

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

**Seventy-Third Session  
May 16, 2005**

The Committee on Ways and Means was called to order at 8:35 a.m., on Monday, May 16, 2005. Chairman Morse Arberry Jr. presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Mr. Morse Arberry Jr., Chairman  
Ms. Chris Giunchigliani, Vice Chairwoman  
Mr. Mo Denis  
Mrs. Heidi S. Gansert  
Mr. Lynn Hettrick  
Mr. Joseph M. Hogan  
Mrs. Ellen Koivisto  
Ms. Sheila Leslie  
Mr. John Marvel  
Ms. Kathy McClain  
Mr. Richard Perkins  
Mr. Bob Seale  
Mrs. Debbie Smith  
Ms. Valerie Weber

**STAFF MEMBERS PRESENT:**

Mark Stevens, Assembly Fiscal Analyst  
Mike Chapman, Program Analyst  
Laura Freed, Program Analyst  
Leslie Johnstone, Program Analyst  
Tracy Raxter, Program Analyst  
Susan Cherpeski, Committee Attaché  
Lila Clark, Committee Attaché

**Senate Bill 5 (1st Reprint): Revises provisions relating to certain money received, administered and disbursed by Committee for the Development of Projects Relating to Tourism. (BDR 18-383).**

Nancy Dunn, Deputy Director, Nevada Commission on Tourism (NCOT), presented S.B. 5. Ms. Dunn explained that S.B. 583 of the 2001 Legislative Session had created a rural matching grant program designed to stimulate rural tourism by assisting communities with certain tourism-related needs. Grants from the program were reviewed and approved by the Committee for the Development of Projects Relating to Tourism consisting of three members from the Nevada Commission on Tourism and three members from the Nevada Commission on Economic Development. The Lieutenant Governor served as chair of the committee.

Ms. Dunn indicated that currently the *Nevada Revised Statutes* (NRS) 231.360 limited the transfer of funds for the purposes of tourism development to \$200,000 for each biennium. In addition, NRS 231.360 required the established committee to oversee the allocation of tourism development funds, to request the funds from the State Controller, and receive approval from the Interim Finance Committee before a transfer of funds occurred.

Ms. Dunn said that S.B. 5, as amended, provided that the fund would be budgeted and administered in accordance with the State budget act and would remove the statutory limit on the amount of revenue that could be transferred to the fund for the promotion of tourism. The amount would be established by the full Legislature each session through the regular budget process. The bill would also remove the requirement that IFC approval had to be obtained prior to the transfer of money to the funds. S.B. 5 passed the Senate on April 15, 2005, and was heard by the Assembly Committee on Commerce and Labor on May 2, 2005, and was then referred to the Assembly Committee on Ways and Means.

Chairman Arberry asked why the changes were being requested. Ms. Dunn explained that when the program had been established initially, it was done outside the regular budget process. She noted that the law also required that the program be in a separate account in the State budget process. Since its inception, a budget account had been established for the program and the funding went through the legislative budget process. In the beginning, there had been no budget account established, and the program had been funded by an appropriation in a bill.

As there was no further testimony, Chairman Arberry declared the hearing on S.B. 5 closed and opened the hearing on S.B. 48.

**Senate Bill 48: Makes various changes relating to collection of debts owed to State. (BDR 31-165)**

Teresa Moiola, Assistant Controller, Office of the State Controller, addressed the Committee. Ms. Moiola made the following statement:

I come before you today to provide a brief overview of the history and accomplishments of the State Controller's Office debt collection program.

One of the top priorities of this administration has been and continues to be collecting the state's overdue receivables and maximizing revenues to the state. The Controller's Office is authorized to act as the centralized point of collection for the state; however, we can only collect debt voluntarily referred by state agencies, boards, and commissions. Currently, 23 agencies, boards, and commissions have voluntarily contracted with our office for debt collection services. Over 10,000 accounts totaling over \$20 million are currently in collection. Since the debt collection program began in 1999, our office has collected over \$4 million in revenue that would have otherwise gone uncollected. Our collections to date are detailed in the packets [[Exhibit B](#)] we brought to you today.

Our office is committed to the use of innovative debt collection tools. We utilize several methods of collection including a vendor hold/debt-offset program, in-house collection efforts, and

outsourcing. The debt-offset program is available without a contract with our office to all agencies, boards, and commissions.

Last year, our office renewed a contract with the private debt collection firm of OSI Collection Services, Inc. The fee charged by the company was reduced from 11.75 percent to 10.9 percent. Costs to the state are minimized because fees charged by the collection agency are only charged upon collection and are passed along to the debtor, except when the debt is under \$200 or fees are above \$25,000, per NRS 353C.135. I am here today to request changes to NRS 353C.135 to further reduce fees charged to the state of Nevada.

Ms. Moiola introduced Christi Thompson, Chief Accountant, Debt Collection, Office of the State Controller, and indicated that Ms. Thompson would provide additional detail regarding the requested changes in S.B. 48.

Ms. Thompson provided [Exhibit B](#) to the Committee and made the following statement regarding S.B. 48:

The State Controller's Office through S.B. 48 is requesting three changes to NRS 353C, which governs the statewide debt collection program.

The first requested change is to lower the \$200 restriction to a \$100 restriction for reimbursement of costs and fees for collection of certain debt and increase the maximum charge that can be passed on to a debtor to \$50,000.

There are certain costs to recover any debt regardless of the amount. In the packets you received, I provided a spreadsheet detailing the number of accounts in collections below \$200. Currently, over 4,000 accounts owed the state are under \$200. By lowering the limit to \$100, the state would be able to recover fees associated with collecting the debt. Currently, collection rates based upon this could potentially generate an additional \$48,000 in revenue. It is estimated the state has lost over \$12,000 in collections to date with the \$200 cap. Additionally, by increasing the maximum charge for fees that can be passed on to a debtor, the state can save up to \$25,000 on large settlements.

Secondly, we have requested the inclusion of a provision that stipulates should a debtor default on a payment plan for debt collection and any payment lapses for a period of one year, the State Controller's Office can recalculate and add additional fees even if the maximum fees were previously reached.

We ask for this change because being able to recalculate fees when a debtor lapses on a payment plan for over a year creates an incentive for the debtor to adhere to their agreed upon payment plan and allows the state to restart the process after a 365-day lapse. The state also benefits by recovering costs associated with a longer collection period.

Lastly, we requested a removal of current language that does not allow fees to be charged on interest accrued before an agency turns debt over to the Controller's Office. This has reduced

collections to date by \$5,000. This change will also ensure uniform and consistent treatment among agencies, as some agencies charge penalties or fees while others accrue interest.

Ms. Thompson offered to answer any questions the Committee had.

Chairman Arberry asked whether the debt collection would be done in-house or contracted. Ms. Thompson indicated that there was a contract, and there were fees charged that were passed on to the debtors.

Assemblyman Marvel questioned the fee amounts. Ms. Thompson said that the fee charged by the company was 10.9 percent. She noted that those fees were added onto the collection for amounts up to \$25,000.

Assemblyman Seale confirmed that no additional positions would be needed in the State Controller's Office in order to enact the proposed changes. Ms. Thompson indicated that was correct, and the intent of S.B. 48 was merely to collect more fees.

Assemblyman Perkins asked if the company the Controller's Office contracted with was based in Nevada. Ms. Thompson said it was a nationwide company with an office in Nevada; however, any correspondence to or from the company would be to an out-of-state address because the company had a lockbox for collections in the Midwest. Mr. Perkins commented that there had been similar issues the previous sessions with state agencies contracting with out-of-state companies.

Chairman Arberry asked whether it would be possible to put the contract out for bid so the State Controller's Office could contract with a Nevada company. Ms. Thompson said the two-year contract would not end until 2006. She said there were several companies in Nevada that had bid, the process had been very competitive, and the winner had been a nationwide firm.

Chairman Arberry noted that as there was no further testimony, he would close the hearing on S.B. 48 and open the hearing on S.B. 112.

**Senate Bill 112: Requires State Controller to apply fee for returned checks to other methods of payment that are returned or dishonored. (BDR 31-164)**

Ms. Moiola read the following statement into the record:

I come before you today to provide a brief overview of the State Controller's Office request for an expansion of NRS 353C.115, which allows state agencies to charge a \$25 non-sufficient funds (NSF) fee on returned checks.

NRS 353C.115, added to State statute in 2003 during the 20th Special Session of the Nevada Legislature, requires the State Controller to adopt regulations establishing a fee of \$25 that an agency shall charge a person for each check or draft returned to the agency because the person had insufficient money or credit with the drawee to pay the check or draft or because the person stopped payment on the check or draft.

The State Controller's Office seeks to expand the statute in order to also allow the \$25 non-sufficient funds fee to be levied against any returned method of payment, including credit card and

electronic payments. These returned electronic payments are known as "chargebacks."

Ms. Moiola indicated that Ms. Thompson would also make a statement and then answer any questions the Committee had.

Ms. Thompson provided further detail regarding S.B. 112. She read:

As the Assistant Controller stated, we are here today to seek an expansion of NRS 353C.115 to allow state agencies to add a non-sufficient funds (NSF) fee to any returned method of payment.

Senate Bill 112 makes the \$25 fee established by the State Controller applicable to any method of payment returned or otherwise dishonored. This will ensure consistency in the handling of returned forms of payment, whether they are checks, credit cards, or electronic. Additionally, Bank of America charges the state of Nevada a fee for all forms of returned payments, sometimes as high as \$15 per returned transaction. Staff time is also spent tracking and collecting these chargebacks. This statutory change will allow the state a way of recouping associated costs when credit card and electronic payments are returned.

In summary, the State Controller's Office requests the authority to extend fees to cover all types of returned payments.

