

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-third Session
April 5, 2005**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:05 a.m. on Tuesday, April 5, 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 Cegavske
Senator Bob Coffin
Senator Dina Titus
Senator Bernice Mathews

GUEST LEGISLATORS PRESENT:

Senator Sandra J. Tiffany, Clark Senatorial District No. 5
Senator John J. Lee, Clark Senatorial District No. 1

STAFF MEMBERS PRESENT:

Mindy Braun, Education Program Analyst
Jeffrey A. Ferguson, Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Bob Guernsey, Principal Deputy Fiscal Analyst
Jo Greenslate, Committee Secretary

OTHERS PRESENT:

Jeanette Belz, Nevada Highway Users Alliance
Cindy N. Kirkland, Colonel, Chief of the Joint Force Headquarters, Office of the Military
Robert E. Dickens, Ph.D., Director, Office of Governmental Relations, University of Nevada, Reno
John McDonald, Ph.D., M.D., Dean, School of Medicine, University of Nevada, Reno
Dana Bilyeu, Executive Officer, Public Employees' Retirement System
John P. Comeaux, Director, Budget Division, Department of Administration
Valerie M. Rosalin, R.N., Director, Office for Consumer Health Assistance, Office of the Governor

CHAIR RAGGIO:

We have budget closings and a number of bills listed on the agenda this morning. I will open the hearing on Senate Bill (S.B.) 54.

SENATE BILL 54: Revises provisions relating to refund provided in certain circumstances upon cancellation of registration of vehicle and surrender of license plates. (BDR 43-859)

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SENATOR SANDRA J. TIFFANY (Clark Senatorial District No. 5):

This bill came about because one of my constituents was upset by what had taken place at the Department of Motor Vehicles (DMV). He bought a new car that would be ready in approximately 90 days. He surrendered his license plates for his old vehicle. He requested a refund of his registration since it would be about 90 days between turning in his old license plates and receiving his new car. The DMV told him if he wanted a refund, he would have to surrender his driver's license. The DMV rule is if you turn your license plates in and have a registration balance owed, you have to give up your driver's license in order to receive a refund. If you do not give up your driver's license, the DMV leaves your registration on the books every day until you pick up your new car, but the state takes a percentage every day that you do not use your registration. The 90-day wait reduces your registration significantly due to ongoing fees.

That is why I drafted S.B. 54 which states if you have surrendered your license plates and have a refund of \$25, you should be able to either have the time go by without being penalized and/or receive a refund.

CHAIR RAGGIO:

Do we have a fiscal note on this bill, staff?

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

I have an unsolicited fiscal note that indicates a cost in fiscal year (FY) 2004-2005 of \$2.4 million, in FY 2005-2006 of almost \$2.5 million and in FY 2006-2007 of \$2.5 million. Ongoing costs are estimated by DMV at \$2.6 million each year.

CHAIR RAGGIO:

That is based on 32,000 refunds that occur each year. Is that the basis for those figures?

MR. GHIGGERI:

That is correct.

CHAIR RAGGIO:

Did the DMV request an additional staff person to process refunds? That information is from Mr. Dennis Colling, Chief, Administrative Services Division, Department of Motor Vehicles.

MR. GHIGGERI:

That is correct.

SENATOR TIFFANY:

I talked to Mr. Colling regarding the fiscal note. He said those figures are exaggerated but not unusual. It is to prevent people from asking the DMV to hold their registration for them for 90 days and not charge the person every day as opposed to just writing a check.

SENATOR COFFIN:

In your research of this matter, how long has this rule been in effect?

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SENATOR TIFFANY:

The DMV said we, as the Legislature, enacted that law in the 71st Legislative Session.

SENATOR COFFIN:

Has the law only been in effect for four years?

SENATOR TIFFANY:

Yes, it says that if someone turns their plates in, we keep all of the money.

SENATOR COFFIN:

I will research that and find out the intent.

SENATOR BEERS:

I have a copy of a check in my office for 1 cent that was a DMV refund. It was the concept of issuing 1-cent checks that caused us to change the law. Although the \$100 threshold is, in order of magnitude, larger than 1 cent, if it costs us \$1 to process a check, a 1-cent check is a tragic symbol of bureaucracy run amok.

SENATOR TIFFANY:

I requested the Senate Committee on Transportation to bring the bill to this Committee because this is a policy we should make. Personally, I do not care if the DMV does not give a refund, but they should leave the money there until the vehicle owner wants to use it. Why should we charge? It is the vehicle owner's money. They turn in their license plates, and I do not believe we should charge them every day to keep it. We are earning interest on it.

SENATOR MATHEWS:

I thought the DMV automatically sent the vehicle owner a check. I did not realize we had this bill until I turned in my plates, waited for the check, and it did not come. I then purchased a new car, and it was to this Committee that I said I never received a check nor a credit. When I picked up my new license plates, they credited me \$17 because they had deducted the remainder. My refund should have been over \$300. I am behind this bill 100 percent.

JEANETTE BELZ (Nevada Highway Users Alliance):

We have discussed this issue with Senator Tiffany and are basically trying to testify on all the bills that have to do with registration refunds. The question is preserving money that goes to the State Highway Fund. The \$33 paid, as part of vehicle registration, goes to the Highway Fund and is used to build and maintain highways and to fund some state agencies. By giving refunds, we are giving money back that the DMV uses in order to process registrations. When we make an adjustment to the \$33, we further erode money that goes to the Highway Fund. Mr. Colling had a fiscal note and said he had split it out. Part of it is affecting the registration fee.

CHAIR RAGGIO:

Should there not be an exception on a refund for that amount?

Ms. BELZ:

That would be ideal.

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CHAIR RAGGIO:

Perhaps you should propose an amendment that would cover that.

MS. BELZ:

There are many bills dealing with this issue. I noticed your refund is only for the basic governmental services tax, Senator Beers. That would not affect the registration fee; that is along the lines of what we are looking at.

CHAIR RAGGIO:

If you could suggest an amendment for the Committee to consider, we will not pass judgment on it at this time, but we will look at it.

I will close the hearing on S.B. 54 and open the hearing on S.B. 285.

SENATE BILL 285: Provides for reimbursement to certain members of Nevada National Guard of premiums paid for certain policies of group life insurance. (BDR 36-1099)

CHAIR RAGGIO:

We have a bill draft request (BDR) S-1419 that makes an appropriation for \$617,578 from the General Fund and \$317,520 from federal sources for the Las Vegas Readiness Center. This is advance funding for the design. I will accept a motion to introduce this as a Committee BDR.

BILL DRAFT REQUEST S-1419: Makes appropriation and authorizes expenditure of federal money for early funding for design of Las Vegas Readiness Center. (Later introduced as Senate Bill 496.)

SENATOR COFFIN MOVED FOR COMMITTEE INTRODUCTION OF BDR S-1419.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CINDY N. KIRKLAND (Colonel, Chief of the Joint Force Headquarters, Office of the Military):

I am here to speak on behalf of S.B. 285 proposing the reimbursement of premiums for the Servicemen's Group Life Insurance. We had a question regarding the intent of the bill because the language in the bill itself contradicts the intent of the Legislative Counsel's Digest (the Digest) that indicates it is only for mobilized members of the Nevada National Guard. The law, as written, indicates it is for all members who pay the premiums. The Servicemen's Group Life Insurance is a benefit available to every member of the Nevada National Guard once entering that service. They do not have to be mobilized. Senator John Lee and I have discussed S.B. 285, and he understands the discrepancy which he will address. We have concern that several pending bills that propose benefits and assistance to members of the National Guard may be difficult or challenging for our agency to process. There may be a point where we will need to ask this body and the Legislature to look at the possibility of adding staffing in our Administrative Services Division in order to be able to support all of the proposed benefits we will need to process.

CHAIR RAGGIO:

There is a \$264,000 a year appropriation in S.B. 285. Do you know how that amount was determined? Is it based on the members who are actually called into active service?

COLONEL KIRKLAND:

The figure shown in the bill, at this point, was based on wording of the law that indicated all members would be eligible for the reimbursement. That figure is high if the adjustment is made to only account for mobilized members. The Nevada National Guard has been experiencing, since the tragedy of September 11, 2001 (9/11), from 25- to 30-percent mobilization. At this point in time, we have approximately 1,000 members mobilized. The \$264,000 was based on the entire 3,200 members being eligible for reimbursement.

CHAIR RAGGIO:

What is the existing law without this bill?

COLONEL KIRKLAND:

There is no reimbursement. Members, when they join the Guard, are automatically covered by the insurance unless they decline it. They pay a \$16.65 premium each month for full coverage.

