

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-third Session
March 29, 2005**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:00 a.m. on Tuesday, March 29, 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 Maurice E. Washington, Senate District No. 2
Senator Randolph J. Townsend, Senate District No. 4
Senator Mark E. Amodei, Capital Senatorial District

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Bob Guernsey, Principal Deputy Fiscal Analyst
Sandra Small, Committee Secretary

OTHERS PRESENT:

Adjutant General Giles Vanderhoof, Special Advisor on Homeland Security,
Office of the Governor
Daniel J. Klaich, Chief Counsel, System Administration Office, University and
Community College System of Nevada
Michael J. Willden, Director, Department of Human Resources
Lewis Musgrove, Regional Director, Us Too Prostate Cancer Education and
Support
Richard Whitley, M.S., Deputy Administrator, Health Division, Department of
Human Resources
Buffy G. Martin, American Cancer Society
Carlos Brandenburg, Ph.D., Administrator, Division of Mental Health and
Developmental Services, Department of Human Resources
Gary H. Wolff, Teamsters Union Local 14
Walter R. Tarantino, Nevada Highway Patrol Association and State Peace
Officers Council
Ronald P. Dreher, Peace Officers Research Association of Nevada
Raymond McAllister, Professional Firefighters of Nevada
Allen Biaggi, Director, State Department of Conservation and Natural Resources
John P. Comeaux, Director, Department of Administration
Neil McQueary, Chief Executive Office, Elko Chamber of Commerce
Paul Sawyer, California Trail Association

Senate Committee on Finance
March 29, 2005
Page 2

Joseph Guild, Elko County
Stan Aiazzi, Board Chairman, Western Folklife Center
Joseph W. Brown, Board Member, Western Folklife Center
Charlie Seeman, Executive Director, Western Folklife Center
Waddie Mitchell, Cowboy Poet
Helen A. Foley, Nevada Alliance of Boys and Girls Clubs
Kevin McCartney, Senior Director, Boys and Girls Clubs of America
Steve Smith, President, Nevada Alliance of Boys and Girls Clubs

CHAIR RAGGIO:

We have bill draft requests (BDRs) for Committee consideration. Bill Draft Request S-1046 and BDR C-1048 are from the interim committee which dealt with the feasibility of mass transit within the state and to urban areas in neighboring states.

BILL DRAFT REQUEST S-1046: Makes contingent appropriation to Department of Transportation for Rural Transit Operations. (Later introduced as [Senate Bill 440](#).)

SENATOR BEERS MOVED FOR COMMITTEE INTRODUCTION OF BDR S-1046.

SENATOR COFFIN SECONDED THE MOTION.

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

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BILL DRAFT REQUEST C-1048: Proposes to amend Nevada Constitution to allow use of revenue generated from fees and other charges related to operation of motor vehicles upon public highways of State and revenue from gasoline taxes for other transportation needs. (Later introduced as [Senate Joint Resolution 14](#).)

SENATOR BEERS MOVED FOR COMMITTEE INTRODUCTION OF BDR C-1048.

SENATOR COFFIN SECONDED THE MOTION.

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

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BILL DRAFT REQUEST S-1098: Makes appropriation to Fund for Aviation for rural airports to match federal money provided by Federal Aviation Administration. (Later introduced as [Senate Bill 439](#).)

SENATOR BEERS MOVED FOR COMMITTEE INTRODUCTION OF BDR S-1098.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

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BILL DRAFT REQUEST S-663: Authorizes issuance of general obligation bonds to carry out Environmental Improvement Program in Lake Tahoe Basin and extends period for issuance of bonds for the Program. (Later introduced as [Senate Bill 441](#).)

SENATOR COFFIN MOVED FOR COMMITTEE INTRODUCTION OF BDR S-663.

SENATOR MATHEWS SECONDED THE MOTION.

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

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BILL DRAFT REQUEST I-217: Authorizes justices of the peace and municipal judges to participate in Judicial Retirement Plan under certain circumstances. (Later introduced as [Senate Bill 438](#).)

SENATOR COFFIN MOVED FOR COMMITTEE INTRODUCTION OF BDR I-217.

SENATOR MATHEWS SECONDED THE MOTION.

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

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CHAIR RAGGIO:

We will open the hearing on Senate Bill (S.B.) 78.

SENATE BILL 78: Makes permanent authority of Board of Regents of University of Nevada to grant waivers for registration and laboratory fees for active members of Nevada National Guard. (BDR S-89)

ADJUTANT GENERAL GILES VANDERHOOF (Special Advisor on Homeland Security, Office of the Governor):

I am here in support of S.B. 78. It is my first priority this session. We released over 1,000 people who have spent time on active duty for up to two years. We continue to mobilize people. We are expecting up to 200 air guardsmen to be mobilized momentarily. This program has been successful. The Nevada National Guard's goal is to maintain attrition rates at 18 percent or lower. The Army Guard is under 14 percent and the Air Guard is at 2.8-percent attrition rates. We beat the national averages considerably. You have seen, in news reports, the U.S. Army is having a problem retaining and enlisting new people. We are not experiencing that in Nevada. We are maintaining our strength. The retention is the best we have ever had and our enlistments are up. I attribute this bill as the major factor for retention.

