

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-third Session  
March 28, 2005**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:01 a.m. on Monday, March 28, 2005, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator William J. Raggio, Chair  
Senator Bob Beers, Vice Chair  
Senator Dean A. Rhoads  
Senator Barbara K. Cegavske  
Senator Bob Coffin  
Senator Dina Titus  
Senator Bernice Mathews

**GUEST LEGISLATORS PRESENT:**

Senator Mike McGinness, Central Nevada Senatorial District  
Assemblyman Pete Goicoechea, Assembly District No. 35  
Assemblyman Tom Grady, Assembly District No. 38

**STAFF MEMBERS PRESENT:**

Gary L. Ghiggeri, Senate Fiscal Analyst  
Bob Guernsey, Principal Deputy Fiscal Analyst  
Michael Archer, Committee Secretary

**OTHERS PRESENT:**

Dan Musgrove, Director, Intergovernmental Relations, Office of the County Manager, Clark County  
Dan L. Papez, District Judge, Department 2, Seventh Judicial District  
Steven Dobrescu, District Judge, Department 1, Seventh Judicial District  
Nancy A. Becker, Chief Justice, Nevada Supreme Court, Judicial Branch  
Michael P. Gibbons, District Judge, Department 2, Ninth Judicial District  
John A. Chachas, Commissioner, Board of Commissioners, White Pine County  
Terrence J. Melby, Architect, Ganther Melby LLC, Architects and Planners  
Gerald J. Gardner, Chief Deputy Attorney General, Criminal Justice Division, Office of the Attorney General  
Lowell Patton, Director, Public Works, City of Fernley  
Charles (Chuck) W. Fulkerson, Executive Director, Office of the Executive Director for Veterans' Services, Office of Veterans' Services  
David Stix Jr., Mayor, City of Fernley  
Douglas Byington, Advisory Committee for a Veterans' Cemetery in Northern Nevada, Office of Veterans' Services  
Richard Moreno, Publisher, Nevada Magazine, Division of Publications, Commission on Tourism  
Bruce Bommarito, Executive Director, Division of Tourism, Commission on Tourism

Senate Committee on Finance  
March 28, 2005  
Page 2

Darrel Rexwinkel, Assistant Director, Support Services, Department of Corrections

John P. Comeaux, Director, Department of Administration

Darrel Hansen, Administrative Services Officer, Nevada Veterans' Home

CHAIR RAGGIO:

We have a bill draft request (BDR) from the Nevada Supreme Court which allows retired judges to not forfeit their retirement allowances during a period of reemployment. It also redirects some administrative funds from the payment for the services of retired justices and district judges to assist with the funding and establishment of specialty courts. Additionally, it appropriates \$3 million for the salaries of senior judges and others who serve in response to emergency requests.

**BILL DRAFT REQUEST 1-525:** Makes various changes regarding judiciary. (Later introduced as [Senate Bill 369](#).)

SENATOR BEERS:

This is already in the budget. Why do we need this BDR?

CHAIR RAGGIO:

There are changes that need to be made to the *Nevada Revised Statutes* (NRS).

SENATOR BEERS MOVED TO INTRODUCE [BDR 1-525](#).

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND TITUS WERE ABSENT FOR THE VOTE.)

\*\*\*\*\*

CHAIR RAGGIO:

The [BDR S-1070](#) would appropriate \$350,000 for the pediatric dental residency program.

**BILL DRAFT REQUEST S-1070:** Makes appropriation to University of Nevada School of Medicine for certain expenses of Pediatric Dental Residency Program. (Later introduced as [Senate Bill 375](#).)

SENATOR BEERS MOVED TO INTRODUCE [BDR S-1070](#).

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND TITUS WERE ABSENT FOR THE VOTE.)

\*\*\*\*\*

CHAIR RAGGIO:

The [BDR S-1097](#) proposes an appropriation for costs relating to the submission of an application to host the Winter Olympics in 2014.

**BILL DRAFT REQUEST S-1097:** Makes appropriation to Nevada Commission on Sports for costs relating to submission of application to host Winter Olympic Games in 2014. (Later introduced as [Senate Bill 374.](#))

SENATOR BEERS MOVED TO INTRODUCE BDR S-1070.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND TITUS WERE ABSENT FOR THE VOTE.)