Chairman Arberry asked if the \$25 fee was obsolete as most banks and lending institutions were charging \$35 to \$50 fees. Chairman Arberry pointed out that the Governor was opposed to new fees, and he wondered if the Governor would be willing to sign S.B. 112 if the Legislature passed it.

Ms. Thompson said that there was already a \$25 fee in effect for returned checks. Some agencies had their own regulations charging the fee, and the State Controller's Office had wanted to change the statute to ensure consistency throughout the state so all agencies could charge the \$25 fee for a returned payment. She added that she did not know if the \$25 fee was obsolete.

Mr. Seale said he was unfamiliar with the section in the NRS governing the fee, but he was surprised that the existing language could not be interpreted to include electronic forms of payment, considering that an e-check was still a check whether it was paper or not. He asked if the State Controller's Office had not been charging for the chargebacks on the credit card payments.

Ms. Thompson explained that some state agencies had the authority to charge that \$25 fee, the Department of Motor Vehicles (DMV) was one such agency. The language regarding the State Controller's Office was being changed to match the language relating to the DMV because staff from the Treasurer's Office and other agencies did not believe the current language allowed for charges on the return of electronic payments.

Ms. Moiola interjected that when the changes to the statute had been requested in 2003, it was thought that the fee would apply to all forms of payment, but the way the language came out, and after discussions with the Legislative Counsel Bureau, it appeared that the language was restrictive. It said that the fee could be applied specifically to checks or drafts that were returned. The extension was necessary in order to cover those other forms of payment, and

the proposed language stated that the fee could apply to all forms of returned payment. Only those agencies, like the DMV, that had the language stating that the fee could be applied to all forms of returned payment, were able to charge the fee. Currently, most state agencies could only charge the fee on checks or drafts, but S.B. 112 would change that policy.

Mr. Seale asked if the requested language was similar to the language regarding the Treasurer's Office. Ms. Moiola said the only agency that had the "all forms of returned payment" language was the DMV. As far as the rest of the state agencies were concerned, the NSF fee could only be charged on returned checks or drafts.

Mr. Marvel asked if S.B. 112 had been discussed in the Senate hearing of the bill. Ms. Moiola said that there had been discussion and the bill had already passed the Senate.

Mr. Marvel asked why the language had not been amended in 2003. Ms. Moiola explained that the bill had passed during the 21st Special Session, and at that time the Legislature was concerned with bigger issues and it had simply been an oversight.

Mr. Marvel questioned the number of returned payments, and Ms. Thompson indicated that the returned payments were mostly in the form of returned checks rather than returned credit card payments; however, as more agencies began to accept credit card payments, that number would grow. She said the Treasurer's Office would have to provide the exact numbers.

Chairman Arberry asked if there was any further testimony. There being none, Chairman Arberry declared the hearing on S.B. 112 closed and opened the hearing on S.B. 328.

**Senate Bill 328: Makes various changes related to public retirement systems.  
(BDR 23-82)**

Dana K. Bilyeu, Executive Officer, Public Employees' Retirement System (PERS) of Nevada, addressed the Committee and made the following statement:

Senate Bill 328 is the System's technical legislation. The Retirement Board has no bill seeking modifications other than the minor revisions contained within this bill.

Section 1 of the bill amends NRS 286.6703 to remove Social Security numbers from qualified domestic relations orders. Currently, the law requires PERS' domestic relations orders to contain the Social Security number of the member and the alternate payee. It also requires their name, current address, and their date of birth, so all identifying information is contained within one order that can become a public record when it is held at the courthouse. We are seeking to remove Social Security numbers from that; we will still require them to be transmitted to us individually, but it should not be made part of the public record.

Section 2, beginning at line 29 on page 3, amends the law governing survivor benefits to children of deceased members. Currently, a child's survivor benefit may be continued between the ages of 18 and 23 as long as the child remains a full-time student. The System had been providing reinstatement of the child's benefit

if they took a break from student status or fell below full-time student status. A recent Attorney General's opinion indicated that the law, as presently written, does not provide for reinstatement. If the child fails to maintain full-time student status, the benefit simply ceases. The PERS' requested modification would allow the System to reinstate the benefits to a child between the ages of 18 and 23 if the child returns to full-time student status. There is not additional actuarial cost associated with the modification, because the actuary prices this benefit as if each child receives the benefit until age 23, as the System's practice has always been to allow for reinstatement.

The PERS is seeking a technical change to the Judicial Retirement Act to clarify provisions regarding participation in the Judicial Retirement Plan.

Sections 3, 4, and 5 of the bill make changes to the election provisions in the Judicial Retirement System, NRS Chapter 1A. Under current law, a judge who is a member of the PERS when elected or appointed as a judge may withdraw from the PERS and become a member of the Judicial Retirement System. However, under current law it is unclear which of the systems, the PERS or the Judicial Retirement System, a newly appointed or elected judge would participate in if he fails to make an election regarding his PERS membership within the required time period.

The current language of NRS 1A.270 provides that a judge will become a member of the Judicial Retirement System unless he elects to remain a member of the PERS. The current language of NRS 1A.280 provides that a judge will remain a member of the PERS unless he elects to withdraw from the PERS. The current language of NRS 1A.300 provides that a judge will be a member of the Judicial Retirement System if he does not elect to remain a member of the PERS. Therefore, if a judge fails to make an election one way or the other regarding his membership in the PERS, it is unclear as to which system he would become a member. The amendments in Sections 3, 4, and 5 of the bill harmonize the election provisions to make it clear that if a judge fails to make an election within the required time period, he will remain a member of the Public Employees' Retirement System.

Chairman Arberry requested clarification regarding the reinstatement of survivor benefits to children attending school. Ms. Bilyeu said that the current language did not allow for any exceptions to the full-time student status requirement, but there had been instances where individuals had taken time off from school for various reasons, and the PERS had actually been reinstating those individuals; however, the current benefit design was just for students.

Assemblywoman Giunchigliani asked how full-time status was defined. Ms. Bilyeu said a student must take 12 credits to be considered a full-time student.

There was no further testimony, and Chairman Arberry closed the hearing on S.B. 328. He opened the hearing on S.B. 384.



**Senate Bill 384 (1st Reprint): Revises provisions relating to Department of Public Safety. (BDR 23-404)**

Colonel David S. Hosmer, Nevada Highway Patrol, Department of Public Safety, presented S.B. 384. Colonel Hosmer explained that S.B. 384 would change three provisions. The first change was cleanup language in NRS 289 regarding peace officer powers for Highway Patrol personnel to allow them to take action for crimes occurring on the highways. Colonel Hosmer noted that the change would bring the Highway Patrol Division into line with other Department personnel in other divisions under the Department of Public Safety (DPS) officer model. The second provision related to NRS 480 and would allow the Highway Patrol Division to have a revolving account so that customers purchasing accident reports could be given exact change. The third provision of the bill would allow for fees collected for amber light permitting to be deposited in the state Highway Fund as opposed to the Motor Vehicle Fund.

Chairman Arberry asked if the revolving fund request was standard procedure. Colonel Hosmer indicated that it was standard.

John Borrowman, Administrative Services Officer III, Nevada Highway Patrol (NHP), Department of Public Safety, offered additional detail. Mr. Borrowman explained that when the Department of Public Safety and the Department of Motor Vehicles had become separate departments, there had been several change funds originally appropriated to the Department of Motor Vehicles that had remained in the individual commands, while other commands did not have change funds. When the public came to the NHP to pay for accident reports or amber light permits or other fees, the NHP had no way to make change. Mr. Borrowman asserted that the change fund was a necessary part of doing business. He added that the bill would finish the cleanup of the split between the DMV and the Department of Public Safety. It would make those funds part of the Highway Fund so the change funds could be returned to the DMV, and there would be change funds in the areas that did not currently have one so fees could be processed.

Chairman Arberry noted that on page 6, Section 8, of the bill, there was a line item that read "[NRS 480.360] is hereby amended to read as follows: The duties of the personnel of the Nevada Highway Patrol include, without limitation..." and he wondered what "without limitation" entailed.

Colonel Hosmer indicated that the language removed the restrictions that had been in NRS 480.330 and NRS 480.360, and ensured that when officers came upon a crime on the highway there were no legal standards to prohibit them from taking action.

Mr. Seale commented on the change fund and asked how much money would be needed in the change fund. Mr. Borrowman clarified that the change fund was not a petty cash fund, it was strictly a change fund, and the amounts would be approximately \$100 in each command. Mr. Seale said that was reasonable.

Chairman Arberry closed the hearing on S.B. 384 and opened the hearing on S.B. 401.

**Senate Bill 401 (1st Reprint): Makes various changes concerning provision of certain transportation services. (BDR 38-1395)**



Jay Parmer, President, American Strategies, representing Logisticare, Inc., spoke in support of S.B. 401. Mr. Parmer explained that Logisticare administered the non-emergency transportation contract for the state Medicaid Division, and had done so since October 2003. The Medicaid non-emergency transportation program provided transportation to Nevada Medicaid and Nevada Check Up beneficiaries who would not otherwise be able to get to and from their medical appointments.

Mr. Parmer said that the current regulatory environment administered by the Transportation Services Authority (TSA) was ill-suited to regulate the Medicaid service. Of the 10 states where Logisticare performed similar services, 9 of the states regulated non-emergency transportation through their Medicaid divisions. Senate Bill 401 sought to create that same situation in Nevada. He added that the non-emergency transportation network in Nevada was woefully lacking in approved providers, resulting in a lack of transportation services for Nevada Medicaid and Nevada Check Up recipients, especially in Las Vegas where nearly 40 percent of the load was carried through taxicabs.

Mr. Parmer opined that the solution to the problem was to license more contract motor carriers to perform Medicaid transportation services exclusively, but that was problematic due to the "one size fits all" approach that the TSA used in licensing transportation applicants. Senate Bill 401 corrected that problem without compromising safety or responsibility, as the carriers approved through the new process would still have to meet the same or higher standards for insurance and safety, and the vehicles used would be subject to continuing safety inspections by the TSA. He urged the Committee's support of the legislation, which had the support of the Medicaid Division, as it would benefit the many Medicaid and Nevada Check Up beneficiaries who were underserved due to the current regulatory environment.