SENATOR JOHN J. LEE (Clark Senatorial District No. 1):

In the heart of combat, in a soldier's eyes, it does not matter who is right; it matters who is left. These men and women put their lives on the line, and we understand that. I do not understand the war on terror, but 9/11 is vivid in my mind. I understand that we have an enemy out there, and the people who have served from four to six years in other branches of the military have come forth to continue to serve our state. This will be a vote by this Legislature for those who are called to active duty; a vote of concern for their families. I know the \$16.65 a month is not a lot of money to some of us here in this room, but to men or women who go into combat and realize they have left their family with virtually nothing, a \$10,000 life insurance policy, this \$250,000 would mean the difference in how their spouse raises their children.

I am not requesting a rider policy be added for a spouse or child. When a spouse dies, immediately the service person comes back and is not required to return to combat. If the service person has a child who passes on, he or she comes home and then returns to war. This is to prevent leaving families financially destitute. It is my opportunity to make it easier on families. My father was in the U.S. Secret Service, and if he had passed away, our family would have been emotionally and financially shattered. Thirty-one other states are considering similar legislation. I request your support of S.B. 285.

CHAIR RAGGIO:

As I understand this bill, this is not required, but a person in active service can apply for group life insurance procured by the federal government up to a benefit of \$250,000. Is that the existing situation?

SENATOR LEE:

The term life insurance policy maximum is \$250,000.

CHAIR RAGGIO:

Is the premium you quoted the monthly premium that is paid? This bill, as you are discussing it, would apply where someone is called into active service. I think Colonel Kirkland was talking about having it cover everyone.

COLONEL KIRKLAND:

The way the bill is written would indicate that it was available to everyone.

CHAIR RAGGIO:

That is the way I read it. I do not see anything in S.B. 285 that mentions being called up to active service even though the Digest seemed to indicate that. Is this to apply to only those called into active service?

SENATOR LEE:

Yes, as the Digest states, that was the intent of the bill.

CHAIR RAGGIO:

When they are called into active service and return to the National Guard, for example, what would happen?

SENATOR LEE:

At that point, the state no longer has the responsibility for making those insurance premiums. If someone came home to Reno, they would finish that month, and the state would no longer be responsible for paying insurance premiums.

CHAIR RAGGIO:

Is the amount indicated in S.B. 285 more than that required to accommodate those who are called into active service?

SENATOR LEE:

The cost would be \$79,000 a year for the people currently serving. I am certain this includes a greater amount of people in case the conflicts increase. It would cost \$6,660 a month right now for those men and women on active duty and in hot areas.

CHAIR RAGGIO:

We need clarification on that, Colonel.

COLONEL KIRKLAND:

There is currently legislation pending in Congress that will increase that life insurance policy to \$400,000 with an incrementally increased premium. The affect on this reimbursement program would be impacted by that increase.

SENATOR COFFIN:

I would like to commend you, Senator Lee, for bringing this bill forward. It fits nicely with the other proposals we have before us.

COLONEL KIRKLAND:

Many of our young troops who are mobilized and deployed are feeling invincible and think they are going to go conquer this demon and come home, but, of course, many do not. Many times, even though it is only \$16.65 a month out of their pocket, they figure that is \$16.65 they can use for better things. So many younger individuals, even with families, choose not to take that insurance

because they can send that money to their families. The value of this bill is that it would allow them to carry this insurance without incurring any cost.

CHAIR RAGGIO:

If this provides for reimbursement, should it be mandatory to carry this insurance?

COLONEL KIRKLAND:

I am not certain how the law is written. We cannot require, as an organization, that the individuals purchase the insurance. By providing reimbursement to them, we can certainly offer the encouragement that it is a better idea to purchase it.

CHAIR RAGGIO:

If you call it reimbursement, it is only payable to them if they have actually paid for it.

COLONEL KIRKLAND:

That is correct.

CHAIR RAGGIO:

I will close the hearing on S.B. 285 and open the hearing on S.B. 291 and S.B. 375.

SENATE BILL 291: Makes appropriation to University of Nevada School of Medicine for continuation of Pediatric Dentistry Residency Program. (BDR S-695)

SENATE BILL 375: Makes appropriation to University of Nevada School of Medicine for certain expenses of Pediatric Dental Residency Program. (BDR S-1070)

ROBERT E. DICKENS, PH.D. (Director, Office of Governmental Relations, University of Nevada, Reno):

With me is Dr. John McDonald, University of Nevada School of Medicine. He will address the problematic content of the bill, and I will handle the request for amendment. I will provide you with a copy of my written testimony at a later time to be made part of the record ([Exhibit C](#)).

CHAIR RAGGIO:

Are you speaking to both bills?

DR. DICKENS:

Yes.

JOHN McDONALD, PH.D., M.D. (Dean, School of Medicine, University of Nevada, Reno):

This program supports six pediatric dental residents who are trainees who have completed dental school and have elected to specialize in pediatric dentistry. Pediatric dentistry requires an explanation, even to me, since I am not a dentist. It is a hospital-based specialty. This program is unique in the state. First, because it provides training for this critically needed care. Second, this group of residents and their faculty supervisors provide the majority of pediatric dental

care in Clark County for patients on Medicaid. These are patients who otherwise would not be able to receive dental care. This is an important program.

The vital question is why are we here now asking for support for these salaries? The answer lies in a change in the locus of the program. When it was originated three years ago, it was based at Sunrise Hospital in Las Vegas. At that time, the chief executive officer (CEO) of Sunrise, who was subsequently changed, agreed to underwrite the cost of the stipends for the residents. That support ends effective June 30, 2005. This program, which is essentially unfunded in the School of Medicine budget, is now facing a serious shortfall. We have no funds available to support these residents. We have a plan for the future to transfer this program to the University of Nevada, Las Vegas (UNLV) School of Dental Medicine. It is appropriate for a dental residency program to be placed in the School of Dental Medicine. In order to do that, we need to allow the program to stop and then restart it so we can obtain Medicare funding for the program. It is complicated, but it is the only way we can recuperate these funds from the government. The funds were not requested when the program was initiated.

In summary, we are asking for support for a program that provides a majority of pediatric dental care in Clark County and trains pediatric dentists which is a critically short supply specialty in Nevada. We have a plan in the future to transfer this program and hope to obtain Medicaid funding.

CHAIR RAGGIO:

Are you saying the program is going to be transferred out of the School of Medicine and is currently conducted at Sunrise Hospital? How many residents are involved?

DR. McDONALD:

Six residents are involved.

CHAIR RAGGIO:

Is the plan that the program will no longer be at Sunrise Hospital? It will be transferred to the Dental School rather than the School of Medicine?

DR. McDONALD:

That is correct. The reason for this plan is the Dental School holds the Medicaid contract to provide care. They are contracting with our pediatric dental residency to provide this care. Furthermore, the educational program, the actual care provided, is dental care. It is out of our scope of practice within the School of Medicine.

CHAIR RAGGIO:

How has the program been handled at Sunrise up until this time?

DR. McDONALD:

It has been handled by Sunrise paying the residents a stipend.

CHAIR RAGGIO:

What facilities are at Sunrise for a dental program?

DR. McDONALD:

It is a dental program, but pediatric dentistry is an operative program.

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CHAIR RAGGIO:

Does the program consist of oral surgery on young people?

DR. McDONALD:

That is correct.

CHAIR RAGGIO:

At what point would it be transferred, as a practical matter, and to where at the School of Dentistry?

DR. McDONALD:

We are working with Dean Patrick Ferrillo on that problem. It is complicated by regulations. The program was started at Sunrise and because they chose to fund the program, we have to let the program sunset and then start it again and transfer the residents to a new program. That is the only way we can obtain federal dollars for these residents.

CHAIR RAGGIO:

How long does it have to lapse before you can transfer the residents into a new program?

DR. McDONALD:

We are still working on that. We believe it will be a virtual lapse. We will transfer the residents in their second year from the School of Medicine to the Dental School. We hope the program will be based at University Medical Center (UMC) rather than Sunrise. Sunrise is a for-profit institution and we cannot count on their support for this program any longer.

CHAIR RAGGIO:

Have there been discussions with Sunrise in which they indicated they are not willing to continue the program?

DR. McDONALD:

I have held several discussions with Mr. Brian Robinson, the CEO of Sunrise. His priorities have changed, and he is no longer willing to support the program.

CHAIR RAGGIO:

What is necessary in the way of funding to accomplish this change?

DR. McDONALD:

This funding covers the stipend for the residents. It covers nothing else.

CHAIR RAGGIO:

There are two bills here. Are they duplicative bills?

DR. McDONALD:

These are duplicative bills. I do not know how the different amounts came up.

CHAIR RAGGIO:

What is the actual amount needed?

DR. McDONALD:

It is \$350,000.

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CHAIR RAGGIO:
How will \$350,000 be utilized?

DR. McDONALD:
It will be utilized for support of the residency stipends and benefits.

CHAIR RAGGIO:
Are there facilities at the School of Medicine that would accommodate this program?