\* \* \* \* \*

CHAIR RAGGIO:

The next item, BDR S-1232, would make an appropriation of \$200,000 to the Western Folklife Center in Elko.

**BILL DRAFT REQUEST S-1232:** Makes appropriation to Western Folklife Center. (Later introduced as [Senate Bill 373.](#))

SENATOR BEERS MOVED TO INTRODUCE BDR S-1232.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND TITUS WERE ABSENT FOR THE VOTE.)

\* \* \* \* \*

CHAIR RAGGIO:

The BDR S-1233 proposes an appropriation of \$2.2 million for construction of a regional juvenile detention facility in Elko.

**BILL DRAFT REQUEST S-1233:** Makes appropriation for construction of regional juvenile detention facility in Ely, Nevada. (Later introduced as [Senate Bill 372.](#))

SENATOR RHOADS MOVED TO INTRODUCE BDR S-1233.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND TITUS WERE ABSENT FOR THE VOTE.)

\* \* \* \* \*

CHAIR RAGGIO:

The next item, BDR S-1235, would add additional personnel to assist in preserving and enhancing military installations in Nevada.

**BILL DRAFT REQUEST S-1235:** Makes appropriation to the Office of the Military for additional personnel to assist in preserving and enhancing military installations in Nevada. (Later introduced as [Senate Bill 371.](#))

SENATOR BEERS MOVED TO INTRODUCE BDR S-1235.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND TITUS WERE ABSENT FOR THE VOTE.)

\* \* \* \* \*

CHAIR RAGGIO:

The BDR S-1389 is for an appropriation to the Andre Agassi College Preparatory Academy for construction of facility to provide full-day kindergarten and first grade.

**BILL DRAFT REQUEST S-1389:** Makes appropriation to Andre Agassi College Preparatory Academy for construction of facility to provide full-day kindergarten and first grade. (Later introduced as [Senate Bill 376](#).)

SENATOR RHOADS MOVED TO INTRODUCE BDR S-1389.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND TITUS WERE ABSENT FOR THE VOTE.)

\* \* \* \* \*

CHAIR RAGGIO:

The BDR S-1390 requests an appropriation to Nevada Cancer Institute.

**BILL DRAFT REQUEST S-1390:** Makes appropriation to Nevada Cancer Institute for certain research, educational and outreach expenses. (Later introduced as [Senate Bill 370](#).)

SENATOR CEGAVSKE MOVED TO INTRODUCE BDR S-1390.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND TITUS WERE ABSENT FOR THE VOTE.)

\* \* \* \* \*

CHAIR RAGGIO:

The BDR 26-318 proposes to revise the distribution of federal money from leases of federal land.

**BILL DRAFT REQUEST 26-318** Revises the manner in which oil royalties received from the Federal Government are distributed to the local governments. (Later introduced as [Senate Bill 377](#).)

SENATOR RHOADS:

This bill would transfer money from oil royalties to Nye County.

SENATOR BEERS MOVED TO INTRODUCE BDR 26-318.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND TITUS WERE ABSENT FOR THE VOTE.)

\*\*\*\*\*

DAN MUSGROVE (Director, Intergovernmental Relations, Office of the County Manager, Clark County):

We would like this Committee to consider a BDR to appropriate \$15 million for the purchase of voting machines for Clark County. The Secretary of State is mandating all voting machines in the state produce a paper trail. The Secretary of State received federal funds to purchase the voting machines for all counties except Clark. Our current voting machines are not compliant with the Secretary's mandate.

SENATOR CEGAVSKE:

I have reservations about the Secretary's power to mandate a paper trail when the federal government has not done so under the Help America Vote Act (HAVA). We still have machines in Clark County that are usable. We would like to have individual machines phased out as they break down instead of having to use \$15 million at this time to replace all of them at once.

CHAIR RAGGIO:

If it is introduced, we can discuss this in more detail at that time.

SENATOR BEERS:

Can we fund this by using the reserves in the Secretary's budget?

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

According to the NRS, anything over \$2 million in reserve in the Secretary of State's expedite account automatically goes to the General Fund. If you removed anything over \$2 million, you would be taking money that was already going to the General Fund. The Secretary of State is projecting a cash flow problem over the next biennium on the expedite fees. We took \$3.8 million out of their investigative account two years ago to fund partial costs of the emergency response building.

