ms. Braun said the second enhancement would be to convert all print collateral to an electronic version. That cost would be \$137,038 in each fiscal year of the biennium.

Ms. Braun said the third enhancement would be to upgrade and fix the website. She said it would be one-time cost of \$34,080 in FY2006.

Ms. Braun said the fourth enhancement was funding for e-mail blasts. She said the Governor recommended \$260,000 in FY2007 for the submission of periodic electronic newsletters that promoted selected themes. Ms. Braun said that if the Committee wished to approve the e-mail blasts there were two options: approve funding of \$330,000 as recommended by the Governor; or, the agency had indicated the program was a priority 2 program and had noted that a 50 percent reduction could be provided and the program would still be effective. That would provide a reduction of \$165,000 in FY2006-07.

Ms. Braun said the fifth enhancement was e-subscriptions for Nevada Events and Shows. She said the Governor recommended \$61,500 in FY2006 and \$75,000 in FY2007 to send the electronic version of the Nevada Events and Shows to subscribers.

Ms. Braun said that if the Committee did not wish to approve funding for the agency to convert the print collateral to an electronic version then the e-subscription program should also not be funded as they were tied together. Ms. Braun said the cost to convert the Events and Shows document was estimated at \$22,320. She said the two options were to approve the funding as recommended by the Governor or approve the program as a priority 2 program with a 50 percent reduction which would provide \$30,750 in FY2006 and \$30,500 in FY2007.

Ms. Braun said the next two components concerned the implementation of an on-line reservation system for rural Nevada.

Ms. Braun said that for the Rural Matching Grants Program the Governor recommended \$250,000 in FY2006 and \$500,000 in FY2007 to increase the Rural Matching Grants Program. She said that according to the agency the additional funds would be utilized exclusively for grants to enhance the technology needs of rural partners. She said the Committee should note that the amounts were not based on expected technology needs of the rural partners. She said if the Committee wished to approve the additional funding it might wish to "fence off" the additional funds so that only the technology needs associated with implementation of the online reservation system would be funded with the funds.

Ms. Braun said there were two options for the Committee's consideration. The first was to approve the budget as recommended by the Governor and the second was to approve the program as a priority 2 program with a 33 percent reduction which would provide a reduction of \$82,500 in FY2006 and \$165,000 in FY2007. That would provide a total savings of \$247,500 over the biennium.

Ms. Braun explained the next decision concerned Web-hosting, data tracking/cleansing, and project development. She said the Governor

recommended \$238,480 in FY2006 and \$208,480 in FY2007 to bring Web-hosting in-house for rural partners who did not currently have websites. She said that information received from the agency concerning Web-hosting was not sufficient for staff to make a determination on the reliability of the costs. Ms. Braun said the agency indicated that the request was a conceptual request for funds.

Ms. Braun said that although the Governor also recommended the approval of \$300,000 in FY2007 to develop the online reservation system and \$90,000 in each fiscal year to capture, cleanse, and analyze data from the online reservation system, the agency had indicated that the online reservation system was a high level, conceptual idea. She said specific details would not be available until funding for the project was authorized.

Ms. Braun asked whether the Committee wished to approve funds for the development and implementation of an online reservation system. If so, the Committee might wish to approve the funds to be placed in a reserve category and request that the Commission submit a plan for the specific use of the funds to the Interim Finance Committee.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO RESERVE FUNDING FOR THE REQUESTS WHICH WERE CONCEPTUAL IN NATURE UNTIL A PLAN HAD BEEN DEVELOPED. THE MOTION WOULD APPROVE THE WEB TRANSLATION PROJECT, CONVERTING PRINT COLLATERAL TO AN ELECTRONIC VERSION, AND UPGRADING AND FIXING THE WEBSITE. THE MOTION INCLUDED APPROVAL OF THE E-MAIL BLASTS AT THE 50 PERCENT REDUCTION AND APPROVAL OF THE E-SUBSCRIPTION FOR NEVADA EVENTS AND SHOWS AT THE 50 PERCENT REDUCTION.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

Ms. Weber asked if different dialects would be translated in the Web translation project and would the translation be outsourced. Mr. Bommarito said the project would be outsourced and the agency had received three bids. The estimate included in the budget utilized the lowest bid. Mr. Bommarito said translating the written language would avoid the dialect problem.