DR. McDONALD:
The program is using leased space for surgeries provided, in part, by the School of Dental Medicine. The program has office space in the School of Dental Medicine. Other than that, they do not occupy any physical space. The School of Medicine owns no space. We lease all of our space in Las Vegas.

CHAIR RAGGIO:
Is \$350,000 the amount required to sustain six residents?

DR. McDONALD:
That is correct.

CHAIR RAGGIO:
Is that a two-year residency?

DR. McDONALD:
The amount will sustain six residents; it would be for three residents each year. At any given time, we have six residents in the program.

CHAIR RAGGIO:
You said if you did this, you would be eligible to receive Medicare funding. How would the Medicare funding be obtained and utilized? Would that reduce the \$350,000 requested?

DR. McDONALD:
I do not want to mislead the Committee into believing that obtaining this Medicare funding for residents' salaries is dependent upon this bill. That is not the case. What it depends on is finding a sponsoring hospital, which has not previously funded these residencies, and having an accredited program. An accredited program requires a dentist who is board certified in pediatric dentistry. We need a specialist to run the program, a new hospital locus and, basically, a new program. That is our intent. In discussions with the Dental Council, that governs accreditation of such programs, Dean Ferrillo ascertained that if we handled this transfer correctly, we could obtain Medicaid funding for these residencies. Medicaid funding, as all residency funding, flows through a hospital. In this case, it would be University Medical Center.

CHAIR RAGGIO:
Now I am really confused.

DR. McDONALD:
This is why we believe this program belongs in the Dental School, because it had me confused as well. It needs a hospital base, a sponsoring hospital, which would be University Medical Center.

CHAIR RAGGIO:

What is the nexus between that and the School of Dentistry?

DR. McDONALD:

The nexus is that Dean Ferrillo has been working with Mr. Lacy Thomas, CEO of University Medical Center, to encourage Mr. Thomas to sponsor this program and apply for the new positions for residency funding. We are setting up a new training program, and we are going to go to the federal government to Centers for Medicare and Medicaid Services (CMS) for salary support for these new dental residents.

CHAIR RAGGIO:

If this were not accommodated, what would happen to the six residents currently in the program?

DR. McDONALD:

We would have to consider ending the program. I am reluctant to do that due to its critical role.

CHAIR RAGGIO:

Is this the only pediatric dentistry residency program?

DR. McDONALD:

In the State of Nevada, yes.

SENATOR CEGAVSKE:

I am a little upset by some of the comments made by our speaker because in my memory, this project was brought to Sunrise by one of our colleagues, who is no longer here, and asked that they put it together. The program was not delivered in the content of what the conversation was. Sunrise tried to put it all together, basically, as a favor. It is unfair not to have Sunrise here to defend itself, but they did try. They still have three of the dentists at Sunrise Hospital. I take exception to some of the comments about Sunrise. The last time I was asked to vote on the Dental School, we were told there would be federal dollars that would flow to the state, and that never happened. I am reluctant to believe that is going to happen this time since it did not happen before.

DR. McDONALD:

I understand your frustration. I, too, have been challenged by trying to manage this program. I have met with the director and former Senator Raymond D. Rawson to try to construct a compromise. Unfortunately, the individual who made the decision to support the program and bring it to Sunrise is no longer the CEO at Sunrise. The current CEO, Mr. Brian Robinson, made it clear he was unwilling to support the program and the residencies. I did everything to try to support it in my conversations with the director of the program and with former Senator Rawson. I made it clear that what I was most desirous of doing was keeping the program going. Our intention is to salvage the program that has been an unfunded mandate for the School of Medicine. We want to keep it intact and to continue to train residents.

SENATOR BEERS:

That brings up the point I was concerned about which is that Clark County is usually quick to jump down our throats when we even get a whiff of unfunded mandate in the air. If Sunrise were contributing to this program, I would expect

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that Clark County is now being proposed to contribute to this program. We probably want to hear from them. Is my assumption correct?

DR. McDONALD:

I am not aware of any request that has been made to Clark County specifically in support of this program. University Medical Center is, of course, Clark County, so in that sense that is true.

SENATOR BEERS:

That is the sense I was talking about.

DR. McDONALD:

We have had those discussions with Mr. Thomas at UMC, and he is supportive thus far of moving the program. The critical piece in this is obtaining federal funding for these residency-training positions.

SENATOR BEERS:

Is that contingent upon us appropriating this money?

DR. McDONALD:

No, I do not want to make that coupling.

SENATOR BEERS:

Is it contingent upon UMC contributing money?

DR. McDONALD:

It would be contingent upon UMC giving access to sufficient facilities and sponsoring the program. I cannot speak to the money issue. We would have to ask UMC.

SENATOR BEERS:

Would the University School of Medicine use the \$350,000 to write checks to the residents?

DR. McDONALD:

That is correct.

SENATOR BEERS:

To UMC?

DR. McDONALD:

It would depend upon where the program was actually based at any given time, but the dollars would flow specifically to the support of the residents including their salaries and fringe benefits.

SENATOR BEERS:

Would the University of Nevada School of Medicine be writing checks to UMC as you envision this evolving?

DR. McDONALD:

When the residents transfer, there will be a period of perhaps a year from submittal of the Medicare application to receipt of funding during which either the University and Community College System of Nevada (UCCSN) or the School of Medicine would be writing checks to support residency stipends.

SENATOR BEERS:

How many pediatric dentistry residency programs exist in California, Arizona, Nevada, Utah and Oregon?

DR. McDONALD:

I do not know the answer, but I can get the answer for you. Nationwide, it is a highly competitive, sought after specialty with a limited number of training positions.

SENATOR BEERS:

If we were not moving this program, would we not need this appropriation?

DR. McDONALD:

If we were not moving the program, we still have no source of funding and would still need the appropriation.

SENATOR BEERS:

I thought after one year the federal government would come in and pay for this.

DR. McDONALD:

Until a program is established and a hospital or a community demonstrates their willingness to pay stipends for that program, the federal government will not give us a penny. The challenge arose in the beginning, for reasons of which I am unaware, when this funding was not sought from the federal government. Because of that, and because Sunrise Hospital paid, the implicit understanding of the federal government was, "You paid, you have to continue to pay." We cannot go back to the federal government and say, "Sunrise has cut their support, and we need these stipends." It will not happen.

SENATOR BEERS:

However, you can go to CMS and say, "We are starting a new program at UMC and we need stipends."

DR. McDONALD:

Yes, that is correct.

SENATOR BEERS:

What this represents is a duplication of the start up costs we appropriated two years ago and it did not start up.

DR. McDONALD:

I would need clarification of your term "start up costs." The program has started. It is underway, and we have graduated our first class.

SENATOR BEERS:

However, the federal government is not allocating any money?

DR. McDONALD:

The federal government will not put even a penny in from this point as long as the program stays at Sunrise and as long as it stays with the School of Medicine.

SENATOR BEERS:

I do not understand.

DR. McDONALD:

The previous CEO of Sunrise made a commitment, as I understand it, to former Senator Rawson, to support this program.

SENATOR BEERS:

Senator Rawson was the Chairman of the Senate Committee on Human Resources and Facilities, and there was probably a symbiotic relationship there.

DR. McDONALD:

Things changed, the CEO at Sunrise changed. The CEO at Sunrise has new priorities in medical programs he wishes to support. In repeated discussions with Mr. Robinson and with former Senator Rawson, it was made clear that Mr. Robinson, the CEO of Sunrise, was not willing to support this program any longer.

SENATOR BEERS:

We appropriated some money two years ago to start a pediatric dental residency program associated with Sunrise Hospital. Is that correct?

DR. McDONALD:

I will have to ask Dr. Dickens to answer.

DR. DICKENS:

That is true. It is important to note that former Senator Rawson's interest in this program predates the existence of the Dental School and the notion of Medicare and Medicaid financing dental services.

SENATOR BEERS:

We appropriated money to start this program at Sunrise, and it did not start up the way we anticipated. We anticipated they would receive federal money to replace this on an ongoing basis.

DR. DICKENS:

That is a fairly accurate rendition of how it occurred.

SENATOR BEERS:

Now we are reappropriating, and the money is gone that we appropriated two years ago. We are once again starting up a new program, and we are at a point where we may decide this was not a good idea in the first place.

DR. DICKENS:

I am not sure I would agree with that particular conclusion.

SENATOR BEERS:

Alternatively, we could just continue appropriating \$350,000 to continue to run the program at Sunrise. Is that correct?

DR. DICKENS:

As Dr. McDonald has indicated, Sunrise has changed its priorities.

SENATOR BEERS:

Is this costing Sunrise money?

DR. DICKENS:

I am not certain of the answer to that question.

DR. McDONALD:

It is certainly costing Sunrise the amount of the stipend currently. There had been plans to convert vacant space at Sunrise Hospital into an outpatient surgical center.

SENATOR BEERS:

That would cost money.