Scott Scherer, Hale Lane Peek Dennison and Howard, Attorneys at Law, outside counsel for Logisticare, Inc., addressed the Committee and outlined portions of the bill. Mr. Scherer explained that Section 1 of S.B. 401 said that the Department of Human Resources would contract, to the extent authorized by federal law, for the provision of transportation services for Medicaid and Nevada Check Up clients. That was currently a requirement for the state Medicaid plan and was required by federal law, so that was not a change, but that section also stated that the Director could adopt regulations concerning the qualifications of the individuals with whom the Division contracted. Subsection 3 required those qualifications to include insurance and safety standards at least as high as those standards currently being applied. Mr. Scherer pointed out that, in reality, those standards were higher than what the TSA normally required.

Mr. Scherer continued outlining the bill and said that Section 2 of the bill was a technical cleanup to include those provisions in the funds that paid for the services. Section 3 applied to brokers of the services. There was already a provision in the law exempting certain brokers from TSA requirements, and that provision would be continued. Section 4 was the most important part of the bill and, lines 18 through 21 on page 3, exempted the common motor carriers and the contract motor carriers from the provisions of NRS 706. He commented that ambulances and hearses were mentioned but were already in the statute, while subsection C was a change. The change was not unusual and there were a number of exemptions in existing law, including one mentioned on line 28 of the bill for non-emergency medical transportation to certain facilities, and another on page 4, lines 13 through 17, applied to carriers of elderly or disabled passengers, which had a similar provision for determining whether the vehicles

in operation were safe. He explained that the provision in subsection C mirrored that provision, but the insurance requirements had been added because, while many Medicaid recipients were elderly or disabled, not all were, and the exemption needed to cover those recipients as well.

Phillip D. Nowak, Chief of Business Lines, Division of Health Care Financing and Policy (DHCFP), Department of Human Resources, spoke in support of S.B. 401 and provided [Exhibit C](#) to the Committee. Mr. Nowak noted that the DHCFP could be considered the Medicaid Division, as it had responsibility for that program and the Nevada Check Up program. The DHCFP was responsible for the oversight of non-emergency transportation services as it pertained to Medicaid and Nevada Check Up recipients; specifically, the DHCFP oversaw the contract with the non-emergency transportation broker, Logisticare, Inc.

Mr. Nowak said the Division supported the bill for the reasons outlined by Mr. Parmer and Mr. Scherer. He said there had been difficulties, particularly in Las Vegas, with the demands on the transportation system, and specifically taxicabs. Those issues had an impact on the service population in terms of access to coverage services, such as doctors' appointments and recurring visits. The recipients would benefit if provisions of the bill were enacted, allowing new providers to enter the market who would be focused on providing services to the Medicaid and Nevada Check Up recipients, rather than forcing the recipients to compete with the demands of the tourist industry and the growth of Clark County. He stated that there was a benefit from the recipient standpoint, as well as the potential cost benefit of having additional providers.

Chairman Arberry questioned whether the bill would provide more access for the clients. Mr. Nowak said the DHCFP thought it would provide more access. He explained that the current pool of available carriers over the two years that the contract had been in place had not changed, but the demand and the competition had changed. The provisions in the bill would allow for additional carriers who were oriented toward providing services to Medicaid and Nevada Check Up recipients, rather than to other needs in the community, which would make access better or, at the very least, more timely. There would be a benefit in that regard.

Mr. Scherer interjected that one of the problems Logisticare had encountered with the current provider network in Las Vegas was that the providers provided services in a number of different areas and were not focused on serving the Medicaid and Nevada Check Up recipients, so when a large convention, or other major event, was taking place in Las Vegas, the providers were not always available during that time period. That meant that those recipients who had doctors' appointments scheduled during that time period, had to reschedule, and it could take several weeks to get a new appointment.

Chairman Arberry questioned whether the changes would make it more difficult for the recipients of the services to make the necessary transportation arrangements.

Mr. Nowak assured him that it would not be difficult as the current process would not change. Any Medicaid or Nevada Check Up recipient throughout the state had access to Logisticare, and Logisticare made the arrangements through its network of providers. He reiterated that the process for the recipient would be the same; the bill would merely improve the service level by increasing the pool of providers.

As there was no further testimony, Chairman Arberry declared the hearing on S.B. 401 closed and opened the hearing on S.B. 460.

**Senate Bill 460 (1st Reprint): Revises provisions governing class-size reduction.  
(BDR 34-1091)**

Keith Rheault, Superintendent of Public Instruction, Department of Education, presented S.B. 460. Mr. Rheault explained that the key component of the bill was Section 4, which continued to authorize rural school districts the opportunity to use the class-size reduction alternative plan. Currently, the authority for school districts to offer the plan was found only in a reviser's note and was scheduled to sunset June 30, 2005. If Section 4 of the bill was not enacted, Elko, Churchill, and White Pine County School Districts would have to be notified that their plans needed to be revised and they would have to adhere to the class-size reduction requirements in grades 1 through 3. He added that the alternative plans were due on May 31, 2005, and until action was taken on the bill, he would be unable to inform Douglas County School District as to whether or not they would be permitted to use the alternative plan.

Mr. Rheault noted that Section 5 of the bill would allow the larger school districts in Clark and Washoe Counties to use the alternative plan, if the intent was to reduce team teaching. He noted that 88 percent of the team teaching classrooms in the state were found in Washoe and Clark Counties. The alternative plan would be one way to eliminate those team teaching classrooms.

Mr. Rheault indicated that the bill was fiscally neutral. The alternative plan could not be used unless it could be done within the funding received for the regular grade 1 through 3 class-size reduction. He added that he, as superintendent, could not approve the alternative plan submitted by the districts unless it met the requirements.

Assemblywoman Giunchigliani asked if S.B. 460 would affect the waiver provisions in A.B. 526. Mr. Rheault said the two bills would work together as A.B. 526 would align the waiver provisions with similar wording to the language in S.B. 460, allowing districts to use either the class-size reduction requirements in first through third grade or the alternative plan. If districts met the required students per teacher ratio, they would not need to apply for a waiver, but that was based on the funding provided by the Legislature.

Ms. Giunchigliani asked how it was determined which districts used the alternative plan, and she remarked that she wanted to limit the use of the alternative plan to the rural school districts. Mr. Rheault said that Section 5 contained the provision that Clark and Washoe Counties would be able to apply if certain conditions were met, such as reducing or eliminating team teaching where there were physical facility problems.

Ms. Giunchigliani pointed out that she did not support allowing the urban school districts to use the alternative plan, so that section would need to be amended.

Chairman Arberry closed the hearing on S.B. 460 and opened the hearing on S.B. 464.

**Senate Bill 464 (1st Reprint): Revises certain provisions relating to state financial administration. (BDR 31-580)**

Brian Krolicki, State Treasurer, presented S.B. 464. Mr. Krolicki explained that S.B. 464 would do three things: clarify a new program passed in 2003

regarding pool collateral, eliminate the archaic travel fund function, and avail to the state a brand-new way to fund projects, which was essentially a commercial paper program that would save money for the state.

Mr. Krolicki outlined the bill and said that the first part, Sections 1 and 2, referred to the pool collateral program. That program allowed all public deposits to be properly collateralized in a pooled manner, which meant it was safer and more efficient, and had been working well. The definition, however, had prohibited certain governmental entities from participating by legal interpretation, so the changes in Section 1 would allow those who wished to be covered to be covered. The changes in Section 2 allowed local governments to not have to make certain disclosures in regard to the Governmental Accounting Standards Board (GASB). By making the clarification in the bill, the collateral held in the pooled program would not be in the State Treasurer's name, it would be held in the pool's name, which was an important distinction for the GASB requirements.

Mr. Krolicki noted that Sections 3 through 7 referred to the travel account that had been part of the Treasurer's Office for many years. The travel advance check-writing ability in the Treasurer's Office had not been used since October 31, 2000. The program had to be kept viable in the event that the Treasurer's Office had needed to write a check to a traveling employee, but the Diner's Club program had been a successful tool and, coupled with the efficiencies and abilities of the new Integrated Financial System (IFS), had rendered the travel account obsolete. Eliminating the travel advance check-writing ability would allow for the reversion of approximately \$186,000 to the General Fund. He indicated that the State Controller's Office was in agreement and felt the account should be eliminated.

Mr. Krolicki said that Sections 8 through 14 referred to the new financing mechanism, which was essentially a commercial paper program. He explained that commercial paper was a program that corporate America used. The Treasurer's Office sold bonds regularly, but the ability to have a commercial paper program would essentially allow the Treasurer's Office to borrow short-term, less than 270 days, and it was a way to pool several bond issuances together. The Treasurer's Office could take advantage of the "short part of the yield curve," which meant savings to the state.

Mr. Krolicki illustrated how the program worked using an example of a situation with the Nevada Department of Transportation (NDOT). He explained that the NDOT had a \$98 million bond issue in 2003. The Treasurer's Office calculated that, if the Treasurer's Office had had the ability to do commercial paper at the time and the flexibilities associated with that, the NDOT could have saved approximately \$3.5 million on lower interest costs. Mr. Krolicki opined that it was profoundly important and would be meritorious for the state.

Mr. Seale asked if the language in the bill would truly eliminate the travel fund. Mr. Krolicki indicated that was correct. Mr. Seale commented that the travel fund had been a "headache" for the Treasurer since its inception. He added that the collateral pool appeared to be working well, and asked who was not participating in the collateral pool.

Mr. Krolicki said that the group that had been identified that was not participating but wished to be part of the pool was the Nevada Rural Housing Authority. That group had been outside of the definition, so the quasi-governmental agencies that wished to partake would be able to if the bill were passed.