The 72nd Military Police Company was mobilized twice. The second tour was in Baghdad where they were under fire every day for nearly a year. Purple Hearts were received. We retained almost all of those people when we expected to lose half the unit. I ask the Committee to make this permanent for the Nevada National Guard. The program is good for the guardsmen, for the State of Nevada to have a more educated population and we owe this to the people who have put their lives on the line for Nevada and our country. The University and Community College System of Nevada will be asking for financial assistance on this. I urge you to support that request.

DANIEL J. KLAICH (Chief Counsel, System Administration Office, University and Community College System of Nevada):

It is our intent, if this bill passes, to utilize the authority granted by the Legislature to award these fee waivers. The financial impact in fiscal year (FY) 2006 is estimated at \$764,000 and in FY 2007 the estimate is \$903,000. These figures differ slightly from the figures provided to the Legislative Counsel Bureau staff.

CHAIR RAGGIO:

The staff estimated figures are close to what you indicated. In FY 2006 we have \$764,470 and FY 2007 we have \$903,806. It is my understanding that your projection includes realized revenue percentages that reflect continuation of the fee waivers at the modified enrollment amount. If this bill is approved, an additional General Fund appropriation of \$13,950 in FY 2006 and \$14,250 in FY 2007 will be needed to add fee waivers at the Nevada State College.

MR. KLAICH:

That is right. Our Base Budget was not prepared in a manner that was consistent among the institutions of the System. Some of the institutions assumed this bill would sunset. We have submitted revised numbers assuming the program will not sunset.

CHAIR RAGGIO:

Please be sure our staff and your budget people have a clear understanding of the budget requirements. Do you need any additional funding?

MR. KLAICH:

We do need funds in addition to what is in the Base Budget. We are proud to be in this partnership with the Nevada National Guard.

CHAIR RAGGIO:

We will close the hearing on S.B. 78. The Attorney General's Office has requested consideration of BDR S-106.

BILL DRAFT REQUEST S-106: Provides that investigators employed by Attorney General are eligible to enroll in police and firefighters' retirement fund. (Later introduced as [Senate Bill 454](#).)

SENATOR RHOADS MOVED FOR COMMITTEE INTRODUCTION OF BDR S-106.

SENATOR MATHEWS SECONDED THE MOTION.

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

CHAIR RAGGIO:

We will open the hearing on S.B. 98. This is a \$50,000 appropriation included in the *Executive Budget*.

SENATE BILL 98: Makes appropriation to Department of Administration to provide necessary assistance to Task Force on Prostate Cancer. (BDR S-1210)

MICHAEL J. WILLDEN (Director, Department of Human Resources):

I am here today to provide information and support for S.B. 98. I have provided written testimony ([Exhibit C](#)) which includes an operating budget for this appropriation. Currently the task force members are not entitled to receive per diem or travel. The Department of Human Resources (DHR) is requesting, in BDR 178, a revision to allow payment for per diem and travel.

CHAIR RAGGIO:

Is there any reason the BDR cannot be amended into this bill?

MR. WILLDEN:

It could be. The BDR 178 is a DHR cleanup request of about 600 pages.

CHAIR RAGGIO:

We could amend this bill to include per diem and travel for the task force.

MR. WILLDEN:

We would appreciate that.

The DHR was charged with the administrative costs for this task force when it was created four years ago. We have attempted to do that with telephone, computer, cubicle space and meeting staff support. We cannot cover the expenses covered in S.B. 98.

CHAIR RAGGIO:

We will make your statement, [Exhibit C](#), particularly the proposed budget, part of the minutes of this meeting. The operations budget includes per diem and travel for six members attending four meetings each year.

MR. WILLDEN:

That is correct.

LEWIS MUSGROVE (Regional Director, Us Too Prostate Cancer Education and Support):

During the 2001 Session, Governor Guinn told the Senate he had just had a physical and all was well. On July 11, 2002, Governor Guinn announced he had prostate cancer. Thank goodness for early detection. The prostate cancer task force went into effect before Governor Guinn knew he had cancer. The task force was basically unfunded. We were able to help develop the State of Nevada, Department of Human Resources, Nevada State Health Division, Prostate Cancer Profile ([Exhibit D](#), original on file at the Research Library) which you all have a copy of. This profile will be used for all cancers.

The Center for Disease Control (CDC) went to every state and offered grant monies for what the CDC calls its National Comprehensive Cancer Control Program which covers five cancers: prostate, breast, cervical, lung and colon. The CDC was amazed that Nevada already had a prostate cancer profile in place. We have a Web site, Nevada Prostate Cancer Task Force Website ([Exhibit E](#)) with links to provide knowledge to newly diagnosed men. This was all accomplished by the unfunded task force. There is work left to bring awareness and education to the men in Nevada. We support S.B. 98.

SENATOR TITUS:

This is a good project. Is there a Governor's task force on breast, ovarian or uterine cancer?

MR. MUSGROVE:

The National Comprehensive Cancer Control Program has committees set up within the State of Nevada to cover different cancers.

SENATOR TITUS:

I think the task force is important. What is the difference in this committee that it gets special funding and Web sites? Is the CDC doing the same thing for other cancers?

RICHARD WHITLEY, M.S. (Deputy Administrator, Health Division, Department of Human Resources):

The DHR received a CDC grant two years ago for comprehensive cancer planning. This task force existed before we received the planning grant. There is a statewide comprehensive cancer plan that includes the cancers you mentioned.

SENATOR TITUS:

Why does the prostate cancer task force need money and others do not?