SENATOR BEERS:

Will these cash flow problems slow down their decision to decertify the HAVA compliant voting machines in Clark County?

MR. GHIGGERI:

I cannot answer that question.

SENATOR CEGAVSKE MOVED TO INTRODUCE A BDR TO APPROPRIATE \$15 MILLION FOR THE PURCHASE OF VOTING MACHINES FOR CLARK COUNTY.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

\*\*\*\*\*

CHAIR RAGGIO:

There will be questions on this bill when it is heard.

MR. MUSGRAVE:

I understand.

CHAIR RAGGIO:

We will now discuss S.B. 106 and S.B. 183.

**SENATE BILL 106**: Makes appropriation to State Board of Examiners for expenses relating to construction of new court facility in White Pine County. (BDR S-1226)

**SENATE BILL 183**: Makes appropriation to State Board of Examiners for new courthouse in White Pine County. (BDR S-517)

DAN L. PAPEZ (District Judge, Department 2, Seventh Judicial District Court): Please refer to the handout *White Pine County Judicial Facility Project (Exhibit C, original is on file at the Research Library)*. I support S.B. 106 and S.B. 183 because they are necessary for public safety. I know the state does not traditionally fund the construction of county courthouses, but our circumstances are unusual due to the case management and litigation arising out of Ely State Prison. The current courthouse was never designed to accommodate the kind of security measures necessary for trying cases from the Ely State Prison. The inmates housed at Ely State Prison are the most violent and dangerous criminals in Nevada. They continue to commit crimes in prison and also have a large amount of civil litigation that is handled by our judicial district.

The close proximity of the witness stand to the jury box and inadequate holding facilities are just two of a number of security problems we face in the current courthouse. White Pine County cannot afford, either through bonding or other measures, to pay these costs. We cannot use the courtroom at the Ely State Prison because it is too small to accommodate a jury trial. There are also constitutional issues with holding a jury trial behind the walls of a maximum security prison. The presumption of innocence would be in question. Members of the public would be reluctant to participate in juries within a maximum security prison.

STEVEN DOBRESCU (District Judge, Department 1, Seventh Judicial District Court): The biggest security problem we have is with the transportation of prisoners. There are no dedicated corridors or entrances. The public and members of the

court routinely come in close contact with these prisoners. Please refer to the handout prepared by the architecture firm of Ganther Melby LLC regarding the preliminary cost estimate for the White Pine County Judicial Facility Project ([Exhibit D](#), original is on file at the Research Library). In this handout you will see that the cost of building county facilities has increased dramatically in the last few months. The architect has built contingencies into the preliminary cost estimate that will allow us to construct the courthouse for a little over the \$8 million appropriation in the bill.

CHAIR RAGGIO:

Where would the new courthouse be built?

JUDGE DOBRESKU:

It would be adjacent to the sheriff's office in Ely. The existing courthouse would then be used to house other county offices.

CHAIR RAGGIO:

The state has never funded the construction of a county courthouse. Are you saying the request will be for more than \$8 million? Will White Pine County contribute anything to this project if the state appropriates this money?

JUDGE PAPEZ:

The county is going to contribute the land and will allocate \$150,000 in court facilities fees we have collected. That is the extent of other funding.

CHAIR RAGGIO:

How is the courtroom at the prison used?

JUDGE PAPEZ:

The justice of the peace travels to the prison to hold small claims court, arraignments and preliminary hearings for inmates charged with criminal offenses.

CHAIR RAGGIO:

What features would the new courthouse contain?

JUDGE PAPEZ:

It would be approximately 30,000 square feet, with two district courtrooms; a justice court room; a jury deliberation room; the clerk of the court's office and the district attorney's office. If there is room, we may include the juvenile probation office which is under our court's control.

NANCY A. BECKER (Chief Justice, Nevada Supreme Court):

I am here both as the Chief Justice of the Supreme Court and as the Chair of the Judicial Council for the State of Nevada. Building this courthouse is a high priority for us. The state should fund this project because of the amount of both criminal and civil litigation coming from the maximum security prison in Ely. In order to ensure their rights, the prisoners must be shackle free within the courtrooms. The current building cannot provide the kind of security necessary for these situations. The citizens of Ely, who are called for jury duty, are concerned about their safety. This project is not tied to the county as much as to the prison and that is what makes this situation unique with respect to county courthouses.