Ms. Weber asked if similar firms had been used to translate print media and Mr. Bommarito replied in the affirmative.

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Ms. Giunchigliani suggested approving funds for the Rural Matching Grants Program and "fencing off" the funds so that only the technology needs associated with the online reservation system for rural partners would be funded with the additional funds.

Mr. Bommarito said the technology part was all dealt with in the earlier decision units. He said the item currently under discussion was funding for the traditional Rural Matching Grants for marketing.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO APPROVE THE FUNDING AS RECOMMENDED BY THE GOVERNOR.

Ms. Braun said that Mr. Bommarito's statement was not correct; the issue under discussion did include the technology component of the Rural Matching Grants Program.

Ms. Giunchigliani clarified that she believed the funds should be segregated so their use could be tracked but her motion recommended that the funds be appropriated.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

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

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Ms. Braun informed the Committee that it needed to vote on the Web-hosting, data tracking/cleansing, and project development.

Mr. Stevens interjected that the first motion made covered the issue. He said the funds would be reserved and the agency could return to the Interim Finance Committee and ask that the funds be released after a tentative plan was developed.

Ms. Braun said that the Governor had recommended the approval of \$36,000 in FY2006 and \$45,311 in FY2007 to fund a new 1.0 full-time equivalent (FTE) classified Accounting Assistant III position and related costs. She said the position would replace a position that was reclassified in FY2001-02 through the reorganization of the agency. She said the Business Manager had been converted to Deputy Director. Ms. Braun said that according to the agency, the position would provide accounting services for the Lieutenant Governor's Office which were previously provided by the Department of Administration.

Ms. Braun asked if the Committee wished to approve funding for the new accounting position as recommended by the Governor. Ms. Braun said that it appeared to staff that the information provided by the agency provided insufficient justification to warrant a new position to provide the services unless the commission could substantiate a clear need.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION NOT TO APPROVE THE ACCOUNTING ASSISTANT III POSITION DUE TO LACK OF JUSTIFICATION FROM THE AGENCY.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

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Ms. Braun explained that for the Reno-Tahoe Winter Games The Executive Budget recommended \$75,000 in each fiscal year to support the functions for the Reno-Tahoe Winter Games. She said if the Committee wished to approve the funding, the Committee might wish to request that as a condition of the

receipt of the funds that the Commission on Tourism obtain from the Reno-Tahoe Coalition a breakdown of how the funds would be utilized.

Ms. Giunchigliani said there was a bill in the Senate requesting \$200,000 from the General Fund rather than using the Room Tax Fund. She said if that bill moved forward the funds should come from the Room Tax Fund.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO APPROVE THE FUNDING FOR THE RENO-TAHOE WINTER GAMES AS RECOMMENDED BY THE GOVERNOR. THE MOTION INCLUDED THAT THE COMMISSION PROVIDE A BREAKDOWN OF HOW THE FUNDS WOULD BE UTILIZED.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

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

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Ms. Braun said that staff requested authority to make technical adjustments as necessary.

ASSEMBLYWOMAN LESLIE MADE A MOTION TO APPROVE THE TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

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

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ECONOMIC DEVELOPMENT AND TOURISM
NEVADA MAGAZINE (530-1530)
EXECUTIVE BUDGET PAGE ECON DEV-29

Ms. Braun explained that there was one major closing issue in the account. She said there was a concern that the projected revenues were high and the Committee had asked the agency to work with staff to make the adjustments. The adjustments had been made and if the staff-recommended adjustments for revenues and expenditures were approved the agency would be left with a reserve of \$190,265 in FY2006 and \$90,022 in FY2007. The agency had indicated that it was comfortable with the reserve amounts.