Mr. Seale asked if the administration of the collateral pool had been easier and more efficient than what had been done before. Mr. Krolicki said that it had been. He stated that every public deposit needed to be properly collateralized, but previously all banking institutions had to have each account standing alone in terms of being properly collateralized. Pooling them allowed all the governmental agencies' investments to be put together for collateralization purposes, so it was more efficient for all parties involved, while ensuring that public deposits were properly collateralized.

Mr. Seale noted that with the pool, the deposits were probably being "overcollateralized" and he asked if Mr. Krolicki knew by what amount the deposits were being overcollateralized. Mr. Krolicki replied that the deposits were collateralized at 102 percent and the systems were available to ensure that the information was provided on a daily basis. Mr. Seale asked if that was being done internally in the Treasurer's Office and each of the entities did not have to perform that function. Mr. Krolicki said it was a "seamless" transaction for the local governments and was done in the Treasurer's Office. There was a position in the Treasurer's Office, funded through financial institutions, that monitored that collateralization.

Mr. Seale requested clarification regarding the commercial paper component of the bill. He asked if the bill would allow commercial paper in areas that had not previously been allowed to use commercial paper.

Mr. Krolicki explained that the State Treasurer's Office had never been able to use commercial paper, although there were certain entities in the state, such as the Southern Nevada Water Authority, that had used commercial paper. The Treasurer's Office had not been able to do the short-term securities, although the Office had anticipation note capabilities. He said that when the state built a project or the NDOT had \$200 million bond proceeds, the ability to spend that money in a defined way was not always what was expected, and a high interest rate was being paid on those up-front construction costs until the funding could be converted into the traditional bond structure. Mr. Krolicki said it was almost a credit facility so if there was an NDOT or Public Lands project that was eligible, the state would be able to get credit financing through the commercial paper program, and the credit was at the cost of the state's full faith and credit rating. He remarked that it was an efficient and cost-effective way to access the funds, but the funds would be made very specifically available for the amount that was necessary as the project was being done. Once the project was completed, the short-term debt would be replaced with a traditional long-term bond. He emphasized that it was a way to be more precise in terms of arbitrage and added that, with a security that was 270 days, that was the short part of the yield curve, so interest costs were less than the bond issue would be, and that would create savings.

Robert D. Chisel, Assistant Director for Administration, Nevada Department of Transportation, expressed his support of S.B. 464, particularly the component regarding allowing the state to do commercial paper. Mr. Chisel said it would allow the state to have another tool at its disposal when financing projects.

Pam Wilcox, Administrator and State Land Registrar, Division of State Lands, added her support to S.B. 464. Ms. Wilcox said that the Division of State Lands occasionally had opportunities arise suddenly to acquire land. At the present time, if she asked the Treasurer's Office when bond funds would be available, they often were not available. However, the short-term commercial

paper would provide greater flexibility in the management of the funds and would facilitate those situations.

Kim Huys, Chief Deputy Controller, State Controller's Office, spoke in support of S.B. 464, especially as it related to the elimination of the advance travel account. Ms. Huys agreed that the elimination was necessary and would streamline the process.

As there was no further testimony, Chairman Arberry closed the hearing on S.B. 464. He informed the Committee that there were committee introductions of bill draft requests (BDR) to consider.

- **BDR S-1466 - Extends reversion date of appropriation made in previous session to Fighting Aids in Our Community Today organization. (A.B. 561)**

ASSEMBLYWOMAN LESLIE MOVED FOR COMMITTEE INTRODUCTION OF BDR S-1466.

ASSEMBLYWOMAN GIUNCHIGLIANI SECONDED THE MOTION.

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

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- **BDR 34-1459 - Revises provisions regarding implementation of No Child Left Behind Act. (A.B. 562)**

ASSEMBLYMAN PERKINS MOVED FOR COMMITTEE INTRODUCTION OF BDR 34-1459.

ASSEMBLYWOMAN GIUNCHIGLIANI SECONDED THE MOTION.

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

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Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, noted that the Joint Subcommittee on General Government had requested that staff ask the Committee for permission to introduce a bill that would set the monthly insurance premium rates for state employees as well as segregate the Medicare eligible individuals from the rest of the plan. Mr. Stevens requested authority to request a BDR for the Committee's review.

Chairman Arberry indicated he would entertain a motion from the Committee authorizing staff's request.

ASSEMBLYWOMAN MARVEL MOVED TO ALLOW THE REQUEST OF THE BDR.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

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

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Chairman Arberry called for a brief recess at 9:34 a.m.

Chairman Arberry called the meeting back to order at 9:54 a.m. and indicated that the Committee would consider closing reports from the subcommittees.

Assemblywoman Kathy McClain, District 15, read the following closing report into the record:

THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION, CO-CHAIRLED BY SENATOR RHOADS AND ASSEMBLYWOMAN McCLAIN, HAS COMPLETED ITS REVIEW OF THE BUDGETS FOR THE COMMISSIONER FOR VETERANS' SERVICES AND THE VETERANS' HOME ACCOUNT AND HAS MADE THE FOLLOWING RECOMMENDATIONS FOR THE OPERATION OF VETERANS' SERVICES DURING THE 2005-07 BIENNIUM.

THE SUBCOMMITTEE'S RECOMMENDATIONS RESULT IN A TOTAL GENERAL FUND SAVINGS OF \$56,056 IN FY 2006 AND \$118,488 IN FY 2007.

**COMMISSIONER FOR VETERANS' SERVICES (101-2560)**  
**VETERANS – 1**

THE SUBCOMMITTEE AGREED WITH THE GOVERNOR'S RECOMMENDATION, CONTAINED IN BUDGET AMENDMENT #2, TO ADD SIX NEW POSITIONS CONSISTING OF TWO VETERANS' SERVICE REPRESENTATIVES, TWO ADMINISTRATIVE ASSISTANT I POSITIONS, AND TWO GROUNDS EQUIPMENT OPERATORS. THE POSITIONS WILL PROVIDE DIRECT ASSISTANCE TO THE GROWING POPULATION OF AN ESTIMATED 270,000 VETERANS IN NEVADA, PLUS SUPPORT THE TWO VETERANS' CEMETERIES LOCATED IN BOULDER CITY AND FERNLEY. THE INCREASED GENERAL FUND COST OF BUDGET AMENDMENT #2 IS \$204,369 IN FY 2006 AND \$272,881 IN FY 2007.

IN ADDITION, THE SUBCOMMITTEE ADDED AN ADDITIONAL VETERANS' SERVICE REPRESENTATIVE TO PROVIDE OUTREACH SERVICES AND ASSISTANCE TO THE WOMEN'S VETERAN POPULATION. IT IS ESTIMATED THAT THERE ARE OVER 30,000 WOMEN VETERANS IN NEVADA, AND MANY OF THEM ARE UNAWARE OF THE VETERANS' SERVICES THEY ARE ENTITLED TO. BY INCLUDING FUNDING FOR THE WOMEN'S VETERANS' SERVICE REPRESENTATIVE IN THE BUDGET, THERE WILL NO LONGER BE A NEED TO CONSIDER SENATE BILL 505. THE GENERAL FUND IMPACT IS \$51,181 IN FY 2006 AND \$64,411 IN FY 2007.

ADJUSTMENTS WERE ALSO MADE TO REMOVE THE STATEWIDE COST ALLOCATION AND THE ATTORNEY GENERAL'S COST ALLOCATION, SINCE THE GENERAL FUND FINANCES THIS BUDGET. THIS RESULTS IN A GENERAL FUND SAVINGS OF \$78,804 IN BOTH FY 2006 AND FY 2007.

THE NET GENERAL FUND INCREASE IN THE BUDGET FOR THE COMMISSIONER FOR VETERANS' SERVICES IS \$173,725 IN FY 2006 AND \$255,467 IN FY 2007.

**VETERANS' HOME ACCOUNT (101-2561) VETERANS – 7**

THE NEVADA STATE VETERANS' HOME LOCATED IN BOULDER CITY HAS AN INPATIENT CAPACITY OF 180 RESIDENTS. THE



BUDGET WAS CONSTRUCTED ANTICIPATING THAT THE FACILITY WILL OPERATE AT 90 PERCENT CAPACITY (162 BEDS) DURING BOTH FY 2006 AND FY 2007. THE VETERANS' HOME HAS RECENTLY BEEN OPERATING WITH A RESIDENT POPULATION THAT HAS FLUCTUATED BETWEEN 149 AND 155.

OVERTIME PAYMENTS CONTINUE TO BE A SIGNIFICANT FACTOR IN THE ONGOING OPERATION OF THE FACILITY. AS OF MAY 8, 2005, THE AGENCY HAS PAID \$521,201 FOR OVERTIME DURING THE CURRENT FISCAL YEAR, WITH \$250,923 PAID TO NURSES AND \$226,833 PAID TO CERTIFIED NURSING ASSISTANTS (CNA). AT THIS TIME, THE AGENCY HAS 30 VACANT POSITIONS OUT OF 181 AUTHORIZED POSITIONS, WITH 28 OF THE VACANT POSITIONS BEING DIRECT-CARE STAFF. THE SUBCOMMITTEE CONCURRED WITH THE RECOMMENDATION TO FUND OVERTIME OF \$393,415 IN FY 2006 AND \$406,144 IN FY 2007 (FY 2004 ACTUAL EXPENSES WERE \$307,066). FUNDING OF \$339,028 IN FY 2006 AND \$339,029 IN FY 2007 WAS ALSO RECOMMENDED FOR CONTRACT NURSING COVERAGE (FY 2004 ACTUAL EXPENSES WERE \$249,561). IN ORDER TO PROVIDE ADEQUATE STAFFING, THE FACILITY HAS BEEN USING OVERTIME AND CONTRACT SERVICES.