MR. WHITLEY:

This task force was in existence and is further ahead. They have a plan with priorities and have made requests to start addressing the issues of prostate cancer. The other cancers in the planning process are in the formative stages.

SENATOR TITUS:

If we gave them some extra money, perhaps they could move ahead more rapidly. Is that possible?

MR. WHITLEY:

They are progressing and there is funding for the planning piece. They are not at the phase of implementation.

SENATOR TITUS:

When they get to that phase, will they have a Web site and will they solicit state funding?

MR. WHITLEY:

Yes, they will have a Web site. I do not know if they will request state funding. It is a statewide planning process with advocates and survivors. The priorities are still being developed.

SENATOR MATHEWS:

I am a 20-year survivor of breast cancer. Breast cancer was not in the forefront then. We should not leave any cancer behind. Cancer is a devastating diagnosis. We cannot leave one group behind.

MR. WILLDEN:

The DHR is not trying to leave anyone behind. We have tried to put the women's cancer issues forward with the Women's Health Connection which has been in place for a number of years; we have the Mammovan which receives an annual state appropriation and we have Medicaid treatments not previously allowed. We have a number of special offices within the Health Division. We try to push them all forward.

SENATOR MAURICE E. WASHINGTON (Senate District No. 2):

I am here on behalf of Ms. Nikki Meloskie, Co-Chairperson, Prostate Cancer Task Force. I have provided you with two handouts: a memorandum dated December 29, 2004, from Ms. Meloskie ([Exhibit F](#)) and a note from Ms. Meaghann Gallagher about her father ([Exhibit G](#)). I support S.B. 98.

BUFFY G. MARTIN (American Cancer Society):

Thank you for considering funding this task force on prostate cancer. Prostate cancer is the most common cancer among men. In Nevada, we estimate 2,000 new prostate cancer cases will be diagnosed this year. The \$50,000 request is a small amount of money when considering prostate cancer will affect one in six men. The American Cancer Society stands committed to assisting this task force with any resources necessary, including information on detection, treatment and services. We support S.B. 98.

CHAIR RAGGIO:

The people who have come forward during the last two sessions to organize and create this task force on prostate cancer should be commended for their efforts. Prostate cancer is the leading cancer in men and early detection is important. I am a survivor from metastatic melanoma; I understand, like Senator Mathews, how it feels to be diagnosed with the big C.

SENATOR TITUS:

I am pleased that so much progress has been made in this area. We should use this task force as a model to make progress in other cancers. I am not in any way criticizing this program.

CHAIR RAGGIO:

We will close the hearing on S.B. 98 and open the hearing on S.B. 131.

SENATE BILL 131: Increases number of members of Commission on Mental Health and Developmental Services. (BDR 18-279)

CARLOS BRANDENBURG, PH.D. (Administrator, Division of Mental Health and Developmental Services, Department of Human Resources):

This bill increases the current eight-member commission to nine. This new member would be a current or former recipient of mental health services.

SENATOR RANDOLPH J. TOWNSEND (Senate District No. 4):

This bill makes changes regarding the way appointments are made and adds to the commission a current or former recipient of mental health services. This bill

was processed by the Nevada Mental Health Plan Implementation Commission as a result of the appointment I received to President Bush's New Freedom Commission on Mental Health. It became apparent that consumers were not represented. We discovered that as long as an individual is receiving services, that person is in recovery and has no voice. Members who have not received benefits will get an understanding of what it is like to work with someone who, through recovery, can become a member of society. There is a stigma attached to receiving services and this bill will help erase that stigma.

CHAIR RAGGIO:
How often does this Commission meet?

DR. BRANDENBURG:
They have 12 meetings during the biennium. The fiscal impact is \$6,308 for the biennium including salaries and travel.

CHAIR RAGGIO:
Has the Commission been meeting regularly? What does it accomplish?

DR. BRANDENBURG:
The Commission meets regularly. Six meetings are for the Division of Mental Health and Development Services and six meetings are for the Division of Child and Family Services.

CHAIR RAGGIO:
Would the cost of the ninth member be split between the two Divisions?

DR. BRANDENBURG:
The \$6,308 is the total cost.

CHAIR RAGGIO:
The bill changes the way the psychologist is selected.

DR. BRANDENBURG:
There are two members from the north and two members from the south. When we reviewed who makes the appointments, we determined the broader form of the association was appropriate.

SENATOR CEGAVSKE:
How would you select the recipient member of the Commission?

DR. BRANDENBURG:
There are a number of interested parties who have demonstrated their stability in the community and would submit their credentials to the Governor. There will be plenty of nominees.

SENATOR CEGAVSKE:
The Governor would make the selection and organizations will submit recommendations.

CHAIR RAGGIO:
We will close the hearing on S.B. 131 and open the hearing on S.B. 179. This bill came from the Senate Committee on Judiciary.

SENATE BILL 179: Provides formula to calculate salaries of peace officers of Department of Public Safety. (BDR 23-938)

GARY H. WOLFF (Teamsters Union Local 14):

The State of Nevada has fallen below the salary range for its law enforcement officers compared to larger cities and counties. I have provided you with a handout with charts ([Exhibit H](#)) prepared by the Nevada Highway Patrol (NHP). You will see the discrepancy in salary rates between the Department of Public Safety (DPS) and other agencies within the state. Clark County has passed a resolution to hire new police officers. We have a supply and demand problem. The DPS trains personnel only to lose them to higher paying agencies. Page 1 of [Exhibit H](#) shows that a ten-year NHP trooper makes about \$52,000 while a comparable individual in another agency earns a significantly higher salary.