Ms. Braun said there were a few technical adjustments and staff requested authority to make those changes.

Ms. McClain commented that she liked the Nevada Magazine.

ASSEMBLYWOMAN MCCLAIN MADE THE MOTION TO CLOSE THE BUDGET AS RECOMMENDED BY STAFF WITH TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

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

BUDGET CLOSED.

ECONOMIC DEVELOPMENT AND TOURISM
TOURISM DEVELOPMENT (225-1523)
ECON DEV-34

Ms. Braun said there were no major issues in the account and staff recommended the budget be closed as recommended by the Governor.

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

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

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

BUDGET CLOSED.

Assembly Bill 279 (1st Reprint): Revises provisions governing education.
(BDR 34-864)

Ms. Giunchigliani said the bill had been before the Committee the week before and had been amended to remove the financing for dual credits and changed the language based on what Trudy Larson had asked for. She said the bill became enabling so that the State Board of Education and the Board of Regents could continue to work out a mechanism so more students could qualify for dual credits.

Ms. Giunchigliani said that page 2, subsection 3, would read "that the State Board and Board of Regents at the University shall develop a mechanism to improve access to dual credit courses by pupils enrolled in high schools in the state. The Board of Regents may authorize a high school teacher to teach a course that is approved pursuant to subsection 2 on the campus of a high school in this state."

Ms. Giunchigliani said the amendment changed the language of the bill into permissible language and removed the funding of \$250,000.

ASSEMBLYWOMAN KOIVISTO MADE A MOTION TO AMEND AND DO PASS A.B. 279.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

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

Assembly Bill 299 (1st Reprint): Authorizes exchange of land with Reno-Sparks Indian Colony and construction of new restitution center for Department of Corrections. (BDR S-820)

Mr. Stevens said the Committee had heard testimony on the bill about one week before. He said one amendment had been proposed to line 1, page 1, after the words "the state," adding the words "with the approval of the Interim Finance Committee." Mr. Stevens said that after a contract was negotiated and agreed upon, before it would become effective it would have to go before the Interim Finance Committee.

ASSEMBLYMAN MARVEL MADE A MOTION TO AMEND AND DO
PASS A.B. 299.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

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Assembly Bill 313: Makes various changes relating to expenditures required by disasters or financial emergencies. (BDR 31-1145)

Mr. Stevens submitted to the Committee Exhibit E, Proposed Amendment to Assembly Bill No. 313. He said the bill that had originally been proposed was to expand the use of the Rainy Day Fund to allow loans to be made for homes that got damaged in a natural disaster. He said the mock-up of the bill would keep the loan program but the proceeds would come from the Disaster Relief Account instead of the Rainy Day Fund.

Mr. Stevens said that Section 5, page 3, was also amended. He said that since the Rainy Day Fund had been almost completely exhausted during the 2003 Legislature, the provision that any amount in excess of 10 percent of state General Fund appropriations in the General Fund surplus, was that 40 percent of that amount would go to the Rainy Day Fund in the first year of the biennium. Mr. Stevens said the amount was changed to 5 percent. Mr. Stevens said that since there was a statutory requirement for the state to maintain a 5 percent fund balance, that meant that any additional revenue that came in, 40 percent would go to the Rainy Day Fund. Mr. Stevens reported that was what had happened. There was a \$70 million transfer to the Rainy Day Fund based on that provision during the first year of the biennium. He said that since then, there had been \$120 million put back into the Rainy Day Fund plus the Governor was recommending approximately \$70 million during the upcoming biennium and that would put approximately \$200 million in the Rainy Day Fund if the Legislature followed the Governor's recommendation. Mr. Stevens said it had been proposed that the threshold be increased to 10 percent because if it was left at 5 percent, unless there was an economic downturn, monies would automatically go into the Rainy Day Fund.