DR. McDONALD:

It would cost quite a bit of money.

SENATOR BEERS:

Where I am going with this is that Sunrise would put money into this if it were to continue. We are trying to determine whether UMC would have to put money into the program in order for the program to continue.

DR. McDONALD:

I share your lack of clarity in some points. Sunrise has stopped their support of the residency stipends. They were cutting a check to these residents. That ends June 30, 2005.

SENATOR BEERS:

At that point, the pediatric dental residency program will be terminated.

DR. McDONALD:

No. The School of Medicine will continue to support it.

SENATOR BEERS:

With money? Will you start writing those checks instead of Sunrise?

DR. McDONALD:

We will have to.

SENATOR BEERS:

Do you have appropriated authority to do so?

DR. McDONALD:

Not to my knowledge.

SENATOR BEERS:

How, then, will you do that?

DR. McDONALD:

I will have to find the funds out of our operating budget, clinical revenues, to make this happen. We have residents who are being trained and if we stop the support of those residents, they will have a legitimate claim against the School of Medicine and against UCCSN for the fact that their training program stopped. They were given an implicit promise to complete their training. This is a major potential liability for the School of Medicine. If you are going to stop the training program, you need to stop accepting residents on the front end and let the

residency die a natural death. That is, the last resident is taken in year one, graduates in year three, and you do not take any more residents into the class.

They just accepted three new residents into this program. I gave my pledge to former Senator Rawson that I would try to maintain the program because of its vital importance to the health of Clark County, particularly to the underserved patients. We are doing everything we can to make a seamless transition to get the program into a hospital where it will be eligible for CMS support for the residencies, where it will be self-sustaining, and housed in a school of dental medicine which has the expertise and professionals to run the program.

CHAIR RAGGIO:

We would like to know how the \$250,000 that was previously appropriated was used. We would like to have a report submitted to the Committee.

SENATOR TITUS:

When these people finish their residency, will they be doctors or dentists?

DR. McDONALD:

They will be dentists.

SENATOR TITUS:

Why is the dean of the Dental School not here to talk about this?

DR. McDONALD:

I cannot answer that question.

SENATOR TITUS:

Was this in the Board of Regent's budget that came forward?

DR. McDONALD:

To my knowledge, it was not in the Board of Regent's budget.

SENATOR TITUS:

I cannot believe Sunrise did not try for federal money because they usually try to get as much as they can. To say they were not going for federal money seems inaccurate. We gave \$250,000 to a hospital for a program that they now do not want, so we have to put up \$350,000, betting some other hospital will want the program. Is that correct?

DR. McDONALD:

That would be one way to characterize this. However, I would have to say, in defense of Sunrise, the onus for applying for federal funding for a residency program falls on the director of the program.

SENATOR TITUS:

Who is that?

DR. McDONALD:

That is Dr. Robert Cooley.

SENATOR TITUS:

Why did he not apply for it?

DR. McDONALD:
I do not know the answer to that question.

SENATOR TITUS:
Is he still on your staff?

DR. McDONALD:
Yes, he is.

SENATOR TITUS:
Maybe, we should ask him to come and testify. When were the last residents admitted to the program?

DR. McDONALD:
The last residents were admitted approximately two months ago.

SENATOR TITUS:
At that time, did you have any idea that Sunrise was moving out of supporting this program?

DR. McDONALD:
I have known from day one there was no money for this.

SENATOR TITUS:
Then why did you admit more residents?

DR. McDONALD:
Hindsight is 20/20. In this case, I would say my vision is sharp, looking backward. I have been working since the fall with Dean Ferrillo and Mr. Thomas to try to construct a win-win situation wherein we transfer the program into a locus where it could apply for federal money. Unfortunately, once that first check was written to the residents and they did not apply for federal money, it was no longer possible to do so. Regardless of what happens, we will have to maintain the program for two additional years or find a suitable home for those dental residents.

Many of these residents have not recently graduated from dental school. For example, in our current class we have one resident who was in private practice in Reno for several years practicing pediatric dentistry. She left her practice and she and her husband moved to Clark County where she entered the training program to gain additional skills necessary in her practice. Another resident was in a solo private practice of dentistry for several years and left her practice. These people have given up quite a bit to train in this specialty. You can imagine the consequences if we said suddenly, "I am sorry, the program is stopped. You have to find your own subsequent training." This would create a considerable liability.

SENATOR BEERS:
What liability? Do we pay them to do this work for us?

DR. McDONALD:
They are paid a stipend.

SENATOR BEERS:
Do they pay us for this training?

DR. McDONALD:
They do not pay us other than with their time and energy.

SENATOR BEERS:
Do we pay them for this training?

DR. McDONALD:
That is correct.

SENATOR BEERS:
I do not understand what liability we face. Perhaps you could bring to us, by the end of the day, examples of cases in the past with alleged similar liabilities.

DR. McDONALD:
Yes, sir. There have been cases. In fact, we had to settle with three residents in our general dental residency program because they claimed they had not received adequate training.

SENATOR BEERS:
I do not want our settlement because I am not sure that I trust our judgment. I would like cases in which a jury has ordered damages paid for a closed residency program.

DR. McDONALD:
I will try to get that information for you. I do not know if I can get it to you by the end of the day.

CHAIR RAGGIO:
It is not necessary to have it by the end of the day. We are not going to process this bill today, but we would like it within a short time.

SENATOR BEERS:
If it will cost \$350,000 to continue this program, it would probably be helpful to give us what it would cost to wind this down which I believe you suggested as one alternative.

DR. McDONALD:
All right, Senator, I will do that.

DR. DICKENS:
Should the Committee decide to process the bill, we would like to suggest an amendment by way of sending the appropriation to the chancellor's office, UCCSN, so that if this program is shifted to the model the dean foresees, we would have the internal flexibility to accomplish that transfer. We would be happy to continue post-session to provide information to the Interim Finance Committee (IFC).

CHAIR RAGGIO:
Another suggestion might be, in addition to the items that have been requested, some information as to whether or not the system can accommodate this, as Dr. McDonald indicated, without the necessity of an appropriation and still

utilize your application for Medicare funding. Let us know if that can be done without the Committee having to make an appropriation.

I will close the hearing on S.B. 291 and S.B. 375 and open the hearing on S.B. 328.

SENATE BILL 328: Makes various changes related to public retirement systems.
(BDR 23-82)

DANA BILYEU (Executive Officer, Public Employees' Retirement System):

I will testify from my prepared statement, Senate Committee on Finance Senate Bill 328 – Testimony Dana Bilyeu, Executive Officer – April 5, 2005, ([Exhibit D](#)). Senate Bill 328 is the System's technical legislation. The Retirement Board has no bill seeking benefit modifications other than the minor revisions contained within this bill. Section 1 of the bill at page 3, line 9, amends *Nevada Revised Statutes* (NRS) 286.6703 to remove social security numbers from qualified domestic relations orders within our act. Currently, the law requires the Public Employees' Retirement System (PERS) domestic relations orders to contain the social security number of the member and of the alternate payee. The requested modification would remove that requirement because the order may be a public record when held by the court system. The PERS will still require that the parties provide social security numbers privately to PERS.

Section 2 of S.B. 328 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 continuously remains a full-time student. The PERS 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 (AG) opinion indicated the law, as presently written, does not provide for reinstatement. If the child fails to maintain full-time student status, the benefit ceases. The requested modification would allow the PERS to reinstate the benefit to a child between the ages of 18 and 23 if the child returns to full-time student status. There is no additional cost associated with this modification because the actuary prices the benefit as if the benefit is paid to the child through his or her 23rd birthday.

CHAIR RAGGIO:

Is there a time limit, or is it applicable if that occurs between the child's 18th and 23rd birthdays?

MS. BILYEU:

The benefit is given to the child regardless of student status through the age of 18, and it can be maintained past the 18th birthday if the child maintains student status.

CHAIR RAGGIO:

My question is if S.B. 328 will allow the child to cease to be a student but then return, is there a period of time in which the child must return after ceasing to be a student?

MS. BILYEU:

No, there is not.

CHAIR RAGGIO:

Does the benefit stop at the child's 23rd birthday even if he or she is still in school?

Ms. BILYEU:

That is correct.

The PERS is also seeking a technical change to the Judicial Retirement Act to clarify provisions regarding participation in the Judicial Retirement Plan (JRP). Sections 3, 4 and 5 of S.B. 328 make changes to the elections provisions provided to the JRP under NRS chapter 1A. Under current law, a judge who is a member of PERS, when elected or appointed to the Judiciary, may withdraw from PERS and participate in the JRP. However, current law is unclear about which system, PERS or JRP, is the system of choice if there is a failure to elect by the judge. The current language in NRS 1A.270 provides that a judge will be a member of JRP unless he or she elects to remain a member of PERS. The current language of NRS 1A.280 provides that a judge will remain a member of PERS unless he or she elects to withdraw from PERS. The current language of NRS 1A.300 provides that a judge will remain a member of JRP if he or she does not elect to remain a member of PERS. Therefore, if a judge currently fails to elect one way or the other regarding his or her membership in PERS, it is unclear of which system he or she would become a member.