CHAIR RAGGIO:
What is HPD?

MR. WOLFF:

Henderson Police Department which is the highest paid. North Las Vegas offers lateral transfers to our officers. I served as a police officer for 31 years, 25 years with NHP.

CHAIR RAGGIO:

The chart of salary comparisons for an NHP lieutenant with ten years receives about \$64,000 annually and a Henderson Police Department lieutenant is making just under \$100,000.

MR. WOLFF:

That is correct. An NHP trooper can theoretically make more than an NHP sergeant. It only takes the nighttime differential, put him on a motorcycle and he is making a small percentage more than an NHP sergeant.

CHAIR RAGGIO:

The NHP deputy chief, with ten years of service, earns under \$80,000, but at Metro and Henderson they earn over \$120,000.

MR. WOLFF:

That is correct. An NHP deputy chief responsible for an entire region earns \$78,000 which is about the same as a first-line supervisor earns in another agency. The wage difference is not only with southern Nevada. It is happening in Washoe County and Carson City. The Governor has requested a 10-percent increase.

CHAIR RAGGIO:

Does this bill address all of DPS? The cost is about \$11.3 million each year for NHP and \$10 million each year to bring DPS officers up to the average pay.

MR. WOLFF:

That is correct.

SENATOR MARK E. AMODEI (Capital Senatorial District):

This is an issue we need to keep in front of us. It is difficult to keep people in state service competitive with their other options within the state. We need to continue to do what we can to attract quality people to state service.

CHAIR RAGGIO:

The concern is that we have dedicated people in law enforcement at all levels. We spend the time training only to lose the employee to a higher paying agency. Is there a need to control salaries paid at a local level?

SENATOR COFFIN:

No one on the Committee is going to suggest we put a cap on salaries at the local level. We are frustrated as we try to keep the wages comparable and we still fall behind. Is this a national problem? Law enforcement is risky.

MR. WOLFF:

When I became a law enforcement officer in 1966, things were not as complex as they are today. We are not only looking for law enforcement officers, we have to find people with a higher education level. It takes enormous trust in an individual who covers such a large area as rural Nevada. The salaries look high, but this is what happens with competition. Our officers have to learn video cameras and legal processes. It costs \$50,000 to \$60,000 to train one police officer. Add another \$50,000 when training a DPS officer. The cost is unbelievable when you lose 20 officers. It is a problem in some states, it is not a 50-state problem. California and other states have adopted similar parity bills. Back East, most states have collective bargaining.

SENATOR COFFIN:

We should reward our people for what they are doing and not wait until they have to collectively bargain. Las Vegas is changing. It is now like east Los Angeles and rougher areas of New York. Although we have only 1.5 million people in Las Vegas, we have rough areas. Our interstates are the flyways of all the desperados in this country.

MR. WOLFF:

Collective bargaining has been a help as have parity bills.

SENATOR CEGAVSKE:

I received an e-mail from Mr. Tom Ely stating I should support S.B. 179. He requests that the bill be amended to include all state law enforcement officers. Do you know to what he is referring?

MR. WOLFF:

The officers in other agencies are no less deserving. Mr. George Sullivan, a University of Nevada, Reno officer, was murdered. The criminal does not know the difference between police officers and troopers. In all fairness, most state employees are 20 percent behind private sector wages. How do you tell an NHP trooper your life is valued more than another person?

SENATOR CEGAVSKE:

We need to do something.

SENATOR MATHEWS:

I also support you. We need to do something.

MR. WOLFF:

These officers in the state are not going to see a 14-percent increase because the Public Employees Retirement System (PERS) is going to take a portion of that.

WALTER R. TARANTINO (Nevada Highway Patrol Association and State Peace Officers Council):

This year, with the Governor's 10-percent increase, is the fourth time since 1989 that the Legislature has addressed the issue of wide disparity in salary and attrition rates. The primary focus of the bill is to alleviate the problem on a long-term basis if the Department of Personnel conducts these surveys.

CHAIR RAGGIO:

You can look at surveys saying people want more police protection and appropriate compensation for officers, yet the same survey will say not to increase taxes. This measure would create a moving target that would be in the law. Maybe we need a state commission that sets salaries for law enforcement officers so there is some equality. I am not sure that this bill will solve the problem.

MR. WOLFF:

We know this bill creates about a \$38 million cost for the biennium. What we do not see is the difference in the cost between the replacement factor and the retention factor. I would like to work with Personnel on that aspect.

RONALD P. DREHER (Peace Officers Research Association of Nevada):

We support S.B. 179. A task force may answer some of the questions that bring us back to this table each year. Local government has the right to collective bargaining. There is a cost of doing business in the United States. The cost of doing business in professional law enforcement is enormous due to officer safety issues and competition. Las Vegas has talked about hiring 1,800 new law enforcement officers over the next two years. The Reno Police Department is going to hire 88 over the next two years. There is tremendous competition for state law enforcement officers. This bill focuses on the NHP and DPS. It is important to recognize them.

CHAIR RAGGIO:

These charts in [Exhibit H](#) show a great inequity.