Mr. Stevens said that the remaining part of Section 5 would allow the Interim Finance Committee to access the Rainy Day Fund in emergencies with the Governor's concurrence.

Ms. McClain asked what the difference was between the Disaster Relief Account and the Rainy Day Fund. Mr. Stevens explained that the Rainy Day Fund, as it was currently configured, could be accessed only if there was a reduction in the General Fund revenue estimate of at least 5 percent or if a

fiscal emergency was declared by both the Legislature and the Governor. He said the Disaster Relief Account was within the Rainy Day Fund and \$2 million per year went into the Disaster Relief Account and the Interim Finance Committee could either approve grants or loans to local governments that were impacted by a natural disaster.

Ms. McClain confirmed that the Disaster Relief Fund was contained within the Rainy Day Fund. Mr. Stevens said that the Disaster Relief Fund was a separately identified account within the Rainy Day Fund.

ASSEMBLYMAN MARVEL MADE A MOTION TO AMEND AND DO
PASS A.B. 313.

ASSEMBLYWOMAN GIUNCHIGLIANI SECONDED THE MOTION.

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

* * * * *

Assembly Bill 500 (1st Reprint): Makes various changes relating to public officers. (BDR 24-127)

Ms. Giunchigliani suggested an amendment on page 2, Sections 4 and 5 of the bill. She said the amendment would pertain to both the Secretary of State's office and the local election department. Ms. Giunchigliani said she wanted "searchability" on the website but that would be narrowed to the election results rather than the campaign reports since those were hand-scanned and that would be too costly. Ms. Giunchigliani said that in subsection 2 of each section the amendment would be that "the abstract of votes required to be maintained on the website" would be searchable. She said that Section 61, page 37, of the bill would also include that the Secretary of State's Office would utilize its Reserve account once a plan was determined on the type of software needed. There would be no General Fund impact as the funding would be taken out of the Reserve account.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO
AMEND AND DO PASS A.B. 500.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

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

* * * * *

Assembly Bill 526: Revises provisions governing class-size reduction program and National School Lunch Program. (BDR 34-377)

Mr. Stevens said A.B. 526 in its current form clarified the match for the National School Lunch Program and also changed the ratio in the class-size reduction program. He said one amendment that had been proposed would retain the class-size reduction ratios in statute but allow waivers to be granted only when the class-size ratio was higher than the allowed funding. Mr. Stevens said that current statute applied to a pupil-teacher ratio of 15 to 1 in grades 1 and 2 but it was only funded at 16 to 1. He said every school district had to get a waiver because they were not including the classes at a pupil-teacher ratio of 15 to 1. He said the amendment would only require a waiver if the district's ratio was higher than 16 to 1.

Ms. Giunchigliani referred to [Exhibit F](#), Proposed Amendment to [A.B. 526](#), submitted by Keith Rheault, Nevada Department of Education. She said Sections 3, 5, and 6 would be stricken from the bill because they would no longer be needed. The new language in subsection 3, formerly Section 4, would eliminate all the variances that were being requested because it had become very paper intensive. She said she did not want to give the impression that her intent on class size was being eliminated or changed. She wanted to make it clear that school districts that did not meet the ratio of students shown in subsection 1, because of the legislative appropriation or through a legislatively-approved alternative class-size reduction plan to accommodate the rural counties, did not have to apply for a variance. Ms. Giunchigliani said that rather than referring back to the 1 to 15 ratio, the verbiage was changed to deal with it legislatively.

Ms. Giunchigliani submitted [Exhibit G](#), an amendment to [A.B. 526](#). She said she had long dealt with the issue of team teaching and both Clark and Washoe Counties were team teaching for the purposes of class-size reduction. The amendment would add a section clarifying the intent of the Legislature regarding team teaching. She said there had been no initiative taken by the school districts to try to promote the need to eliminate team teaching. Ms. Giunchigliani said she believed the public would be supportive of increased bonding for schools and since Clark and Washoe Counties had bonding issues coming up in the near future the amendment might assist in reducing "finger pointing" and help to stop team teaching from becoming the status quo rather than having smaller class sizes.