The amendments contained in sections 3, 4 and 5 of S.B. 328 harmonize the election provisions to make it clear that if a judge fails to make an election within the required time, he or she will remain a member of PERS. Sections 6 and 7 of S.B. 328 make the same changes to the JRP related to qualified domestic relations orders and the child survivor benefit program, as I have previously described, related to the Public Employees' Retirement Act.

CHAIR RAGGIO:

Does this delete the social security number requirement?

Ms. BILYEU:

That is correct.

CHAIR RAGGIO:

I will close the hearing on S.B. 328. Staff has some issues to discuss with us.

MR. GHIGGERI:

Prior to beginning closing of any budgets, I wanted to advise the Committee there are eight issues that we know of pending resolution, and final decisions have not been made on them even though some of those items are included in the accounts that will be closed today. Please refer to Closing Issues Pending Resolution, ([Exhibit E](#)). Similar to what has been done in previous sessions, once resolution is reached on these issues, the suggested resolution will be brought back to the Committee for review prior to implementation. As I indicated, there are eight items specifically listed on [Exhibit E](#).

I want to assure the Committee that prior to staff implementing any changes, they will be brought back to the Committee for review. Staff will not make changes without the Committee understanding what is being done.

CHAIR RAGGIO:

Is it clear to the Committee that when we close the budgets, we are not passing final approval on any of these items? For example, Enhancement 811 unclassified salaries or personnel assessments, adjustments that might be made to state-owned building rent or AG or other cost allocation items. Is that clear to the Committee? We will now go the Senate Committee on Finance Closing List #1 ([Exhibit F](#), original is on file at the Research Library).

BOB GUERNSEY (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

We have ten budgets we are closing today, and I am responsible for four of the accounts. I have also distributed, for the Committee's review, the updated costs from the Department of Information Technology (DoIT), Attachment M-1, New or Replacement Software & Hardware Instructions and Worksheet, ([Exhibit G](#)), for their hardware, software and a number of their services. We typically receive this toward the end of session. We have to manually go back into the budgets, find all the computer hardware and software requests and make the adjustments. You will encounter a number of those adjustments today in these closing sheets.

ELECTED OFFICIALS

Mansion Maintenance – Budget Page ELECTED-6 (Volume I)
Budget Account 101-1001

The first budget is the Mansion Maintenance budget, budget account 101-1001. There are three positions in this budget account in the nonclassified service: the Governor's Office, the Mansion budget and the High-Level Nuclear Waste project office. The only adjustment that staff is suggesting in this budget account is to adjust the Administrative Services Assessment that is paid to the Administrative Services Division of the Department of Administration based upon changes in the statewide cost allocation.

CHAIR RAGGIO:

With that exception, are other changes suggested by this Committee?

SENATOR BEERS:

I do not have substantive changes, but do question an information services line item. Is that something we will adjust at some point? That is an allocated rate for highband-broadband connection to the mansion. Is that one of the things we are going to close later?

MR. GUERNSEY:

I am not aware of a change in that.

SENATOR BEERS:

In the Joint Subcommittee on General Government, we are talking about doing some things on the DoIT side that would change the rates that come out of the end of the allocation process.

MR. GHIGGERI:

I misspoke. Item number 2 of [Exhibit D](#) is the type of thing we will adjust later if an adjustment is necessary. Based upon information I reviewed from that

Subcommittee, I understand there will be adjustments made because the reserve levels exceed those allowable by federal cost allocation guidelines.

SENATOR COFFIN:

The only item I recall from the budget I thought was noteworthy was the question of furniture potential. There was a discussion of an appropriation for furniture. Is that a bill separate from the budget closing we are discussing?

MR. GUERNSEY:

Senator Rhoads was appointed a subcommittee of one, and he went to the mansion and visited with the First Lady. The decision was made that they are not requesting additional funding at this time.

SENATOR COFFIN:

I recall a comment that Mrs. Guinn had brought in furniture. When they leave, are they going to leave the furniture behind? If they take the furniture, it would necessitate funding for replacement.

SENATOR RHOADS:

I discussed this with the First Lady. There are many personal items that belong to her and the Governor. They did not think it would be proper to buy something for the next governor, not knowing his or her likes and dislikes. The First Lady said they were comfortable with what they have.

CHAIR RAGGIO:

When a governor has been in office for eight years, obviously there will be needs when a new first family moves in. That will be something we will address next session.

MR. GUERNSEY:

I am sure the Budget Division would be able to meet with them.

SENATOR MATHEWS:

There are always historical items that will remain in the mansion. The mansion was not empty when the Guinns moved in, and I would imagine it will not be empty when they leave.

CHAIR RAGGIO:

I will accept a motion to close budget account 101-1001. All of the budget closing motions will be subject to changes that may be made on the items previously addressed.

SENATOR MATHEWS MOVED TO CLOSE BUDGET ACCOUNT 101-1001 WITH STAFF RECOMMENDATION TO ADJUST THE ADMINISTRATIVE SERVICES ASSESSMENT PAID TO THE ADMINISTRATIVE SERVICES DIVISION OF THE DEPARTMENT OF ADMINISTRATION BASED UPON CHANGES IN THE STATEWIDE COST ALLOCATION.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The next item is High Level Nuclear Waste, budget account 101-1005.

High Level Nuclear Waste – Budget Page ELECTED-10 (Volume I)
Budget Account 101-1005

MR. GUERNSEY:

The High Level Nuclear Waste budget and the budget that follows, the Nevada Protection Account displayed on page 6 of [Exhibit F](#), have great interplay.

Nevada Protection Account – Budget Page ELECTED-15 (Volume I)
Budget Account 101-1004

The Governor is recommending, in the Protection Account, an appropriation of \$2 million be allowed to carry over for both years of the coming biennium. Historically, if an appropriation had been put in, it would have been put into the High Level Nuclear Waste account that has a staff of seven. Funding in the account comes from the federal government. I know they have had great difficulty in the past receiving funds from the federal government. We have indication from the agency they anticipate \$2 million this year, and the President has built into his budget \$3 million for next year. That does not mean Congress is going to agree with that. As of this date, in their main account, the agency has still not received federal funds.

Due to problems with past distribution of funding from the federal government, sometimes the agency has received their funds directly from DOE and sometimes it flows through the Division of Emergency Management. The budget is constructed so the funds will flow through Emergency Management. The actual federal funds will be deposited there and then transferred to the Nuclear Waste account. We have a number of technical corrections in this account. A number of onetime expenditures were not adjusted out. One was for payoff of annual leave compensation. We deleted the Deputy Attorney General bar dues. We reduced funding for overtime pay and updated computer and software prices in the budget account. Many of these adjustments are normally made in the Base Budget but, for whatever reason, those were not adjusted out. We removed those.

The General Fund appropriation supports the staff in the nonclassified service, their normal operating and travel costs and the full operation of the agency. Federal funds cannot be used for legal expenses against the federal government. That is part of the reason the appropriation of \$2 million is placed into the Protection Account.

SENATOR COFFIN:

Could you clarify that?

MR. GUERNSEY:

The agency has utilized federal funds in the past for lobbying efforts and attorney costs in fighting the position of the federal government, the Department of Energy (DOE), in making their application to the Nuclear Regulatory Commission (NRC). The federal government is not inclined to provide federal funds for the agency to take a proactive stand against them. Therefore, we have provided state funds for their legal efforts in the past. Some of those have been donated in the Protection Account; some have been provided by IFC

allocations. The AG's budget also has funds allocated by the IFC, and state funds have been placed into that account. Additionally, this time there are requests for an additional \$1 million in the AG's budget. The legal costs for the High Level Nuclear Waste budget are more directed toward trying to counteract the application from DOE to NRC, especially after recent changes to the standards at the Yucca Mountain facility.

Regarding funding, there are several options. You could consider having the agency approach IFC; you could give them partial funding, \$1 million of the requested \$2 million. It depends upon how the federal government's funds come in to help their activities. Part of the \$2 million, it has been indicated, would be used for scientific research to try to disprove some of the positions the federal government has stated in the application. There are hearings today in Washington, D.C., regarding the validity of the scientific studies that have been conducted by the federal government. The only adjustment staff is suggesting in this budget are technical adjustments. Policy issue comes up on the next budget which is the Protection Account. The Committee could consider utilizing one account in the future and placing the appropriation, if the Committee so chooses, into the main Nuclear Waste budget, follow the Governor's request to put the appropriation in the Protection Account, or consider lowering the appropriation. If additional funds are needed and the federal government does not come through with funding, the agency could approach the IFC.