MR. DREHER:

Yes, there is. Those charts give you last year's figures. Every law enforcement organization in this state will get a reduction in salary of 1.75 percent which goes to PERS and has a definite impact.

CHAIR RAGGIO:

It also has a benefit.

MR. DREHER:

Yes, it does. The PERS is the best in the United States. As a retired police officer, I recognize that. A bill has been introduced this session to penalize an officer who moves from state to local government. A similar bill was introduced two sessions ago. In 2001, the NHP testified it cost \$61,000 to train an officer.

CHAIR RAGGIO:

What if we made the local governments pay for the cost of training?

MR. DREHER:

Some agencies tried to do that but found out it was not enforceable. Some states are lowering their law enforcement standards. If you do, you increase your liability. Please support S.B. 179.

RAYMOND McALLISTER (Professional Firefighters of Nevada):

We support S.B. 179. Division of Forestry firefighters in the State of Nevada are in the same situation as NHP officers. There are 58 full-time all-risk firefighters in the State of Nevada with the Division of Forestry. Since 1988, 33 percent have gone to other fire departments.

CHAIR RAGGIO:

How far do they lag behind the average firefighter?

MR. McALLISTER:

The topped-out salary for a Division of Forestry firefighter is \$48,000 each year.

Most entities include callback overtime in retirement calculations. For firefighters, PERS calculations include only 2 hours out of the 24 hours of callback time.

CHAIR RAGGIO:

Get us an amendment to address that issue.

ALLEN BIAGGI (Director, State Department of Conservation and Natural Resources):

We support S.B. 179. We have 34 law enforcement officers in the Division of State Parks. We are also Peace Officers Standards and Training certified and responsible for public safety and enforcement. There is a pay differentiation between our people and DPS. We ask that all law enforcement personnel be included in S.B. 179 to ensure those pay differences do not become greater.

CHAIR RAGGIO:

Is your proposal covered in the budget?

MR. BIAGGI:

No, it is not.

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

The Governor wanted to concentrate in the areas he believes the greatest recruitment and retention problems exist.

CHAIR RAGGIO:

How many officers are not included in S.B. 179 who would otherwise qualify?

MR. BIAGGI:

The Division of Forestry has 34 law enforcement officers.

CHAIR RAGGIO:

Please send us a list so we know what they are and what your recommendation is.

SENATOR TITUS:

Are park rangers included?

Senate Committee on Finance
March 29, 2005
Page 13

MR. BIAGGI:

They are not included in S.B. 179.

SENATOR TITUS:

They are out in lonesome, dangerous and secluded places. I think they should be included.

MR. BIAGGI:

We believe that is true.

CHAIR RAGGIO:

We will close the hearing on S.B. 179. We will open the hearing on S.B. 207. We need some clarification on this bill. We have appropriated funds in the past for the California National Historic Trail. Is this the same thing?

SENATE BILL 207: Makes appropriation to Elko County for construction and operation of interpretive center for California National Historic Trail. (BDR S-958)

SENATOR RHOADS:

You have a copy of an amendment to this bill. The \$300,000 request is changed to \$270,000, and rather than the funds going to Elko County the funds would go to the Division of State Parks,.

NEIL MCQUEARY (Chief Executive Office, Elko Chamber of Commerce):

Part of my responsibility is to manage the Sherman Station Visitor Center. I am asking for your support of S.B. 207. I have provided you with a handout titled California Trail ([Exhibit I](#), original is on file at the Research Library) which provides detailed information on the site locations, displays and letters of support from the Cities of Lovelock, Winnemucca, Elko, Wells, Fallon, Carlin and the Elko Area Chamber of Commerce. I have also included a memorandum from the Division of State Parks regarding the support they are willing to provide although the Division is not taking a position on S.B. 207.

CHAIR RAGGIO:

What is the financial status of the interpretive center?

PAUL SAWYER (California Trail Association):

The funds are in place and provided by the city, county, state and federal government. We have a total of \$12 million.

CHAIR RAGGIO:

Was that \$1 million plus an in-kind donation from Elko County, plus \$2 million from the City of Elko and \$6 million from the Bureau of Land Management?

MR. SAWYER:

Yes, those funds are all in place and \$3 million from the state which was contingent on these other funds coming in.

CHAIR RAGGIO:

Those funds were for the construction and operation of the center. Now are you asking \$270,000 for the display of historical interpretive signs at wayside sites?

Senate Committee on Finance
March 29, 2005
Page 14

MR. SAWYER:
Yes, that is correct.

JOSEPH GUILD (Elko County):
The Elko County Commission has voted in favor of supporting S.B. 207.

CHAIR RAGGIO:
We will close the hearing on S.B. 207 and open the hearing on S.B. 213.

SENATE BILL 213: Makes appropriation to Western Folklife Center for support of National Cowboy Poetry Gathering in Elko, Nevada. (BDR S-1085)

SENATOR RHOADS:
The Cowboy Poetry Gathering in Elko started over 20 years ago. It is probably the most popular event in Elko.