Ms. Smith supported the idea of moving away from team teaching but she had a concern. She said Washoe County had informed the Legislature about its construction funding crisis and whether the district could meet the intent of the bill based on their inability to issue bonds.

Ms. Giunchigliani said the bill did not mandate actions but gave the districts an opportunity as they went forward with a bonding plan. Ms. Giunchigliani said she did not believe that Washoe County had developed a good plan of what was needed and how it would be funded, unlike Clark County. She said Washoe County had not put together long-term projections. She said Washoe County needed to better explain to the public the needs and the costs. Ms. Giunchigliani said the public wanted inner-city schools to be rebuilt and they were tired of the funding only going to the newer areas. She said if Washoe County built and marketed its plan correctly it would "have a better shot."

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO
AMEND AND DO PASS [A.B. 526](#).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

* * * * *

[Assembly Bill 530 \(2nd Reprint\):](#) Makes various changes regarding ethics in government. (BDR 23-325)

Mr. Stevens said the bill would require newly elected or appointed officials to take a class on ethics and there was a fiscal note attached to the bill. He said he had a memo from the Executive Director of the Commission on Ethics that

indicated in order to comply with that provision of the bill the Ethics Commission would need \$10,900 in the first year of the biennium and \$4,975 in the second year of the biennium. Mr. Stevens said that if it was the intent of the Committee to process the bill, he recommended amending the funding into the bill so if the bill passed the money would be available to the Commission on Ethics.

Ms. Giunchigliani explained the need for a two-hour training class in ethics for new legislators.

Chairman Arberry said it was difficult to find people to run for the Legislature and he felt that requiring a class would make it even more difficult.

Ms. McClain discussed the content of the class.

ASSEMBLYWOMAN GIUNCHIGLIANI MADE A MOTION TO
AMEND AND DO PASS A.B. 530.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

MOTION CARRIED WITH ASSEMBLYMAN MARVEL,
ASSEMBLYMAN HETTRICK, AND CHAIRMAN ARBERRY VOTING
NO. (Mr. Perkins was not present for the vote.)

* * * * *

Senate Bill 91 (1st Reprint): Makes supplemental appropriation to Department of Corrections for unanticipated operating, maintenance, inmate-driven expenses and utilities for Fiscal Year 2004-2005 and for expenses for services relating to takeover of Southern Nevada Women's Correctional Facility for Fiscal Year 2004-2005. (BDR S-1192)

Mr. Stevens said S.B. 91 was a supplemental appropriation for the Department of Corrections that had been included in The Executive Budget for the Southern Nevada Women's Correctional Facility.

ASSEMBLYWOMAN MCCLAIN MADE A MOTION TO AMEND AND
DO PASS S.B. 91.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

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

There being no further business, Chairman Arberry adjourned the meeting at 6:47 p.m.

RESPECTFULLY SUBMITTED:

Lila Clark
Committee Attaché

APPROVED BY:

Assemblyman Morse Arberry Jr., Chairman

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>May 11, 2005</u>		Time of Meeting: <u>4:30 p.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
A.B. 361	B	Assemblyman Brooks Holcomb	Letter dated May 11, 2005 from the Reno-Sparks Chamber of Commerce
A.B. 361	C	Assemblyman Brooks Holcomb	Letter dated May 10, 2005 from the Las Vegas Chamber of Commerce
A.B. 361	D	Assemblyman Brooks Holcomb	Proposed Amendment to A.B. 361
A.B. 313	E	Mark Stevens	Proposed Amendment to A.B. 313
A.B. 526	F	Keith Rheault	Proposed Amendment to A.B. 526
A.B. 526	G	Assemblywoman Chris Giunchigliani	Proposed Amendment to A.B. 526