CHAIR RAGGIO:

Are you suggesting that we might do this in one budget? The \$2 million is for the litigation costs in budget account 101-1004. That could be an option.

MR. GUERNSEY:

That is correct.

CHAIR RAGGIO:

Does that conflict with the fact that federal funding in the budget cannot be used otherwise as long as that distinction is made?

MR. GUERNSEY:

No, it does not.

CHAIR RAGGIO:

I believe that came out of that audit that cost us approximately \$4 million a few years ago.

MR. GUERNSEY:

I think you are correct.

CHAIR RAGGIO:

Is the amount of \$2 million anticipated in the budget each year from federal funding?

MR. GUERNSEY:

The President's budget was constructed for FY 2006, anticipating \$3 million. However, based upon the agency's past experience in dealing with Congress, they are not counting on receipt of \$3 million at this point.

CHAIR RAGGIO:

We apparently have not received anything for the current year, according to your note, as of March 31, 2005.

MR. GUERNSEY:

We have not. The Division of Emergency Management processed a work program anticipating the receipt of funds. Mr. Robert R. Loux, Executive Director of the Agency for Nuclear Projects, indicated to me they are anticipating receipt of the \$2 million, but as of this date no funds have been received.

CHAIR RAGGIO:

As you indicated, those funds can only be used for what is termed "scientific oversight." They cannot be used for other things such as impact assessment, environment, transportation or any other activities.

MR. GUERNSEY:

That is correct. Contained in the budget is an annual \$400,000 transfer from the Department of Transportation to assist with scientific and transportation studies that would affect movement of nuclear waste through the state.

CHAIR RAGGIO:

Would it be appropriate in our closing actions to combine these budgets and approve them? Is that a problem for you, Mr. Comeaux?

JOHN P. COMEAUX (Director, Budget Division, Department of Administration):
No, that would not be a problem.

SENATOR BEERS:

I am hesitant to appropriate \$2 million. We have already appropriated between \$5 million and \$10 million this biennium, and ultimately our opponents defeated themselves.

MR. GUERNSEY:

I had a similar conversation with Mr. Loux, and his feeling was they would require additional funding. He feels they are down but not out. The State of Nevada feels they have defeated the proposal in the past but, until it is actually decided, he would request some state funds to continue the state's effort in the legal battle.

SENATOR BEERS:

It is a shame it is not tomorrow, because I suspect the meeting being held in Washington, D.C., today is going to be the last nail in the coffin.

SENATOR COFFIN:

I was thinking this would be a bad day not to approve the Governor's recommendation, although the idea of combining the accounts seems to make sense. It would not set well if we did not approve it. I suppose, if it is not spent, we will get it back. It is important at this moment to approve the amendment to join the two budget accounts.

CHAIR RAGGIO:

Are we talking about the \$2 million for legal action?

SENATOR COFFIN:

It is also used for science. Is that correct?

CHAIR RAGGIO:

I do not know the answer.

SENATOR COFFIN:

It is mixed because we now have the new revelations about the false numbers; we do not know how bad that is. That is science and it is going to involve litigation.

MR. GUERNSEY:

Some of the state funds would be used for scientific studies in areas in which the federal government believes utilization of their funds is inappropriate.

CHAIR RAGGIO:

Some of which state funds?

MR. GUERNSEY:

The state funds in both the main account and the proposed \$2 million. That is why staff is suggesting one option you could consider is combining the appropriations into one budget rather than having the Protection Account for protection.

CHAIR RAGGIO:

That is the issue. We have essentially \$2 million of General Fund money in the first account.

MR. GUERNSEY:

We have \$2 million in the Protection Account.

CHAIR RAGGIO:

The money in the proposed budget account 101-1005 would be \$3 million from federal funding, and the General Fund money is \$2 million over the biennium. There are scientific study contracts. Are those monies sufficient to cover the contracts?

MR. GUERNSEY:

The agency is also utilizing some of the funds in the Protection Account. They have expended slightly over \$1 million out of that account. In addition to legal expenses, they have paid some study costs out of that funding. They are down to approximately \$600,000 in that account, and they have indicated in hearings before the Legislature what is going to happen to the allocations made from the Contingency Fund. It was directed that the remaining balances revert to the Contingency Fund at the close of the fiscal year. The only activities that would continue in the Protection Account, if they receive additional donations as in the past, would be the main utilization of that account.

CHAIR RAGGIO:

They only have \$600,000 remaining in the Protection Account, and the bulk of it has been used, not for litigation, but for additional costs of scientific studies. Is that what you are saying?

MR. GUERNSEY:

It has been used for both purposes. I would say the majority has been used for legal expenses.

CHAIR RAGGIO:

I guess the agency could come back to the IFC for additional Protection Account money, if you want to call it that. Do we have a clear understanding that if we do not approve the \$2 million in the Protection Account, they have enough money to sustain their current contracts?

MR. GUERNSEY:

No, they would need some General Fund appropriation. Staff suggests that Mr. Loux, according to his memorandum attached to [Exhibit F](#), beginning on page 8, has needs totaling \$5 million. Whatever you choose to give him, he would continue the state's efforts. The key question is how much federal money he will receive if he receives federal money. There are state funds that would be utilized and probably needed to some extent. I do not know if he would need \$2 million, which is why staff suggested as an alternative, lowering that amount to \$1 million and giving him a Letter of Intent to return to IFC. Once they have a better plan in place as to what the federal government is going to be doing and the state's position, if additional costs are needed, you could allocate those from the IFC.

SENATOR TITUS:

I would be opposed to that. You should give them the \$2 million now because we are so close. Why shortchange it? I believe as Mr. Loux does, they may be down, but they are not out. They are not packing up and leaving Yucca Mountain. They are still there with other things in mind. If they have to come back to the IFC, that takes time. The \$2 million the Governor has recommended is the way we should go.

SENATOR BEERS:

That is the crux of the policy debate here. Every \$1 million spent on a losing battle could be used to hire 20 teachers. That is the debate, whether or not the battle is lost. Part of the problem with spending money at this point is we do not know what the federal government's next response is going to be. Until we do, we are wasting money trying to guess what it is going to happen.

SENATOR TITUS:

I appreciate that, but that money would not be spent if it was not needed, and it could come back.

SENATOR BEERS:

I disagree. That money is often spent even though we do not need it. Not this particular money but, in general, that happens throughout our state government.

SENATOR MATHEWS:

The federal government is not dead. If we can believe this morning's newspaper, they are still quite alive. We should give the agency the \$2 million at this point, and if they do not need it, they do not need to use it.

MR. GUERNSEY:

One alternative the Committee could consider is to make a policy decision to give them the \$2 million and issue a Letter of Intent to the agency to have them

report to the IFC on an ongoing basis, at least quarterly, and perhaps every meeting, to bring the Committee up to date on what activities in which they are involved. They could also provide an expenditure report as to how they have utilized the funds to date.

CHAIR RAGGIO:

Too often those reports are not reviewed or are submitted at the end of a meeting and receive no attention. My preference at this point would be to combine the accounts to put \$1 million in the Protection Account with the opportunity to return to IFC if any additional money is needed for either the scientific studies or litigation.

SENATOR BEERS MOVED TO COMBINE AND CLOSE BUDGET ACCOUNTS 101-1005 AND 101-1004 WITH AN APPROPRIATION OF \$1 MILLION WITH THE STIPULATION THE AGENCY CAN REQUEST ADDITIONAL FUNDING FROM THE IFC TO BE USED FOR SCIENTIFIC STUDIES OR LITIGATION PURPOSES.

SENATOR CEGAVSKE SECONDED THE MOTION.

SENATOR BEERS:

As I look at the summary for budget account 101-1005 in the *Executive Budget*, if the federal funding does not come through, how will they support the seven positions? What is the \$2.5 million transfer from the budget account in the same fund?

MR. GUERNSEY:

It is the indication the federal funds would flow through Emergency Management and then be transferred.

SENATOR BEERS:

Are those the ones we are questioning as to whether or not it will happen?

MR. GUERNSEY:

That is correct. The President's budget includes \$3 million for FY 2006, but based upon the past experience of the agency, we are uncertain whether or not we will receive those funds.

SENATOR BEERS:

What is the expense titled Federal Contracts? Is all of the money that would be coming in through that source anticipated to be spent on contracts?

MR. GUERNSEY:

The majority of the money would be spent on contracts. There might be other operating expenses that would directly relate to contracts.

SENATOR BEERS:

We presumably would not commit those funds until we had assurance that we would collect the money.

MR. GUERNSEY:

Staff works closely with the agency, monitoring its activities, and the Controller's system has a number of edit tests that can be used. It is total

expenditures versus how much money is in the bank plus category controls. It has not been a problem in the past.

SENATOR BEERS:

What does the person who administers the receipt and distribution of this money do now? There must be someone in the office whose job it is to administer receipt of these funds and distribute them out to the contractors. Who manages the contractors and the contracts?