STAN AIAZZI (Chairman, Board of the Western Folklife Center):
The Western Folklife Center is 25-years-old. The National Cowboy Poetry Gathering in Elko is 22-years-old. There are now about 300 cowboy poetry gatherings throughout the country. We have a huge economic impact on Elko, bringing in 8,000 visitors at the end of January. That results in \$6 million to \$7 million of economic benefit in the two worst months in Elko County. We fill all 2,000 rooms. We receive amazing publicity. We have been on Good Morning American, USA Today, Today Show and many newspapers and radio shows. We have had people attend from all over the world. The Poetry Gathering has sparked renewed interest in western traditional arts, music and poetry. We reach 4,000 to 5,000 students each year. We have an exhibit gallery showcasing the buckaroo and we provide humanities lectures throughout the year. The Committee has received a compact disk, ELKO! A Cowboy's Gathering (Exhibit J, original is on file at the Research Library) and a brochure titled *2004 National Awards for Museum & Library Service* (Exhibit K, original is on file at the Research Library). We recently met with Mrs. Laura Bush and received one of three National Awards for Museum Service given annually. The Poetry Gathering has received several awards.

JOSEPH W. BROWN (Board Member, Western Folklife Center):
I have been a board member since 1990. This event takes place in Elko, but has broad statewide appeal. It has brought national and international attention to Nevada. Many Nevadans, businesses and organizations have contributed funds to support the event. Money is a never-ending problem for us to continue this quality event.

CHAIR RAGGIO:
Can you give us more information about how the event has been funded? Many of us on the Committee have attended and we all appreciate the significance of the event.

I want to disclose that I am a partner in the law firm of Jones Vargas. Mr. Brown is a partner in the same law firm.

CHARLIE SEEMAN (Executive Director, Western Folklife Center):
The Gathering has several sources of income. We sell tickets, but still need sponsorships in order to break even. The Western Folklife Center budget is over \$2 million. We generate one-third of our operating revenues through earned

income. Other sources include foundation grants and local and corporate sponsorships. When the Elko economy is down, it is difficult for our sponsors to contribute. We are looking for funding stability.

CHAIR RAGGIO:
Are the participants invited?

MR. SEEMAN:
The participants are invited and paid a modest honorarium, travel and lodging. Many contribute their time.

CHAIR RAGGIO:
Are you requesting an allocation to fund continued support and operation of the Gathering?

MR. SEEMAN:
That is correct.

CHAIR RAGGIO:
We would like you to submit a proposed budget to staff so we can understand how you operate.

MR. SEEMAN:
Would you like the budget to be for the entire organization?

CHAIR RAGGIO:
Yes, you can also break it down to provide the best information.

SENATOR TITUS:
I chaired the Nevada Humanities Committee the first year of the Cowboy Poetry Gathering. We gave a grant to you at that time. I am glad to see the success you have achieved. Have you looked at any of the tourism dollars available through room taxes?

MR. SEEMAN:
We get about \$5,000 every year from the Commission on Tourism to print and distribute the preliminary brochure we send to 30,000 people. We get project money occasionally from the Nevada Arts Council and others.

CHAIR RAGGIO:
Tourism has suggested, with the additional room tax revenues, we may be able to accommodate the Poetry Gathering through Tourism.

WADDIE MITCHELL (Cowboy Poet):
I have a poem to recite, [Exhibit L](#), about a horse trade. I think this story goes to show we have all been in that position where we think we cannot lose on something. It is hard on someone who is as fiscally conservative as I am to think that something like the Poetry Gathering should not pull its own weight. There have been hard decisions throughout the years on what makes this thing work. Why is it so good for the cowboy life and all of Nevada? I travel 200 days each year all over the world. Everyone knows about the Elko Gathering. That is why I am here trying to get money to keep things going. Most of the decisions we have made are to keep the event from being what becomes commercially

successful. We do not want a lot of hype and bunkum. We think this event pays the State of Nevada back in many ways. It gets a lot of good press.

MR. GUILD:

The Elko County Commission supports S.B. 213. I am a past president of the Nevada Cattlemen's Association. It is important to the ranching industry that we have institutions like this that keep our culture and traditions alive.

CHAIR RAGGIO:

We will close the hearing on S.B. 213 and open the hearing on S.B. 236.

SENATE BILL 236: Makes appropriation to Nevada Alliance of Boys and Girls Clubs, Inc. for establishment of SMART Moves program. (BDR S-461)

HELEN A. FOLEY (Nevada Alliance of Boys & Girls Clubs):

In every community, boys and girls are left to find their own recreation and companionship in the streets. An increasing number of children are at home with no adult supervision. Young people need to know that someone cares. Boys and Girls Clubs offer that and more. Club programs and services promote and enhance the development of boys and girls from the age of 5 to 18 by instilling a sense of competence, usefulness, belonging and influence. They are a safe place to learn and grow while having fun. They are the positive place for kids. The average cost to sustain a club in Nevada is approximately \$450 annually for each youth. Young people think of their club as a sanctuary, a home away from home. It is one of the few places where they feel welcome, safe, accepted and included. They willingly receive and openly seek guidance from adults who care. The staffs are highly-trained youth professionals. Their specialties, whether sports, education, technology or the arts, are all tools to capture interest, teach skills, communicate rules and expectations and develop self-confidence and self-esteem. The youth development strategy includes life-skill lessons including taking part in decision making.

Senate Bill 236 appropriates \$1.5 million to the Nevada Alliance of Boys and Girls Clubs, Inc. to establish and operate SMART Moves programs. Any Nevada Boys and Girls Club may apply for a grant. The club must show they can match the grant dollar-for-dollar and cannot use any other state money to do so. The bill outlines requirements for recipients of the grants. The DHR will develop the procedures for allocation of the grant money and will require evaluation and reporting by the clubs. The funds must be committed by June 30, 2007. Any unused funds would revert to the General Fund.