SENATOR TITUS:

I recently visited the White Pine County courthouse and it is cramped and lacking means to separate the prisoners from court officers and jurors. The holding facility is in a storeroom on the second floor above family and children services. I am supportive of this request.

SENATOR BEERS:

Can we build a courthouse annex on site at the prison?

JUDGE PAPEZ:

The constitutional issues preclude us from associating a jury trial too closely to the prison.

SENATOR BEERS:

I would like to have a legal opinion as to whether having a trial too close to the prison grounds would violate a prisoner's constitutional rights.

SENATOR COFFIN:

How often do they transport inmates to the White Pine County courthouse from the prison?

JUDGE PAPEZ:

We hear about 40 to 50 cases per year both civil and criminal. Every criminal case requires a great deal of security. Recently, I conducted a jury trial where a prison gang had put out a \$100,000 contract to kill a witness. I posted armed security guards on each side of the jury box. It is not uncommon to have security guards in our hallways armed with M-16 automatic rifles.

SENATOR COFFIN:

Since it comes out during courtroom testimony that the defendant is an inmate of the maximum security prison, will that information not negatively influence the jurors as much as shackles would?

JUDGE PAPEZ:

When they come for trial, they are unshackled and wear a white shirt and a drab pair of pants. They are not seen in prison uniforms or shackles.

SENATOR COFFIN:

I wonder if a courtroom annexed to the prison would preclude a fair trial since everyone knows the defendant is a maximum security prisoner anyway.

JUDGE PAPEZ:

The warden, who maintains tight security, would have great concerns about bringing members of the public to the prison grounds.

MICHAEL P. GIBBONS (District Judge, Department 2, Ninth Judicial District):

As president of the Nevada District Judges Association, I support these two bills. We know it is an unusual procedure for the Legislature to fund the construction of a county courthouse, but our association voted unanimously to support and make this our highest priority this year. State law requires victims be separated from the court proceedings so they can avoid contact with the inmates. Since prisoners also are witnesses to some crimes, there can be several inmates in the courthouse at one time. These people are in close proximity in a small space and the potential for violence is high.



CHAIR RAGGIO:

If we do this for White Pine County, will other counties with prisons make similar requests?

JUDGE GIBBONS:

This is a unique situation because it is the state's maximum security prison.

CHAIR RAGGIO:

How does the Pershing County courthouse handle security with their prisoner trials?

JUDGE GIBBONS:

That courthouse is configured differently. Many of the defendants and litigants are sex offenders and they tailor trials accordingly.

SENATOR MIKE MCGINNESS (Central Nevada Senatorial District):

I am submitting a handout titled Report to the 73rd Session of the Nevada Legislature from the Legislative Commission's Subcommittee to Study the Criminal Justice System in Rural Nevada and Transitional Housing for Released Offenders ([Exhibit E](#)). As Chair of this Commission, I recommend approval of this bill to fund construction of a new courthouse for White Pine County.

CHAIR RAGGIO:

I wish to introduce into the record a letter from District Court Judge Michael Griffin ([Exhibit F](#)) in support of S.B. 106 and S.B. 183.

ASSEMBLYMAN PETE GOICOECHEA (Assembly District No. 35):

I am here to request approval for funding a new courthouse for White Pine County. I would like to add something to the earlier discussion of whether to build a courthouse annex on the prison grounds. The maximum security prison is ten miles from Ely. It is more efficient to move a single prisoner to Ely than it is to transport an entire jury out to the prison. I represent Pershing County and there is a big difference between the potential for violence of prisoners in the Lovelock prison and those in the Ely prison.

JOHN A. CHACHAS (Commissioner, Board of Commissioners, White Pine County):

We are concerned about the security in the current White Pine County courthouse. White Pine County has limited financial resources and it is always a struggle to just maintain basic services to the citizens. We have collected \$150,000 in administrative fees which we intend to apply toward this project. In addition, we will donate the site for the building. We cannot contribute more to this project. As you can see from the photographs in [Exhibit C](#), the courthouse interior lacks adequate space to provide a safe environment for judges, jurors, court administrators and our citizens.

TERRENCE J. MELBY (Architect, Ganther Melby LLC, Architects and Planners):

I am providing a handout which is a copy of an article from The Wall Street Journal dated March 23, 2005 ([Exhibit G](#)). This illustrates the rising cost of construction materials in the last year. I have submitted an update of construction costs to Judge Papez for the construction of the courthouse which I now estimate will be about \$10.8 million based on a study recently provided by Clark County School District for similar projects.