THE SUBCOMMITTEE ALSO CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO PROVIDE A TWO-GRADE INCREASE FOR ALL NURSES, RESULTING IN ADDITIONAL GENERAL FUND OF \$166,530 IN FY 2006 AND \$167,837 IN FY 2007. THE AGENCY HOPES THAT THE TWO-GRADE INCREASE, ALONG WITH THE RECENT DECISION TO HIRE NEW STAFF ON AN ACCELERATED PAY SCALE, WILL IMPROVE THE OVERTIME SITUATION. IN ORDER TO MONITOR THE ONGOING OVERTIME AND STAFFING PROBLEMS, THE SUBCOMMITTEE IS RECOMMENDING THE AGENCY PROVIDE QUARTERLY REPORTS TO THE INTERIM FINANCE COMMITTEE INDICATING ITS OCCUPANCY RATE, STAFFING LEVELS AND OVERTIME AND CONTRACT STAFFING PAYMENTS DURING THE COMING BIENNIUM.

THE RECOMMENDED BUDGET REFLECTED NO INCREASE IN EITHER MEDICARE OR MEDICAID REVENUE FOR FY 2007. SINCE THE AGENCY IS REIMBURSED BASED UPON ITS COSTS AND THE ELIGIBILITY OF ITS RESIDENTS, THE ANTICIPATED REVENUES CAN BE INCREASED IN FY 2007 TO REFLECT BUDGET AND SALARY INCREASES IN FY 2007. THE SUBCOMMITTEE, WITH THE AGREEMENT OF THE AGENCY, INCREASED MEDICARE FUNDING BY \$37,272 AND MEDICAID FUNDING BY \$120,442 IN FY 2007, WITH A CORRESPONDING DECREASE IN THE STATE GENERAL FUND.

THE AGENCY INDICATED TO THE SUBCOMMITTEE THAT IT HAD SUFFICIENT FUNDING DURING THE CURRENT FISCAL YEAR TO REPAIR THE TWO COOLING TOWERS AS RECOMMENDED BY THE GOVERNOR, RATHER THAN PURCHASE TWO NEW TOWERS, WHICH RESULTS IN A GENERAL FUND SAVINGS OF \$86,000 IN BOTH FY 2006 AND FY 2007. IN ADDITION, \$18,000 WAS REMOVED IN FY 2006 BECAUSE THE AGENCY INDICATED IT HAD SUFFICIENT FUNDS DURING THE CURRENT FISCAL YEAR TO INSTALL CONCRETE PADS AT THE EXITS FOR THE SAFETY OF THE RESIDENTS.

ADDITIONAL ADJUSTMENTS WERE MADE TO REMOVE THE STATEWIDE COST ALLOCATION AND TO REDUCE CONTRACT SERVICES AND TRAVEL COSTS TO PROJECTED EXPENDITURE LEVELS, WHICH RESULTED IN A SAVINGS OF \$122,433 IN FY 2006 AND \$122,100 IN FY 2007.

THE NET GENERAL FUND SAVINGS IN THE VETERANS' HOME BUDGET IS \$229,781 IN FY 2006 AND \$373,955 IN FY 2007.

Mrs. Smith said that after the first budget hearing she had arranged to have the paving at the Fernley Cemetery donated, and she wondered if that had been mentioned at any of the discussions so the budget could be adjusted.

Ms. McClain said that had not been mentioned. Mrs. Smith pointed out that the money would revert to the General Fund so the savings in the budget would be more than had been reported.

ASSEMBLYMAN MARVEL MOVED TO ACCEPT THE SUBCOMMITTEE'S REPORT.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

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

BUDGET CLOSED.

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Assemblywoman McClain read the following closing report into the record:

**COMMERCE & INDUSTRY – PUBLIC UTILITIES COMMISSION**  
**(224-3920) PUC-1:**

THE SUBCOMMITTEE CLOSED THE PUBLIC UTILITIES COMMISSION (PUC) BUDGET ON MAY 3, 2005, WITH THE FOLLOWING RECOMMENDATIONS:

THE SUBCOMMITTEE CONCURS WITH THE GOVERNOR'S RECOMMENDATION TO ADD THREE NEW GAS PIPELINE SAFETY ENGINEER POSITIONS BASED UPON INCREASED WORKLOAD AND FEDERAL REGULATIONS PROMULGATED BY THE FEDERAL OFFICE OF PIPELINE SAFETY (OPS) FOR OPERATOR QUALIFICATIONS AND INTEGRITY MANAGEMENT PROGRAM INSPECTIONS. A COMBINATION OF RESERVE FUNDING AND REIMBURSEMENTS FROM THE FEDERAL OPS TOTALING \$215,936 IN FY 2005-06 AND \$334,885 IN FY 2006-07 SUPPORTS THE NEW POSITIONS AND ASSOCIATED STAFFING COSTS. INFORMATION PROVIDED BY THE PUC INDICATES THE NUMBER OF UTILITY GAS CUSTOMERS HAS INCREASED FROM 282,000 IN 1992 TO OVER 525,000 IN 2002, WITH A CORRESPONDING INCREASE IN GAS PIPELINE MILES FROM 4,300 MILES TO 7,200 MILES IN THE SAME TIME PERIOD. BASED UPON THESE STATISTICS, ALONG WITH INCREASED FEDERAL REGULATIONS, THE PUC'S WORKLOAD CALCULATIONS SUPPORT A TOTAL OF SIX FULL-TIME ENGINEER POSITIONS. THE THREE NEW POSITIONS COMPLEMENT THE EXISTING THREE PIPELINE ENGINEER POSITIONS TO SATISFY THE AGENCY'S WORKLOAD PROJECTIONS.

THE SUBCOMMITTEE SUPPORTS THE GOVERNOR'S RECOMMENDATION TO UTILIZE RESERVE FUNDING OF \$506,011 IN FY 2005-06 AND \$887,655 IN FY 2006-07 FOR THE PUC TO ESTABLISH A NEW ELECTRONIC FILING AND RECORDS MANAGEMENT SYSTEM (EFRMS). THE NEW SYSTEM IS ENVISIONED TO ALLOW THE AGENCY TO ACCEPT AND MANAGE DOCUMENTS AND RECORDS, ALONG WITH ASSOCIATED FEES, ELECTRONICALLY OVER-THE-COUNTER AND VIA THE INTERNET. THE PUC ALSO INTENDS TO UTILIZE THE SYSTEM TO ELECTRONICALLY WAREHOUSE ALL AGENCY DOCUMENTS, INCLUDING UTILITY APPLICATIONS, LEGAL PLEADINGS, OPINION AND ORDERS, AND OTHER ADMINISTRATIVE RECORDS THAT WOULD BE AVAILABLE TO THE REGULATED COMMUNITY AND THE GENERAL PUBLIC OVER THE INTERNET.

THE SUBCOMMITTEE RECOMMENDED REDUCING THE NUMBER OF DESKTOP COMPUTERS RECOMMENDED FROM 97 TO 62 IN THE 2005-07 BIENNIUM BASED UPON A REVISED REPLACEMENT SCHEDULE. IN ADDITION, THE TELEPHONE SYSTEM REPLACEMENT RECOMMENDED BY THE GOVERNOR IN FY 2005-06 WAS ELIMINATED AS A RESULT OF THE BOARD OF EXAMINERS APPROVING AN AGREEMENT BETWEEN THE AGENCY AND THE DEPARTMENT OF INFORMATION TECHNOLOGY WHEREIN THE COST OF REPLACEMENT PHONE EQUIPMENT WILL BE INCLUDED IN THE MONTHLY TELEPHONE CHARGES. THESE TWO ACTIONS INCREASE THE AGENCY'S RESERVE BY A TOTAL OF \$104,496 IN THE 2005-07 BIENNIUM.

THE SUBCOMMITTEE RECOMMENDED CLOSING THE PUC'S BUDGET WITH ENDING RESERVE BALANCES OF \$2.6 MILLION IN FY 2005-06 AND \$2.1 MILLION IN FY 2006-07. THE BUDGETED ENDING RESERVE IN FY 2006-07 IS WITHIN THE OPTIMAL RESERVE BALANCE RANGE OF \$1.8 TO \$2.4 MILLION AS SUGGESTED BY THE AGENCY. THE BUDGET WAS CLOSED WITH A MILL ASSESSMENT RATE OF 2.6 MILLS IN EACH YEAR OF THE 2005-07 BIENNIUM. THE COMMITTEE SHOULD NOTE THE PUC HAS STATUTORY AUTHORITY (NRS 704.033) TO ADJUST ITS MILL ASSESSMENT ANNUALLY BUT CANNOT EXCEED 3.5 MILLS.

THE SUBCOMMITTEE CLOSED THE REMAINDER OF THE PUC'S BUDGET AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS RECOMMENDED BY STAFF. THE SUBCOMMITTEE AUTHORIZED FISCAL STAFF TO MAKE FINAL TECHNICAL ADJUSTMENTS ASSOCIATED WITH SWCAP, AGCAP, DOIT, ETC.

Mr. Denis disclosed that he was an employee of the Public Utilities Commission, but he would be voting as the budget closing would not affect his position.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO ACCEPT THE SUBCOMMITTEE'S REPORT.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

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

BUDGET CLOSED.

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Assemblywoman McClain read the following closing report into the record:

THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT DEVELOPED RECOMMENDATIONS FOR THE FOLLOWING BUDGETS OF THE DEPARTMENT OF ADMINISTRATION: BUDGET AND PLANNING DIVISION, ADMINISTRATIVE SERVICES DIVISION, INFORMATION TECHNOLOGY DIVISION, INFORMATION TECHNOLOGY PROJECTS, INSURANCE AND LOSS PREVENTION, MOTOR POOL DIVISION, MAIL SERVICES DIVISION, HEARINGS AND APPEALS DIVISION, AND THE VICTIMS OF CRIME PROGRAM.