CHAIR RAGGIO:

The bill requires not more than 15 percent for developing the SMART Moves program, a national program; not more than 10 percent for administrative cost and at least 90 percent for direct services. Is the 15 percent for startup included in the direct services, otherwise you have 115 percent?

MS. FOLEY:

You are correct.

KEVIN MCCARTNEY (Senior Director, Boys and Girls Clubs of America):

A few years ago, Boys and Girls Clubs of America started an initiative to form statewide alliances and unite all clubs in a state to be more effective in forming public-private partnerships. Raising state funds and matching with private funds

has been an effective tool. SMART Moves is a proven prevention program. We have received funding from several states. SMART Moves focuses on prevention of drug and alcohol use for kids. Boys and Girls Clubs developed the program. It is recognized by the federal government as a proven tool to reduce abuse. The statistics prove it. A recent evaluation tested clubs using SMART Moves and those that did not. Those running SMART Moves showed a 25-percent lower presence of crack cocaine, 22-percent lower overall drug activity in all those clubs and 13-percent lower incidents of juvenile crime. The former attorney general of Mississippi has stated SMART Moves and Boys and Girls Clubs, in general, are the most effective crime-prevention tools going in the United States.

SENATOR CEGAVSKE:

I would like to see the curriculum for SMART Moves. How does SMART Moves differ from the DARE program in public schools?

MR. MCCARTNEY:

The DARE program is a good program. The significant difference is that this program was developed and is delivered in the Boys and Girls Clubs. That is key because we serve some of the most high-risk, high-needs kids in distressed communities. SMART Moves has been operating for over 20 years. The curriculum changes to stay on pace. We focus on 7- to 9-year-olds, 10- to 12-year-olds and 13- to 15-year-olds. They must graduate from section to section.

SENATOR CEGAVSKE:

Does the program cover drugs, alcohol and tobacco? How long does the program last?

MR. MCCARTNEY:

Yes, it does. Each section is approximately 13 weeks. We will provide you with the curriculum and evaluations.

STEVE SMITH (President, Nevada Alliance of Boys & Girls Clubs):

We formed the alliance to enhance our relationship between all clubs in Nevada and to seek new and ongoing funding to continue to provide quality programs. Club members, board members and staff are in the audience today. We have clubs in Elko, Carson City, Truckee Meadows, Yerington, Fallon, Henderson, Boulder City, Laughlin and Las Vegas. I have provided a handout, Boys & Girls Clubs of America ([Exhibit M](#)) with additional information.

CHAIR RAGGIO:

Are any of the Nevada clubs presently involved in the SMART Moves program?

MR. SMITH:

Most of the clubs have some form of the SMART Moves program in action.

CHAIR RAGGIO:

I have some information obtained off the Web. SMART Moves stands for Skills Mastery and Resistance Training. This national program helps young people avoid four of the immediate threats to their well-being: alcohol, tobacco, other drugs and premature sexual activity. How are the clubs funded?

MR. SMITH:

Local clubs are responsible for raising their own funds for SMART Moves. There is some federal funding from the Office of Justice Planning. Typically, that money is not program specific. It is funded for general growth of boys and girls clubs.

CHAIR RAGGIO:

How will the \$1.5 million requested be used?

MR. SMITH:

We do not have a specific per-site budget. The \$1.5 million is derived from a formula the alliance has developed based on their budget.

CHAIR RAGGIO:

We will need to see a budget and a proposal of how the money will be utilized.

SENATOR TITUS:

Do any other states provide funding for their Boys and Girls Clubs and programs like SMART Moves?

MR. SMITH:

Yes, they do. We have 42 alliances, including Nevada. Last year 30 of the 42 alliances received funding from state government, not all for SMART Moves. California, Montana and Oklahoma have funded SMART Moves through their alliance.

CHAIR RAGGIO:

Are they all matching funds?

MR. SMITH:

Not all are a 1:1 match, but there is always a match component.

MS. FOLEY:

In the last year, the Boys and Girls Clubs have made it a mission to work more cooperatively with the DHR. We have excellent relationships with Mr. Michael Willden and Ms. Nancy Ford working on child care assistance programs and others.

CHAIR RAGGIO:

Is that why the bill provides that DHR will develop the allocation formula?

MS. FOLEY:

That is correct. We do not want to duplicate services.

CHAIR RAGGIO:

We will close the hearing on S.B. 236. We have a request for Committee introduction of BDR S-1107.

BILL DRAFT REQUEST S-1107: Repeals prospective expiration of provisions governing allowances paid to certain retired employees who fill positions for which critical labor shortage exists. (Later introduced as [Senate Bill 485](#).)

SENATOR BEERS MOVED FOR COMMITTEE INTRODUCTION OF
BDR S-1107.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will open the hearing on S.B. 239.

SENATE BILL 239: Makes appropriation to Department of Administration for allocation to Board of Regents of University of Nevada to provide scholarships for certain students enrolled in School of Medicine and Dental School. (BDR S-1083)

SENATOR MAURICE E. WASHINGTON (Senate District No. 2):

This bill requests a \$300,000 appropriation for disadvantaged and underrepresented students enrolled in medical and dental school. This is an attempt to keep the best and brightest students within the state. Dr. Miller testified last year that most of our minority students were being siphoned to other four-year programs such as Harvard, Tulane and UCLA. We have not offered a four-year program for those students to attend our medical and dental schools.