Senate Committee on Finance  
March 28, 2005  
Page 10

SENATOR RAGGIO:  
How long will this \$10.8 million figure be honored?

MR. MELBY:  
It was budgeted over a two-year period.

GERALD J. GARDNER (Chief Deputy Attorney General, Criminal Justice Division,  
Office of the Attorney General):  
I will read from my prepared statement ([Exhibit H](#)) in support of S.B. 106.

SENATOR BEERS:  
Why can we not centralize jurisdiction over prisoners in an area with a relatively safe courthouse?

MR. GARDNER:  
That place would be White Pine County where more than half of all prison criminal cases arise.

SENATOR BEERS:  
We do not have the secure facilities there, but we do have them in Carson City.

SENATOR RHOADS:  
I fully support this project. It is long overdue, and the people from White Pine County deserve this.

CHAIR RAGGIO:  
We will open discussion on S.B. 211.

**SENATE BILL 211**: Makes appropriation to City of Fernley for construction of road into Northern Nevada Veterans' Memorial Cemetery. (BDR S-854)

ASSEMBLYMAN TOM GRADY (Assembly District No. 38):  
I am here to support S.B. 211. This is a request for \$140,000 to have a road built into the cemetery. When the cemetery was built, there was a commitment given by certain legislators that a road would be built. This was never done. The City of Fernley will provide \$25,000 plus some in-kind and volunteer help. The county raised \$50,000, but we are still \$140,000 short of the necessary funds.

CHAIR RAGGIO:  
Who currently owns the property on which the road will be built?

LOWELL PATTON (Director, Public Works, City of Fernley):  
The road currently accesses easement through property owned by four separate individuals. We hope to record right-of-way and bring this road into the inventory of the City of Fernley so the cemetery district does not have to pay for maintenance.

CHAIR RAGGIO:  
Will this be a new road or a modification of the existing road?

MR. PATTON:  
The road in question is a dirt road that runs from the truck stop west to the cemetery. We are looking for dedications from property owners.

CHAIR RAGGIO:

Do you have a definite plan for this construction? How much will the total project cost?

MR. PATTON:

We have plans drawn up and have rights to the easements. The total cost will be \$306,145. An itemized breakout of funding sources can be found in my handout which is a copy of a letter from the City of Fernley Public Works Department to Senator McGuiness and Assemblyman Grady dated March 17, 2005 ([Exhibit I](#)).

CHARLES (CHUCK) W. FULKERSON (Executive Director, Office of the Executive Director for Veterans' Services, Office of Veterans' Services):  
I will read my prepared statement ([Exhibit J](#)) in support of S.B. 211.

DAVID STIX JR. (Mayor, City of Fernley):

I support S.B. 211. I want to clarify a point Mr. Patton was trying to make. The easements for the road are in place. Ownership of the property we intend to use for the road is not an issue.

CHAIR RAGGIO:

The access to this cemetery for veterans is deplorable. I am pleased that plans are being made to correct this problem and want to be sure it is feasible.

MR. STIX:

If this were a road to a business, instead of a government entity, the cost of the road would not be questioned.

DOUGLAS BYINGTON (Advisory Committee for a Veterans' Cemetery in Northern Nevada, Office of Veterans' Services):

I support S.B. 211. The road into the cemetery is not only a disgrace but is dangerous to drive upon.

CHAIR RAGGIO:

We will open discussion on the Nevada Magazine budget.

## ECONOMIC DEVELOPMENT AND TOURISM

Nevada Magazine – Budget Page ECON DEV & TOURISM-29 (Volume II)  
Budget Account 530-1530

RICHARD MORENO (Publisher, Nevada Magazine, Division of Publications, Commission on Tourism):

Nevada Magazine is an enterprise fund and we are not requesting any new programs, positions or significant changes in our budget. Nevada Magazine educates readers about the state's recreational activities, history, heritage, special events, culture and natural resources in order to attract visitors. I am providing a summary of Nevada Magazine's accomplishments 2004 and 2005 ([Exhibit K](#)). We have increased the Magazine's newsstand presence during the past year and have changed the magazine's appearance to broaden its appeal. We recently partnered with the Division of State Parks to have a subscription brochure distributed as patrons enter the parks.