MR. GUERNSEY:

There is accounting staff within the office who work directly for Mr. Loux. It is only a seven-person office, and they are all in the nonclassified service.

SENATOR COFFIN:

My comment is that I like your approach to it today, and I will support the motion Chair Raggio suggested to carve it up in such a fashion as you described. However, we may receive new information or new information may come to the Assembly Committee on Ways and Means. I am not sure when they are going to close this budget. I would be prepared to change my position upon hearing new information.

CHAIR RAGGIO:

That would be understood. Are there any further comments or objections to the motion?

SENATOR MATHEWS:

I will vote yes on this, but I still think the best idea is to give the agency the money and wait and see.

CHAIR RAGGIO:

This is essentially a compromise to provide some accountability and give them the opportunity to come back if money is needed for the purposes described. As Senator Coffin indicated, it may change as to whether the money is needed or more money is needed. We will close the budget according to the motion and it will become budget account 101-1005.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

We will next address the Consumer Health Assistance budget.

Gov, Office for Consumer Health Assistance – Budget Page ELECTED-17
(Volume I)
Budget Account 101-1003

MINDY BRAUN (Education Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Please refer to page 13 of [Exhibit F](#). The Office for Consumer Health Assistance, within the Office of the Governor, was created by the 1999 Legislature. This office assists consumers and injured employees in understanding their rights and responsibilities under the health care plans and policies of industrial insurance. The agency is located in Las Vegas and

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supported by a General Fund appropriation, Medicaid funding, hospital assessments and funding from the Workers' Compensation and Safety Fund. There are four closing issues in this budget account for your consideration. I will read these from page 14 of [Exhibit F](#).

CHAIR RAGGIO:
What does \$100,000 plus inflation mean at this moment?

MS. BRAUN:
At this moment, it is \$142,000 that was built into the budget. For each fiscal year of the next biennium, \$142,000 would be collected from the hospitals.

CHAIR RAGGIO:
Does that require a statutory change?

MS. BRAUN:
That is the requirement currently, so if they do not need the entire \$142,000, their reserve will continue to increase. If you make the statutory change, outlined on page 16 of [Exhibit F](#), it would possibly prevent the agency from assessing the hospitals for an entire year.

CHAIR RAGGIO:
We would change NRS 223.575, subsection 6, to state, "may be up to" \$100,000 instead of "must be" \$100,000. Is that what you are saying?

MS. BRAUN:
Yes, it is.

CHAIR RAGGIO:
What do we have to do to make that change? Does that require a bill?

MR. GHIGGERI:
That is correct.

CHAIR RAGGIO:
We will discuss each issue as we go through them. Does the Committee concur with the suggestion? If we agree to that suggestion, we would have to amend that section.

MS. BRAUN:
I will read issue number 2 from page 14 of [Exhibit F](#). Does the Committee wish to increase in-state travel to the FY 2004-2005 work program in the amount of \$7,349 in each fiscal year of the 2005-2007 biennium?

CHAIR RAGGIO:
The work program was not fully utilized. Is that what you are saying?

MS. BRAUN:
In the base year, the agency was given approximately \$7,000 and only used less than one-half of that amount.

CHAIR RAGGIO:
What is the Committee's feeling on that issue? It is in the work program. What is the current amount?

Ms. BRAUN:
For this current year, it is \$7,349.

CHAIR RAGGIO:
They cut it to \$3,098, the actual amount.

Ms. BRAUN:
Yes, that is correct.

CHAIR RAGGIO:
We are saying it did not serve the full purpose. How do we know, if we increase it by \$3,000, they will use it?

Ms. BRAUN:
Ms. Valerie Rosalin, the Director of the agency is here to respond.

VALERIE M. ROSALIN, R.N. (Director, Office for Consumer Health Assistance, Office of the Governor):
We did not use the travel allocation because we were having problems with staffing, office closure and relocation. Now that we are settled into an office, we have travel scheduled to the rural areas. We would need the additional funds for that purpose.

CHAIR RAGGIO:
If this authority were granted, would you effectively utilize this money?

Ms. ROSALIN:
Yes, we already have travel scheduled.

SENATOR BEERS:
I would support this, but Senator Titus had a bill that passed that will require hospitals to notify patients of your existence. It passed out of here unanimously. I would think that would increase your caseload.

Ms. ROSALIN:
Yes, and we would need to be sure we were getting information out to the other hospitals and communities so they are aware of us. We will be following up once the bill passes through the Assembly to ensure the hospitals have put our language into their forms.

SENATOR MATHEWS:
We approved this during the 2003 Legislative Session and you have been in existence for one year. What have you done in that time besides move and try to hire people?

Ms. ROSALIN:
That took a lot of training because we had turnover, staffing issues and closing of offices. We were scattered in Las Vegas in several offices and one office in Carson City.

SENATOR MATHEWS:
We have no patient advocacy at all?

Ms. ROSALIN:

Yes, you do. Thirty-three percent of our cases are from northern Nevada but most from Carson City and Reno. We wish to get further out. We have some cases in Dayton, Elko and Ely.

SENATOR MATHEWS:

You have eight employees. How many were employed during the first year?

Ms. ROSALIN:

We had 12 employees and are now down to 8. We have had eight employees since 2001. When we left Carson City, I had to hire five new employees because existing staff declined to move to Las Vegas. The training time, programming and other issues we have had in trying to get the office up and running were difficult.

SENATOR MATHEWS:

Are most of these licensed personnel?

Ms. ROSALIN:

Three of us are licensed nurses, and the others have backgrounds in workers' compensation and claims and grievances.

CHAIR RAGGIO:

Committee, is there agreement to authorize the work program to \$7,349 each year? If so, we will move on to the next issue.

Ms. BRAUN:

The third closing issue concerns S.B. 126. I will read from number 3 on page 14 of [Exhibit F](#).

SENATE BILL 126: Establishes Office for Injured Employee Assistance. (BDR 18-246)

SENATOR BEERS:

Senate Bill 126 is in the Senate Committee on Commerce and Labor. They had a hearing on March 2, 2005, and there has been no action taken.

CHAIR RAGGIO:

The issue is, if that passed, it would duplicate a position. We could close this budget subject to the understanding that this position would be removed from the budget if S.B. 126 is approved. Is that agreeable to the Committee? Staff, please keep us informed of the status of S.B. 126.

Ms. BRAUN:

I will read closing issue number 4 from page 14 of [Exhibit F](#). The cost of establishing and maintaining the Web site and toll-free telephone number would be paid for from the proceeds of gifts, grants or donations received by the agency for this purpose or from an appropriation made by the Legislature.

SENATE BILL 157: Requires Director of Office for Consumer Health Assistance to establish and maintain Internet website and toll-free telephone number to provide certain information to consumers concerning prescription drugs and pharmaceutical services. (BDR 18-627)

According to this current legislation, the cost of maintaining and establishing a toll-free number and Web site would also be paid for by gifts, grants and donations the agency was able to find. Because they have not found any grants at this time or received any gifts, the Committee may wish to issue a Letter of Intent asking that the agency make a conscientious effort to apply for grants over this next biennium to assist with financing these projects.

CHAIR RAGGIO:

The question should be asked, who did the agency anticipate would come up with this kind of money?

Ms. ROSALIN:

The program was just added to our workload. We already had the 800 number. We adjusted the workload to one of our specialists. It is part of the Senior Farmer's Market Nutrition Program. We have diligently looked for grants.

CHAIR RAGGIO:

Is it going to do any good for this Committee or anyone else to issue you a Letter of Intent to tell you to continue to look for grants? Do you consider that we told you that now?

Ms. ROSALIN:

Yes, sir.

Ms. BRAUN:

Staff has made technical adjustments to their computers, servers and laptops.

CHAIR RAGGIO:

Are there any other questions or comments by the Committee on suggested changes to the budget? I would accept a motion to close budget account 101-1003 with the following provisions: the reserve for the Bureau for Hospital Patients would be subject to a change in NRS 223.575 that would require only that the amount assessed be "up to" \$100,000 adjusted for inflation. That would accommodate a bill draft request for that purpose. Enhancement of the services to the rural counties for in-state travel in the amounts indicated of \$7,349 each year, with the understanding that if the position in S.B. 126 in the Office of Consumer Health Assistance is approved, that similar position would be deleted from this budget.

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT 101-1003 WITH THE FOLLOWING PROVISIONS: THE RESERVE FOR THE BUREAU FOR HOSPITAL PATIENTS WOULD BE SUBJECT TO A CHANGE IN NRS 223.565 THAT WOULD REQUIRE ONLY THAT THE AMOUNT ASSESSED BE "UP TO" \$100,000 ADJUSTED FOR INFLATION. ENHANCEMENT OF THE SERVICES TO THE RURAL COUNTIES FOR IN-STATE TRAVEL IN THE AMOUNTS INDICATED OF \$7,349 EACH YEAR, WITH THE UNDERSTANDING THAT IF THE POSITION IN S.B. 126 IN THE OFFICE OF CONSUMER HEALTH ASSISTANCE IS APPROVED, THAT SIMILAR POSITION WOULD BE DELETED FROM THIS BUDGET.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will next address item number 6 of [Exhibit F](#).