WHILE MANY OF THE ACCOUNTS OF THE DEPARTMENT OF ADMINISTRATION ARE FUNDED THROUGH FEES OR ASSESSMENTS, THE SUBCOMMITTEE'S RECOMMENDATIONS RESULTED IN GENERAL FUND SAVINGS OF \$1,891,480 IN FY 2006 AND \$1,341,732 IN FY 2007 FOR THE DEPARTMENT OF ADMINISTRATION OVERALL. MOST OF THIS SAVINGS CAME FROM THE INFORMATION TECHNOLOGY PROJECTS BUDGET.

**BUDGET AND PLANNING DIVISION (101-1340)**

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO FUND A NEW CHIEF ASSISTANT FOR POLICY AND TRAINING POSITION. HOWEVER, THE SUBCOMMITTEE RECOMMENDED THAT THE POSITION BE PLACED IN THE CLASSIFIED SERVICE AT A GRADE 41, RATHER THAN IN THE UNCLASSIFIED SERVICE AS RECOMMENDED BY THE GOVERNOR. THE COST OF THE GRADE 41 POSITION IS ESSENTIALLY THE SAME AS WAS RECOMMENDED FOR THE UNCLASSIFIED POSITION.

ADDITIONALLY, THE SUBCOMMITTEE MODIFIED THE GOVERNOR'S BASE BUDGET RECOMMENDATION TO ALLOCATE \$50,000 FOR GUBERNATORIAL TRANSITION EXPENSES BETWEEN THE TIME OF AN ELECTION AND THE TIME THE GOVERNOR TAKES OFFICE. THE SUBCOMMITTEE APPROVED THE \$50,000, BUT ALLOCATED \$30,000 FOR THE GOVERNOR-ELECT, AND THE OTHER \$20,000 TO BE SPLIT EQUALLY AMONG THE OTHER CONSTITUTIONAL OFFICERS-ELECT.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO REINSTATE THE PUBLIC SERVICE INTERN POSITION FOR THE DIVISION. THIS POSITION WAS DELETED BY THE 2003 LEGISLATURE AT THE RECOMMENDATION OF THE GOVERNOR.

THE SUBCOMMITTEE ALSO CONCURRED WITH THE GOVERNOR'S RECOMMENDATION THAT THE DIVISION HAVE THE SERVICES OF A DOIT DATABASE ADMINISTRATOR, CONTINGENT UPON APPROVAL OF THE NEBS DATA MART PROJECT IN THE INFORMATION TECHNOLOGY PROJECTS BUDGET (BA 101-1325). THAT PROJECT HAS BEEN RECOMMENDED BY THE SUBCOMMITTEE.

**ADMINISTRATIVE SERVICES (716-1371)**

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ADD TWO NEW POSITIONS, AN ADMINISTRATIVE SERVICES OFFICER II AND AN ACCOUNTING ASSISTANT II.

**INFORMATION TECHNOLOGY DIVISION (101-1320)** THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO FUND A NEW INFORMATION SYSTEMS MANAGER POSITION TO SUPPORT THE BUDGETARY OVERSIGHT AND PROJECT MANAGEMENT OF INFORMATION TECHNOLOGY PROJECTS PROVIDED BY THE DIVISION. THE NEW POSITION WOULD ACCOMMODATE THE INCREASE IN THE NUMBER OF INFORMATION TECHNOLOGY PROJECTS RECOMMENDED FOR FUNDING IN THE 2005-07 BIENNIUM. IN ADDITION, THE SUBCOMMITTEE APPROVED THE GOVERNOR'S BUDGET RECOMMENDATION FOR ADDITIONAL FUNDING FOR DATABASE ADMINISTRATION OF THE INTEGRATED FINANCIAL SYSTEM AND NEVADA EXECUTIVE BUDGET SYSTEM TO ENSURE STABILITY OF THE SYSTEMS AND TO ALLOW IMPLEMENTATION OF ADDITIONAL SECURITY INITIATIVES AS REQUIRED.

**INFORMATION TECHNOLOGY PROJECTS (101-1325)** THE SUBCOMMITTEE APPROVED FUNDING OF APPROXIMATELY \$18.5 MILLION IN FY 2006 AND APPROXIMATELY \$5 MILLION IN FY 2007 FOR 17 INFORMATION TECHNOLOGY PROJECTS FOR STATE AGENCIES. THE RECOMMENDED FUNDING INCLUDES \$16.2 MILLION FROM THE GENERAL FUND AND \$7.3 MILLION FROM THE HIGHWAY FUND. THE SUBCOMMITTEE APPROVED FUNDING FOR THE 17 INFORMATION TECHNOLOGY PROJECTS IN SEPARATE BUDGET CATEGORIES AND APPROVED POOLING THE CONTINGENCY AMOUNTS FROM THE VARIOUS PROJECTS INTO A SINGLE, DISTINCT CATEGORY WITH A REDUCTION IN THE TOTAL CONTINGENCY AMOUNT OF 20 PERCENT.

THE SUBCOMMITTEE NOTED FOUR INFORMATION TECHNOLOGY PROJECTS RECOMMENDED BY THE GOVERNOR FOR FUNDING DID NOT HAVE A CLEARLY DEFINED PROJECT SCOPE OR PROJECT COST ESTIMATE THAT ADDRESSED THE NEEDS OF THE APPLICABLE AGENCY. THESE PROJECTS INCLUDED THE AGRICULTURE LICENSING AND PAYMENT SYSTEM, CONSUMER AFFAIRS TRACKING SYSTEM, LABOR COMMISSIONER WAGE CLAIM SYSTEM, AND THE WATER RESOURCES VIDEO CONFERENCING SYSTEM. THE SUBCOMMITTEE RECOMMENDED THESE FOUR PROJECTS BE FUNDED ONLY FOR A DETAILED REQUIREMENTS STUDY, GAP ANALYSIS AND/OR REQUEST FOR PROPOSAL AS APPROPRIATE TO DETERMINE THE RESOURCES NECESSARY TO DEVELOP A VIABLE SOLUTION THAT COULD BE PROVIDED BY THE PROPOSED INFORMATION TECHNOLOGY PROJECT. THE SUBCOMMITTEE RECOMMENDED THE BALANCE OF THE FUNDING RECOMMENDED BY THE GOVERNOR FOR THESE FOUR PROJECTS TOTALING \$947,116 BE APPROPRIATED TO THE INTERIM FINANCE COMMITTEE. UPON SUBMISSION OF A DETAILED PROJECT PLAN AND COST ESTIMATE BASED ON THE RESULTS OF THE REQUIREMENTS STUDY, GAP ANALYSIS AND/OR REQUEST FOR PROPOSAL FOR EACH OF THE APPLICABLE PROJECTS, THE FUNDING COULD BE ALLOCATED BY IFC.

**INSURANCE AND LOSS PREVENTION (715-1352)** THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO CONTINUE ALL LINES OF INSURANCE COVERAGE AS CURRENTLY STRUCTURED. THIS INCLUDES WORKERS' COMPENSATION, PROPERTY AND CONTENTS,

AVIATION, EMPLOYEE FIDELITY, AND EXCESS LIABILITY COVERAGE.

**MOTOR POOL (711-1354)**

THE SUBCOMMITTEE APPROVED FUNDING THE MOTOR POOL WITH INCREASED RATES NECESSARY TO FUND CURRENT OPERATIONS AND RELOCATION COSTS ASSOCIATED WITH THE LAS VEGAS MOTOR POOL FACILITY. MONTHLY RENTAL RATES ARE RECOMMENDED TO INCREASE BY \$13 PER MONTH IN EACH VEHICLE CATEGORY, PLUS 2 CENTS PER MILE SURCHARGE INCREASE FROM THE CURRENT BIENNIUM'S RATES. DAILY RENTAL RATES ARE RECOMMENDED TO INCREASE BY 2 DOLLARS PER DAY AND 2 CENTS PER MILE SURCHARGE FROM THE CURRENT BIENNIUM'S RATES.

THE DEPARTMENT OF ADMINISTRATION IS CONSIDERING SEVERAL SITES FOR THE NEW LAS VEGAS MOTOR POOL FACILITY. HOWEVER, AT THE TIME OF BUDGET CLOSING, A RECOMMENDATION HAD NOT BEEN FORWARDED TO THE SUBCOMMITTEE BY THE DEPARTMENT OF ADMINISTRATION. THE SUBCOMMITTEE RECOMMENDED THE ISSUANCE OF A LETTER OF INTENT REQUIRING THE MOTOR POOL TO REPORT TO THE INTERIM FINANCE COMMITTEE WHEN AN INTENDED RELOCATION SITE IN LAS VEGAS IS CHOSEN, AND TO REQUEST ANY NEEDED EXPENDITURE AUTHORITY TO PAY FOR A MOVE. THIS COST WOULD BE PAID FROM THE BUDGET'S RESERVE.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO TRANSFER DEPRECIATION AND OPERATING EXPENSES TO THE MOTOR POOL VEHICLE PURCHASE BUDGET ASSOCIATED WITH THE ADDITION OF 151 REPLACEMENT VEHICLES, 42 ADDITIONAL VEHICLES, AND 54 ONE-SHOT VEHICLES. THE SUBCOMMITTEE AFFORDED STAFF THE AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS TO THE NUMBER AND COST OF VEHICLES, IF NECESSARY, AS WELL ADJUSTMENTS TO RELATED DEPRECIATION AND OPERATING EXPENSES.

**MAIL SERVICES (713-1346)**

THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO UPGRADE A STUDENT WORKER POSITION TO A MAIL SERVICE CLERK II POSITION BECAUSE THE OVERTIME EXPENSE IN THE DIVISION DID NOT SUPPORT ADDING ANOTHER MAIL SERVICE CLERK II. THE SUBCOMMITTEE VOTED TO ELIMINATE THE STUDENT WORKER POSITION FROM THE BUDGET SINCE IT HAD BEEN VACANT SINCE AUGUST 2002 AND THE DIVISION HAD A DIFFICULT TIME FINDING SOMEONE TO FILL THE POSITION.