CHAIR RAGGIO:

You publish an excellent magazine. Your revenues in fiscal year (FY) 2004 were less than approved by the Legislature. How did that happen?

MR. MORENO:

We historically budget our revenue sources higher than expected to allow flexibility to accept money. Our advertising revenue decreased because two years ago we produced a special publication for the Nevada Department of Tourism; however, this year we did not get the bid for that project. We control our expenses, so we never spend more than we bring in.

CHAIR RAGGIO:

Over the last five years, have the number of subscriptions increased or decreased?

MR. MORENO:

We have about the same number of subscriptions as we had five years ago. We have a limited amount of marketing money and are trying new ways to increase our subscriptions and advertising revenues.

CHAIR RAGGIO:

There was an improper transfer made by the Division of Tourism for funds not set aside for Nevada Magazine. You need to conform to acceptable methods.

BRUCE BOMMARITO (Executive Director, Division of Tourism, Commission on Tourism):

We will make sure we do that in the future.

SENATOR MATHEWS:

You should concentrate on subscription sales. It will be difficult for you to compete with large, national distributors, like Time Warner, for shelf space on newsstands, in bookstores and airport gift shops.

MR. MORENO:

I agree. However, we need to make some effort to give the magazine visibility on newsstands, even if we do not make a profit. Some stores have a policy of giving space to local magazines.

SENATOR TITUS:

Do you have a cooperative effort with Made in Nevada and similar organizations?

MR. MORENO:

Yes, our retail coordinator works closely with them.

SENATOR TITUS:

Do hotels offer Nevada Magazine in their rooms? Are you planning any special projects in conjunction with the Las Vegas centennial?

MR. BOMMARITO:

Most hotels in Nevada are under contract to another magazine, and we cannot place a second magazine in the rooms.

MR. MORENO:

This year we put out a special Las Vegas centennial celebration issue. We will carry additional stories, not only about the Las Vegas centennial, but about centennial celebrations in several other Nevada cities this year.

SENATOR TITUS:

Do libraries around the state carry your magazine?

MR. MORENO:

Most libraries subscribe to the magazine.

CHAIR RAGGIO:

We have a proposed amendment to S.B. 5.

**SENATE BILL 5**: Revises provisions governing transfers of money for use of Committee for the Development of Projects Relating to Tourism. (BDR 18-383)

MR. GHIGGERI:

This amendment will remove the requirement for the Department of Tourism to return to the Interim Finance Committee (IFC) for approval in expending funds for their rural grants program. There is funding included in their budget.

MR. BOMMARITO:

I support that amendment.

SENATOR BEERS MOVED TO AMEND AND DO PASS S.B. 5.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR RAGGIO:

We will now discuss S.B. 14.

**SENATE BILL 14**: Revises provisions relating to certain special license plates. (BDR 43-322)

MR. FULKERSON:

I will read my prepared statement ([Exhibit L](#)) in support of S.B. 14.

CHAIR RAGGIO:

Why will there be an annual loss in revenue to the veterans' home if this bill is passed?

MR. FULKERSON:

I am suggesting this bill not become law until the 2007 biennium.

CHAIR RAGGIO:

Why are we doing it now if it will not be effective until the year 2007?

MR. FULKERSON:

The funds generated by this account have already been built into the current budget. I will request this bill be amended so as not to become effective until July 2007.

CHAIR RAGGIO:

We will now discuss S.B. 91.

**SENATE BILL 91**: Makes supplemental appropriation to Department of Corrections for unanticipated operating expenses for Fiscal Year 2004-2005 and for expenses relating to takeover of Southern Nevada Women's Correctional Facility for Fiscal Year 2004-2005. (BDR S-1192)

DARREL REXWINKEL (Assistant Director, Support Services, Department of Corrections):

We have a supplemental request to change the amount of funding in this bill from \$3,494,384 to \$3,721,573 for expenses relating to the Southern Nevada Women's Correctional Facility. We projected a prison population average of 454, but we have averaged 511.

CHAIR RAGGIO:

What is the emergency capacity for that facility?

MR. REXWINKEL:

The emergency capacity is 546 inmates, but we have had very few problems.

CHAIR RAGGIO:

Has the medical treatment improved?

MR. REXWINKEL:

I have not heard of problems with the medical treatment.