CHAIR RAGGIO:

What would be the criteria for eligibility for disadvantaged and underrepresented?

SENATOR WASHINGTON:

I have not talked to the Board of Regents, but the intent would be to attract those students having a low threshold for income, based on ethnicity; entrance exams would have to meet the school's standards.

CHAIR RAGGIO:

The bill requests \$300,000. The tuition for dental or medical school is high. How many students would be helped?

SENATOR WASHINGTON:

There would not be a large number of students accessing these funds.

MR. KLAICH:

Not many students would get through medical or dental school on \$300,000. To go all the way through the program, it would probably accommodate two students.

CHAIR RAGGIO:

What is the University doing to provide diversity in the professional schools?

MR. KLAICH:

We must be careful in establishing criteria that relates specifically to race because we can conflict with federal laws when dealing with state funds. We believe we can set criteria that gives priorities and achieve the goals intended by

Senator Washington. With respect to diversity efforts, both of the Universities have diversity officers whose sole goal is to ensure diversity initiatives are met across the University system.

CHAIR RAGGIO:
Are there written criteria in effect?

MR. KLAICH:
Yes, there are. I will provide the criteria to Senator Washington and the Committee. The diversity efforts are more extensive at the two Universities than at the community colleges and Nevada State College because of their size.

CHAIR RAGGIO:
This bill refers to the medical and dental schools.

MR. KLAICH:
I will respond to both those professional schools as well as the law school.

SENATOR COFFIN:
I would like to have some information about diversity in the University System.

SENATOR WASHINGTON:
I experienced trying to get a young lady into the medical school. We went to great lengths to verify her records and make sure she was well qualified to enter medical school. She passed the exams. She solicited Senator Mathews' office and my office to help her get into the medical school. We had a difficult time. One problem was the cost. She went to another school and is doing well.

SENATOR MATHEWS:
A young lady graduated last May from Stanford who had the same problem. When my father died, my daughter and I decided to finance a minority student at the University of Nevada, Reno (UNR) medical school. Instead, because she could not get into UNR, the financing went to Stanford.

CHAIR RAGGIO:
We will close the hearing on S.B. 239 and open the hearing on A.B. 107.

ASSEMBLY BILL 107: Makes supplemental appropriation to University and Community College System of Nevada for matching money for National Direct Student Loan Program for Fiscal Year 2004-2005. (BDR S-1189)

MR. KLAICH:
This bill essentially balances the National Direct Student Loan account. These loans are given on an annual basis varying in accordance with the recipient's income. There are percentage matches.

CHAIR RAGGIO:
Is this the FY 2005 match?

MR. KLAICH:
Yes, it is.

CHAIR RAGGIO:
Is this one of the programs to be eliminated?

Senate Committee on Finance
March 29, 2005
Page 21

MR. KLAICH:

We are concerned that may be the case.

CHAIR RAGGIO:

If they recall the federal loan fund, will that end the program?

MR. KLAICH:

Yes, it will end the program for the population of students who can least afford to lose those funds. Nevada ranks second to the bottom in service to low-income students.

SENATOR BEERS:

I would like to point out that we rank nearly at the bottom in low-income people.

SENATOR COFFIN MOVED TO DO PASS A.B. 107.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will close the hearing on A.B. 107.

SENATOR BEERS:

We have all heard the testimony from the Department of Corrections (DOC) on their new computer system. The old system was created by an individual who is retiring this week. They are left without any support for the system. Is there any interest in accelerating an appropriation for this technology project of about \$11 million to give the DOC the ability to solicit bids now?

CHAIR RAGGIO:

Your proposal is to fund this system in FY 2005 with an adjustment to DOC's FY 2006 and FY 2007 budget.

MR. COMEAUX:

The Administration would not object to that proposal. The sooner the DOC can get started on that project, the better.

CHAIR RAGGIO:

Would we need a BDR for this purpose? When would it need to be processed?

SENATOR BEERS:

Yes, the BDR would need to be done quickly. There is some debate as to whether or not going this route will start the project faster, but DOC hopes to get more bids on the job. I am not sure if the subcommittee has discussed this process.

CHAIR RAGGIO:

Will the other House object?

Senate Committee on Finance
March 29, 2005
Page 22

SENATOR BEERS:

I do not think anyone will have an objection. This has been on the drawing board for a couple of years.

MR. GHIGGERI:

I recommend the appropriation be effective July 1, 2005. I do not think there is \$11 million available this year.

SENATOR BEERS MOVED FOR A COMMITTEE BILL DRAFT REQUEST TO APPROPRIATE \$11 MILLION FOR THE DEPARTMENT OF CORRECTIONS TECHNOLOGY PROJECT FUNDING TO GO TO THE DEPARTMENT OF ADMINISTRATION, CONTINGENT UPON INTERIM FINANCE APPROVAL.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR CEGAVSKE:

We have a young visitor today. Would you tell us your name, what school you go to and your grandmother's name?

DANNY JOHNSON:

I am eleven. I go to Eagle Valley Middle School. My grandmother is Ms. Cindy Clampitt.

CHAIR RAGGIO:

Thank you for being here.

There being no further business to come before the Committee, the meeting is adjourned at 10:42 a.m.

RESPECTFULLY SUBMITTED:

Sandra Small,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____