**HEARINGS DIVISION (101-1015)**

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ADD A LEGAL SECRETARY II POSITION. HOWEVER, THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO ADD ONE ADMINISTRATIVE ASSISTANT I POSITION, BECAUSE THE SUBCOMMITTEE FELT THAT THE 11 ADMINISTRATIVE ASSISTANTS IN THE DIVISION WERE SUFFICIENT TO MEET THE NEEDS OF THE DIVISION.

THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO PROVIDE FUNDING TO UPGRADE THE DOORS INTO THE DIVISION'S OFFICES BECAUSE THEY ARE

CURRENTLY ADA-COMPLIANT AND THE DIVISION HAS OFFERED TO WORK WITH THE LANDLORD TO PURSUE AN UPGRADE TO POWER-ASSISTED DOORS IN EXCHANGE FOR A LEASE EXTENSION. THIS EXPENSE WAS TO HAVE BEEN SHARED WITH VICTIMS OF CRIME AND NEVADA ATTORNEYS FOR INJURED WORKERS, AND WAS NOT APPROVED IN THOSE BUDGETS.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO PROVIDE FUNDING FOR A SECURITY GUARD FOR THE BUILDING WHERE THE DIVISION IS LOCATED. THE EXPENSE OF THIS ENHANCEMENT IS TO BE SHARED WITH THE VICTIMS OF CRIME PROGRAM AND NEVADA ATTORNEYS FOR INJURED WORKERS, BOTH OF WHOM ARE LOCATED IN THE SAME BUILDING.

**VICTIMS OF CRIME (287-4895)**

THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO PROVIDE FUNDING FOR REMODELING OF THE VICTIM INTERVIEW AREA, SINCE THE BUREAU HAD MOVED INTO ITS SPACE LESS THAN 2 YEARS AGO, AND HAD COLLABORATED WITH THE LANDLORD'S ARCHITECT ON ITS SPACE DESIGN. THE BUREAU HAS OFFERED TO MODIFY ITS VICTIM INTERVIEW SCHEDULING TO AFFORD VICTIMS THE PRIVACY THEY NEED.

**OTHER DEPARTMENT OF ADMINISTRATION BUDGET ACCOUNTS**

THE SUBCOMMITTEE ALSO REVIEWED THE BUDGETS FOR THE FOLLOWING ACCOUNTS: JUDICIAL COLLEGE/COLLEGE OF JUVENILE AND FAMILY JUSTICE, DEFERRED COMPENSATION COMMITTEE, MERIT AWARD BOARD, INDIGENT SUPPLEMENTAL ACCOUNT, INDIGENT ACCIDENT ACCOUNT, INTERNAL AUDIT, MOTOR POOL VEHICLE PURCHASE, PURCHASING DIVISION, PURCHASING EQUIPMENT PURCHASE, COMMODITY FOOD PROGRAM, AND MAIL SERVICES EQUIPMENT PURCHASE. THE SUBCOMMITTEE RECOMMENDED THAT THESE ACCOUNTS CLOSE ACCORDING TO THE GOVERNOR'S RECOMMENDATION, WITH TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

ASSEMBLYMAN MARVEL MOVED TO ACCEPT THE SUBCOMMITTEE'S REPORT.

ASSEMBLYWOMAN GIUNCHIGLIANI SECONDED THE MOTION.

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

BUDGET CLOSED.

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Assemblyman Morse Arberry Jr., District 7, Chairman of the Joint Subcommittee on Higher Education/CIP, read the following closing report into the record:

THE JOINT SUBCOMMITTEE ON HIGHER EDUCATION/CIP HAS COMPLETED ITS REVIEW OF THE BUDGETS FOR THE DEPARTMENT OF ADMINISTRATION, BUILDINGS AND GROUNDS DIVISION AND THE STATE PUBLIC WORKS BOARD AND HAS MADE THE FOLLOWING RECOMMENDATIONS FOR THE AGENCIES' 2005-07 BIENNIUM BUDGET. THE SUBCOMMITTEE'S



RECOMMENDATIONS RESULT IN A GENERAL FUND SAVINGS OF \$1,287,322 IN FY 2006 AND \$12,740 IN FY 2007 AS COMPARED TO THE GOVERNOR'S BUDGET RECOMMENDATIONS.

**BUILDINGS AND GROUNDS (BA 710-1349) ADMIN-82:** THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO FUND A NEW MANAGEMENT ANALYST POSITION TO ACCOMMODATE GROWTH IN THE NUMBER OF CONTRACTS AND LEASES NEGOTIATED AND ADMINISTERED BY THE DIVISION. IN APPROVING THE POSITION, THE SUBCOMMITTEE RECOMMENDED A REDUCTION IN THE BUDGETED OVERTIME COSTS OF \$6,450 IN EACH YEAR OF THE 2005-07 BIENNIUM. TO ACCOMMODATE GROWTH IN THE NUMBER OF FACILITIES THE DIVISION IS RESPONSIBLE FOR MAINTAINING, THE SUBCOMMITTEE APPROVED FUNDING FOR THE ADDITION OF THREE NEW GROUNDS MAINTENANCE POSITIONS AND ONE NEW BUILDING MAINTENANCE POSITION, AS RECOMMENDED BY THE GOVERNOR.

THE SUBCOMMITTEE APPROVED TOTAL FUNDING OF \$992,057 IN THE BUILDINGS AND GROUNDS DIVISION ACCOUNT FOR DEFERRED BUILDING MAINTENANCE PROJECTS. IN APPROVING FUNDING FOR THE PROJECTS, THE SUBCOMMITTEE RECOMMENDED THAT \$280,250 BE FUNDED THROUGH RESERVES IN THIS ACCOUNT INSTEAD OF A GENERAL FUND APPROPRIATION. THIS RECOMMENDATION WAS BASED ON THE INCREASE IN THE AMOUNT OF THE RESERVES DUE TO TECHNICAL ADJUSTMENTS IN THE BASE BUDGET THAT INCREASED THE AMOUNT OF BUILDING RENT REVENUE. THE SUBCOMMITTEE DID NOT APPROVE FUNDING OF \$115,000 FROM THE GENERAL FUND FOR SEALING THE EXTERIOR OF THE BRADLEY BUILDING AS THE AGENCY INDICATED THIS PROJECT WAS NOT NECESSARY DURING THE 2005-07 BIENNIUM.

THE SUBCOMMITTEE APPROVED FUNDING FROM THE GENERAL FUND OF APPROXIMATELY \$3.1 MILLION FOR BUILDING EXTERIOR MASONRY REPAIRS AND ROOFING REPAIRS AT THE STEWART COMPLEX BUT RECOMMENDED THE FUNDING BE INCLUDED IN THE 2005 CAPITAL IMPROVEMENT PROGRAM FOR ADMINISTRATION BY THE STATE PUBLIC WORKS BOARD. THE FUNDING AMOUNT APPROVED WAS REDUCED BY \$880,000 FROM THE GOVERNOR'S BUDGET PROPOSAL AS THE DEPARTMENT RECOMMENDED A PORTION OF THE EXTERIOR MASONRY REPAIRS BE DEFERRED. THE SUBCOMMITTEE ALSO APPROVED FUNDING OF APPROXIMATELY \$1.8 MILLION OVER THE 2005-07 BIENNIUM FOR BUILDING MAINTENANCE AND RENOVATION PROJECTS FUNDED THROUGH BUILDING RENT REVENUE, AS RECOMMENDED BY THE GOVERNOR.

**CLEAR CREEK YOUTH CENTER (BA 101-1353) ADMIN-102:** THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S BUDGET RECOMMENDATION TO ELIMINATE THE ONE FULL-TIME MAINTENANCE REPAIR SPECIALIST POSITION IN THIS ACCOUNT AND TO PROVIDE FUNDING FOR TWO SEASONAL POSITIONS FOR MAINTENANCE OF THE FACILITY. THE SUBCOMMITTEE ALSO RECOMMENDED AN EXTENSION OF TWO YEARS IN THE REVERSION DATE OF THE FUNDING FOR THE CAPITAL IMPROVEMENT PROJECT (CIP 01-M05) TO ADDRESS DEFERRED MAINTENANCE AND GENERAL IMPROVEMENTS AT THE

FACILITY. THE SUBCOMMITTEE RECOMMENDED THE EXTENSION BE CONTINGENT ON THE DIVISION ISSUING A REQUEST FOR PROPOSAL FOR THE LONG-TERM LEASE OF THE FACILITY. IN ADDITION, THE SUBCOMMITTEE RECOMMENDED THAT ANY DECISION REGARDING VENDOR RESPONSES TO THE REQUEST FOR PROPOSAL BE CONTINGENT ON APPROVAL BY THE LEGISLATURE OR INTERIM FINANCE COMMITTEE.

**MARLETTE LAKE (BA 712-1366) ADMIN-106:** THE SUBCOMMITTEE APPROVED FUNDING FOR A NEW WATER SYSTEM OPERATOR POSITION, AS RECOMMENDED BY THE GOVERNOR, TO SUPPORT THE OPERATION OF THE MARLETTE LAKE WATER SYSTEM AND THE STEWART FACILITY WATER TREATMENT PLANT. THE SUBCOMMITTEE APPROVED FUNDING OF THE POSITION FROM WATER SALES IN THE MARLETTE LAKE ACCOUNT (75 PERCENT) AND BUILDING RENT REVENUE IN THE BUILDINGS AND GROUNDS DIVISION ACCOUNT (25 PERCENT). IN APPROVING FUNDING FOR THE NEW POSITION, THE SUBCOMMITTEE APPROVED THE ELIMINATION OF THE EXISTING SEASONAL POSITION SUPPORTED BY THIS ACCOUNT. THE SUBCOMMITTEE ALSO CONCURRED WITH THE GOVERNOR'S BUDGET RECOMMENDATION TO TRANSFER THE PASS-THROUGH REVENUE AND EXPENSE BUDGET AUTHORITY FOR TREATED-WATER SALES TO THE BUILDINGS AND GROUNDS DIVISION ACCOUNT WHERE OTHER BUILDING UTILITY COSTS ARE BUDGETED.