A component of this supplemental request has to do with the cost of utilities. The cost of fuel continues to go up, but we feel we have enough in this request to take care of our needs through the end of the year. Another part of this request will be for operating costs. Most of this is for vehicle fuel.

Another component of this supplemental request is in the inmate-driven category. In the original version of S.B. 91, we requested \$500,000. We are increasing that projection to \$580,000. The final component of this request is for maintenance which we are decreasing from \$59,149 to \$23,000.

CHAIR RAGGIO:

Subject to staff review, we will accommodate the supplemental request for \$3,721,573. Mr. Comeaux, is that agreeable with you?

JOHN P. COMEAUX (Director, Department of Administration):

Yes, it is.

CHAIR RAGGIO:

We will open discussion on S.B. 104.

**SENATE BILL 104**: Makes appropriation to Department of Corrections for purchase of replacement vehicles. (BDR S-1222)

MR. REXWINKEL:

This appropriation is for the purchase of replacement vehicles. Please see the handout ([Exhibit M](#)) for a list of vehicles we propose buying.

MR. GHIGGERI:

The Department of Corrections will be reviewing this list and may make some revisions.

MR. REXWINKEL:

We will probably make some substitutes as we implement the vehicle purchase plan. The vans will be a high priority item because these are what we use most often for inmate transportation.

CHAIR RAGGIO:

What is the Department's policy on vehicle replacement?

MR. REXWINKEL:

The *State Administrative Manual* calls for replacement when the vehicle is over three years old or has over eighty thousand miles. We have several vehicles that have gone over 100,000 miles. We do not want to have a vehicle full of inmates breaking down on our roads.

CHAIR RAGGIO:

We will now discuss S.B. 102.

**SENATE BILL 102**: Makes appropriation to Office of Veterans' Services to pay for construction costs of shelter to protect state-owned vehicles. (BDR S-1219)

MR. FULKERSON:

I will read my prepared statement ([Exhibit N](#)).

CHAIR RAGGIO:

Is it true the vehicles will last twice as long if kept under a shelter?

MR. FULKERSON:

That is true because the exterior deteriorates faster in direct sunlight.

CHAIR RAGGIO:

Your estimated cost is based on a verbal agreement. How firm is that estimate?

DARREL HANSEN (Administrative Services Officer, Nevada Veterans' Home):

We are awaiting a written estimate from that vendor. From the conversations we have had with him, we are comfortable that this cost will stand.

CHAIR RAGGIO:

This is in the budget, but we will require the written estimate before we can act on this. How soon will you have that?

Senate Committee on Finance  
March 28, 2005  
Page 16

MR. HANSEN:

I am submitting a handout describing the proposed vehicle shelter ([Exhibit O](#)). The written estimate should be available within the week.

CHAIR RAGGIO:

Mr. Comeaux, will you see to that?

MR. COMEAUX:

I will.

CHAIR RAGGIO:

We will now open the discussion on A.B. 96.

**ASSEMBLY BILL 96**: Makes appropriations to restore balances in Stale Claims Account, Emergency Account and Reserve for Statutory Contingency Account. (BDR S-1202)

MR. COMEAUX:

This is a request for an appropriation from the General Fund to the Stale Claims Account in the amount of \$3.5 million, to the Emergency Account in the amount of \$500,000, and to the Statutory Contingency Account in the amount of \$3 million. Please refer to the spreadsheet for the Stale Claims Account ([Exhibit P](#)) and the spreadsheet for the Statutory Contingency Account ([Exhibit O](#)). These will show to which departments the money has been distributed from FY 2003 through early March 2005.

CHAIR RAGGIO:

Please explain the purpose of the Stale Claims Account to those here who may not understand it.

MR. COMEAUX:

While the state's accounting books close on the last Friday in August, it is not uncommon to have bills from vendors arrive after the books are closed. The Stale Claims Account is an account we use to pay those stale claims. We currently have more claims against this account than we can cover.

The Statutory Contingency Account now has less than \$65,000 remaining in that account and is holding several hundred thousand dollars worth of claims. I request expeditious action on this bill.

CHAIR RAGGIO:

The Office of the State Public Defender had higher than anticipated costs for post-conviction relief.

MR. COMEAUX:

We may get some relief on the Statutory Contingency Account from chapter 41 of *Nevada Revised Statutes*. We have had two large claims and that is why the cost in FY 2005 is much higher than the preceding years. While we could see the costs in that category go down, there is always the chance of new litigation.

CHAIR RAGGIO:

This bill will restore the fund to what amount?



MR. COMEAUX:

We are requesting \$3 million for the Statutory Contingency Account which, after we pay our existing claims, will be reduced to about \$2.5 million by the beginning of the next biennium.

The Emergency Account, for which I do not have a handout, has about \$58,000 left. Most of the initial \$500,000 went toward the initial cost of emergency beds set up in southern Nevada to help mental health patients. We also spent money on emergency feed for wild horses.

SENATOR BEERS MOVED TO RECOMMEND DO PASS ON A.B. 96.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\*\*\*\*\*

CHAIR RAGGIO:

We will now discuss S.B. 89. Can we utilize Maximus funding for this?

**SENATE BILL 89**: Makes supplemental appropriation to Department of Human Resources for unanticipated shortfall in money for Fiscal Year 2004-2005 resulting from increased cost of maintenance of effort requirement for Substance Abuse Prevention and Treatment Block Grant. (BDR S-1190)

MR. COMEAUX:

When we built the budget, prospects for generating Maximus money did not look good. But this would work as well.

CHAIR RAGGIO:

Based on what we have heard, we should amend this bill to include Maximus funding. Is there sufficient money to cover this?

MR. GHIGGERI:

There is approximately \$260,000 in Maximus funding. This would change the General Fund appropriation from \$521,620 to \$261,620. The balance would be funded with Maximus money once a work program is submitted by the Budget Division to the IFC. The proposed amendment is No. 51.

SENATOR BEERS MOVED TO AMEND AND DO PASS S.B. 89 WITH AMENDMENT NO. 51.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\*\*\*\*\*

CHAIR RAGGIO:

We have letter from Mr. Brian Patchett, President and CEO of Easter Seals of Southern Nevada ([Exhibit R](#)) requesting \$4 million for construction of a new building and expansion.

Senate Committee on Finance  
March 28, 2005  
Page 18

SENATOR CEGAVSKE:

Easter Seals of Southern Nevada is constructing a new building and the costs are itemized in that letter. I would like this Committee to consider a BDR to fund it.

SENATOR BEERS MOVED FOR COMMITTEE INTRODUCTION OF A BDR FOR \$4 MILLION TO THE EASTER SEALS OF SOUTHERN NEVADA FOR CONSTRUCTION OF A NEW BUILDING AND EXPANSION.

SENATOR TITUS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

SENATOR CEGAVSKE:

With regard to the Stale Claims Account, why are so many bills submitted late? Can we charge interest or late fees on these late billings to help correct the problem?

MR. COMEAUX:

There is no provision in statute which requires a charge in interest if a claim is late. The reasons for stale and delayed claims vary. Sometimes it is the Department's fault, as when an invoice is received but mishandled. Other times, vendors simply do not submit them on time. It is not unusual to process claims from as far back as FY 2002.

SENATOR CEGAVSKE:

Do you see any way to remedy this?

CHAIR RAGGIO:

With attorneys handling post-conviction matters, the cases can go on for long periods of time. They often require the bill be certified by the court which adds to the delay. It is difficult enough to get attorneys to take these cases without putting more unwieldy restrictions on them.

The Senate Fiscal Analysis staff prepared a memorandum to the Committee on the six-month audit reports of the University and Community College System of Nevada, Department of Information Technology and Division of Child and Family Services ([Exhibit S](#)). Mr. Comeaux, are you aware of these reports?

MR. COMEAUX:

Yes, I am aware of them.

SENATOR COFFIN:

I want to be sure this Committee will have all the time it needs to discuss bills which contain an appropriation.

CHAIR RAGGIO:

Most of the appropriation bills are not included in the budget and we are trying to have hearings on them. Even though we do not know what funding might be available, I want to get all the bills heard before this Committee so we are not looking at them at the last minute. I have not talked to the Chair of the Assembly Committee on Ways and Means as to what they want to do.

Senate Committee on Finance  
March 28, 2005  
Page 19

There being no other business to discuss, this Committee is adjourned at 10:13 a.m.

RESPECTFULLY SUBMITTED:

\_\_\_\_\_  
Michael Archer,  
Committee Secretary

APPROVED BY:

\_\_\_\_\_  
Senator William J. Raggio, Chair

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