**PUBLIC WORKS ADMINISTRATION (BA 101-1560) ADMIN-112:** THE SUBCOMMITTEE APPROVED FUNDING FROM THE GENERAL FUND OF \$80,000 IN EACH YEAR OF THE 2005-07 BIENNIUM FOR THE ELECTRONIC STORAGE OF BUILDING PLANS AND SPECIFICATION DOCUMENTS. IN APPROVING THE FUNDING, THE SUBCOMMITTEE NOTED THAT IT WAS TO BE CONSIDERED ONE-TIME FOR THE 2005-07 BIENNIUM ONLY AND NOT TO BE INCLUDED IN THE BASE BUDGET FOR THE 2007-09 BIENNIUM. TO RECOGNIZE SAVINGS IN TRAVEL COSTS THROUGH UTILIZATION OF THE VIDEO CONFERENCING SYSTEM PROPOSED FOR THE AGENCY, THE SUBCOMMITTEE APPROVED A REDUCTION IN THE IN-STATE TRAVEL FUNDING OF \$5,240 IN EACH YEAR OF THE 2005-07 BIENNIUM. DUE TO CONCERNS REGARDING THE LACK OF PERFORMANCE INDICATORS TO MEASURE THE EFFECTIVENESS OF THE FACILITY CONDITION ANALYSIS PROGRAM, THE SUBCOMMITTEE APPROVED ISSUING A LETTER OF INTENT DIRECTING THE AGENCY TO DEVELOP ADDITIONAL PERFORMANCE INDICATORS FOR THIS PROGRAM. AS PART OF THE RECOMMENDED LETTER OF INTENT, THE SUBCOMMITTEE RECOMMENDED THE AGENCY REPORT TO THE INTERIM FINANCE COMMITTEE ON A SEMI-ANNUAL BASIS REGARDING THE PROGRESS IN DEVELOPING THE ADDITIONAL PERFORMANCE INDICATORS.

**PUBLIC WORKS INSPECTION (BA 401-1562) ADMIN-118:** THE SUBCOMMITTEE APPROVED FUNDING FOR THE ADDITION OF SEVEN NEW POSITIONS TO ACCOMMODATE THE INCREASE IN THE SIZE OF THE CAPITAL IMPROVEMENT PROGRAM RECOMMENDED FOR THE 2005-07 BIENNIUM. THE AGENCY INDICATES THERE WILL BE A TOTAL OF 141 ACTIVE PROJECTS DURING THE 2005-07 BIENNIUM AND WITH APPROVAL OF THE RECOMMENDED NEW POSITIONS, ALL BUT 16 OF THESE PROJECTS WILL BE COMPLETED DURING THE BIENNIUM. THE

POSITIONS INCLUDE THREE PROJECT MANAGER POSITIONS AND FOUR BUILDING INSPECTOR POSITIONS AND THE SUBCOMMITTEE APPROVED FUNDING OF THESE NEW POSITIONS THROUGH THE PROJECT MANAGEMENT AND INSPECTION FEES INCLUDED IN THE GOVERNOR'S RECOMMENDED 2005 CAPITAL IMPROVEMENT PROGRAM. THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S BUDGET RECOMMENDATION TO INCREASE THE FUNDING FOR STAFF TRAINING BY \$22,733 IN FY 2006 AND \$20,769 IN FY 2007 TO MAINTAIN AND IMPROVE THE SKILLS AND KNOWLEDGE LEVEL OF STAFF IN THE AREAS OF PROJECT MANAGEMENT AND CONSTRUCTION INSPECTION.

ASSEMBLYMAN MARVEL MOVED TO ACCEPT THE SUBCOMMITTEE'S REPORT.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

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

BUDGET CLOSED.

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**Assembly Bill 35 (1st Reprint): Makes various changes concerning provision of public services for children. (BDR 38-667)**

Mr. Stevens said the Committee needed to decide whether they were comfortable with moving the bill or if they wanted to hear the proposed amendments ([Exhibit D](#)).

Mr. Stevens explained that the amendments would delete Sections 1 through 8 of the bill and would replace it with the language in [Exhibit D](#). He explained that when responsibility for child welfare-related services had been transferred from the state to the counties, the issue of liability for county employees who assisted foster care youth in obtaining driver's licenses had been overlooked. The amendment language was designed to allow the child welfare workers in Clark and Washoe Counties the same protections from liability afforded to state employees helping foster care youth obtain driver's licenses.

Mr. Stevens noted that in Section 1 and Section 2(b) the word "state" was bracketed and should not be, but the Legal Division would fix those issues. He said that the Committee should decide whether to adopt the amendment or to have another hearing regarding the bill.

Ms. Giunchigliani commented that the amendment seemed very clear and accomplished what had been intended by the bill.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO AMEND AND DO PASS A.B. 35.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

MOTION CARRIED. (Mr. Perkins and Ms. Leslie were not present for the vote.)

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**Assembly Bill 93: Makes supplemental appropriation to State Distributive School Account for unanticipated expenses for Fiscal Year 2004-2005 for providing health care subsidies to retired school district employees. (BDR S-1187)**

Mr. Stevens explained that A.B. 93 had been heard earlier in the session and was a supplemental appropriation included in The Executive Budget related to unanticipated expenses in the current fiscal period for school districts providing health care subsidies for retired school district personnel. He noted that the unanticipated expenses stemmed from the passage of A.B. 286 of the 2003 Legislative Session in which health care subsidies were included for non-state participants in the group insurance plan, and the school districts had not budgeted for that expense. The Interim Finance Committee had provided funds in the first year of the biennium, and the bill would make the school districts whole in the second year of the biennium.

Mr. Stevens added that he had been waiting to receive the exact figures based on the number of specific subsidies that would be paid by the school district. That information had been received a few days earlier and indicated that the appropriation, if the Committee chose to process the legislation, could be reduced to \$7,912,640.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO AMEND AND DO  
PASS A.B. 93.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

MOTION CARRIED. (Mr. Perkins and Ms. Leslie were not present  
for the vote.)

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**Assembly Bill 385 (1st Reprint): Revises provisions governing building and zoning and creates incentives and standards for green buildings. (BDR 22-730)**

Ms. Giunchigliani interjected that she had emailed the mock-up of the bill to the Committee members the previous week, and she had made an additional change since then based on the fact that the Public Utilities Commission had reserves of over \$2.6 million. She had changed that amount to \$250,000, and she had changed the language on the installers' licensing, the photovoltaic recruitment for manufacturers to come to the state, and clarified that the Leadership in Energy and Environmental Design (LEED) certified green building would apply to new building, not renovation and construction. She added that it would apply to "occupied" public buildings, so it would not apply to warehouses or other buildings that did not have people in them as that would add to the cost. The adoption of the regulations would be October 1, 2005, and then the implementation would begin January 1, 2006.

Ms. Giunchigliani explained that LEED certified was one of the new national standards that applied to the construction of buildings to make them "green buildings" or environmentally friendly by building in such a way as to conserve energy and water.

Mr. Seale said there had been some concerns discussed at the original hearing on the bill. He asked if those concerns had been addressed by the amendments.

Ms. Giunchigliani indicated that she had worked with local government representatives and their concerns had been somewhat alleviated.

Assemblyman Hettrick expressed concern about the "occupied" provision. Mr. Hettrick noted that with the current language, if a building was rented and used for storage, the building was considered occupied because it was not vacant. He thought there should be clarification of the definition.

Ms. Giunchigliani agreed and said the original wording had been "non-residential public facility," but that had been changed. Mr. Hettrick suggested that wording be added to define the term "occupied" to mean a building utilized or not utilized by human beings for routine work. Ms. Giunchigliani said she would work with the drafting of the bill to define what those terms meant.

ASSEMBLYMAN MARVEL MOVED TO AMEND AND DO PASS  
A.B. 385.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

MOTION CARRIED. (Mr. Perkins and Ms. Leslie were not present for the vote.)

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**Assembly Bill 386 (1st Reprint): Revises provisions regarding obligation of child support and makes appropriation for audit of child support collection and enforcement by Welfare Division of Department of Human Resources and district attorneys of this State. (BDR 11-1231)**

Mr. Stevens said that A.B. 386 had been heard previously and was a child support enforcement bill, providing programmatic language as well as a \$150,000 General Fund one-shot appropriation for a review of the child support enforcement program in the state and counties.

ASSEMBLYWOMAN SMITH MOVED DO PASS A.B. 386.

ASSEMBLYWOMAN GIUNCHIGLIANI SECONDED THE MOTION.

MOTION CARRIED. (Mr. Perkins and Ms. Leslie were not present for the vote.)

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Chairman Arberry indicated that, although S.B. 365 had been on the agenda, due to time constraints it would be heard at a later date. As there was no further business, Chairman Arberry adjourned the meeting at 10:38 a.m.

RESPECTFULLY SUBMITTED:

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Susan Cherpeski  
Committee Attaché

APPROVED BY:

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Assemblyman Morse Arberry Jr., Chairman

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

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>May 16, 2005</u>		Time of Meeting: <u>8:30 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
SB 48	B	Teresa Moiola/Controller’s Office	Debt Collection Program Handout (4 pages)
SB 401	C	Phil Nowak/DHCFP	Testimony (2 pages)
AB 35	D	Assemblywoman Buckley	Proposed Amendment (1 page)