AG Crime Prevention – Budget Page ELECTED-72 (Volume I)
Budget Account 101-1036

JEFFREY A. FERGUSON (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

I will be speaking in reference to page 19 of [Exhibit F](#). This account is funded primarily through a General Fund appropriation of \$422,817 for the biennium and from proceeds from license plate fees totaling \$83,638. The only major closing issue in this budget deals with the Motor Pool vehicle. There is currently an investigator in this budget that has been utilizing a Federal Bureau of Investigation (FBI) vehicle. This person is part of the FBI Terrorism Task Force. These are issues that were not brought up in the original budget hearing. Page 20 of [Exhibit F](#) lists four points that were not brought forward in that hearing that I would like to bring forth here. The investigator has the use of an FBI vehicle that may be used for general AG investigation issues such as surveillance and service of subpoenas. However, due to liability concerns, children should not be transported in that vehicle.

SENATOR BEERS:

Are these terrorist children? This vehicle is attached to the Terrorism Task Force.

MR. FERGUSON:

No, but it is my understanding this individual, who is an investigator, is part of the Terrorism Task Force. As such, he has an FBI vehicle for his use. He may use the vehicle for his daily job duties.

SENATOR BEERS:

The FBI has given an undercover vehicle to someone who is working part time with the Terrorism Task Force?

MR. FERGUSON:

I do not know about part time. I just know he is a member of the Task Force.

SENATOR BEERS:

I am trying to make the connection here.

MR. FERGUSON:

This is an unusual situation in which another responsibility of this particular investigator is as part of the Terrorism Task Force.

SENATOR BEERS:

Is the concern the FBI would take this vehicle away?

MR. FERGUSON:

Yes, that is a concern. That also makes this request unusual because if that individual were to leave, this budget would be left without a vehicle.

SENATOR BEERS:

Would not this person's replacement fill the place of that person on the FBI Terrorism Task Force?

MR. FERGUSON:

Not necessarily.

SENATOR BEERS:

Would not another individual from the AG's Office replace that person on the Terrorism Task Force?

MR. FERGUSON:

Not necessarily. It is the individual that happens to be an investigator in this budget account that is part of this Task Force. It does not go with the job duties for this position in this budget account. It is a coincidence at this point.

SENATOR BEERS:

At some point in the past, we reduced the vehicle expenses for this account when that person received his FBI vehicle.

MR. FERGUSON:

In the past, the investigator used a personal vehicle and was reimbursed for expenses. The issue was utilizing a personal vehicle for investigations created safety hazards for that investigator. It was not safe to use a personal vehicle that could be identified.

MR. GHIGGERI:

I do not believe the agency can confirm an agency-assigned vehicle was provided to this person in the past. There is, included in the Governor's recommended budget, funding for the Motor Pool to buy a new car for this person to use which the AG's Office would lease from the Motor Pool. If you go along with the recommendation included in the closing sheets, not only would you save funding for the lease, you would also save the funding for purchase of a new vehicle.

CHAIR RAGGIO:

Staff is advising the recommended cost be cut in half. Is that correct?

MR. FERGUSON:

That is correct.

CHAIR RAGGIO:

Does that allow the agency to rent a daily vehicle costing up to \$2,112 in each year of the biennium?

MR. FERGUSON:

That is correct.

CHAIR RAGGIO:

That would mean the Motor Pool would not have to buy another vehicle.

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MR. FERGUSON:
That is correct.

CHAIR RAGGIO:
That may be the best approach at this time.

MR. FERGUSON:
The only caveat is that if this person were to leave employment in this budget account, that FBI vehicle could be gone, in which case the agency could come back to IFC to request more funding.

CHAIR RAGGIO:
Do you think that would be appropriate, Mr. Comeaux?

MR. COMEAUX:
Yes, it would.

CHAIR RAGGIO:
Are there any objections from the Committee? Do you have another closing item on this account?

MR. FERGUSON:
The only other closing item is staff made adjustments related to computer hardware costs that were discussed earlier.

CHAIR RAGGIO:
Are you indicating that would be a decrease in computer hardware costs of \$192?

MR. FERGUSON:
That is correct.

CHAIR RAGGIO:
I would accept a motion to close the budget with staff recommendations including reducing the recommended funding for the Motor Pool vehicle by one-half.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-1036 WITH STAFF RECOMMENDATIONS TO DECREASE COMPUTER HARDWARE COSTS BY \$192 AND TO REDUCE THE RECOMMENDED FUNDING FOR THE MOTOR POOL VEHICLE BY ONE-HALF.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

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CHAIR RAGGIO:
We will next discuss budget account 101-1002.

AG Extradition Coordinator – Budget Page ELECTED-81 (Volume I)
Budget Account 101-1002

MR. FERGUSON:

The only issue in this account is, during the budget hearing, there was discussion regarding the fact that some of the revenue received from extraditions, which is money paid by those extradited, seemed to be decreasing. Staff has been in contact with the AG's Office, and they have indicated some of the extradition revenue will be more than was originally anticipated. As a result, the AG's Office indicated the Base extradition revenues could be raised to \$108,715. The *Executive Budget* contained only \$100,206. The increase is \$8,509 in each year of the biennium, and it has been brought to the Committee's attention that staff has made that adjustment. These closing sheets do reflect that, and there is a corresponding decrease in General Funds.

CHAIR RAGGIO:

This is something that is hard to estimate because you do not know how many extraditions you will have in any year.

MR. FERGUSON:

That is correct.

CHAIR RAGGIO:

You are suggesting adding \$8,509 in each year to the amount that is already indicated. Are there any other closing items?

MR. FERGUSON:

The only other item is a \$289 reduction, again related to computer hardware costs.

CHAIR RAGGIO:

I would accept a motion to close budget account 101-1002 with the adjustments recommended by staff.

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT 101-1002 TO ADJUST THE INCREASE IN EACH YEAR OF THE BIENNIUM IN THE AMOUNT OF \$8,509 AND TO REDUCE THE COMPUTER HARDWARE BUDGET BY \$289.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

CHAIR RAGGIO:

The next budget account is 101-1041.

AG Council for Prosecuting Attorneys – Budget Page ELECTED-85 (Volume I)
Budget Account 101-1041

MR. FERGUSON:

The main issue in the budget account is the salary increase for the Council for Prosecuting Attorneys position. The *Executive Budget* recommends the salary be increased from \$79,102 annually to \$90,874. There was discussion in the hearings concerning the appropriateness of that salary level, and the Committee asked the office to do some research and provide salaries for similar positions in other states. There is an attachment on page 25 of [Exhibit F](#) that shows the

survey results. The salaries listed are for attorney positions that are prosecutor coordinators. California pays \$125,000; Arizona pays \$122,000; Colorado pays \$117,000; Washington pays \$115,000; Utah pays \$81,059 and Montana pays \$77,000. I would point out to the Committee that the closing sheets reflect the Governor's recommendation to increase the salary to \$90,874 annually. The Committee also requested information about the numbers of training courses and total number of individuals who attend those courses. On page 24 of [Exhibit F](#) there is a brief summary showing in state fiscal years 2003, 2004 and 2005, to date, how many conferences and seminars have been provided and the number of attendees.

CHAIR RAGGIO:

What is the salary suggested in the Governor's *Executive Budget*?

MR. FERGUSON:

It is \$90,874 annually. That is the salary, not including the benefits. That is an increase from \$79,102.

SENATOR BEERS:

Did you look at Idaho?

MR. FERGUSON:

Yes. Page 25 indicates Idaho, which pays \$50,000, but is also not an attorney, but rather a county employee. In reviewing the survey, those who are not attorneys typically are paid less than those who are attorneys. Currently, the individual in this position is an attorney in the State of Nevada.

CHAIR RAGGIO:

The issue is this is in the unclassified salary list, and we will close those at a later time. We can close the budget with the understanding that we may review the salary at that time. I would indicate this Council is doing a good job. We created it approximately three years ago, and you would think there would not be a need for training prosecutors. This is not only the elected district attorney, but also all of the deputies and assistants that work in these offices.

MR. FERGUSON:

The funding for this budget account is from court assessments and transfers from other agency accounts. The main transfer comes from the Victims of Domestic Violence budget account. There is some training involved with that. Additionally, fees contribute and a \$100 General Fund appropriation gives them access to the IFC Contingency Fund.

SENATOR BEERS:

I would have a problem with raising this to more than 10 percent higher than Utah which is a state that presumably has twice the population of prosecuting attorneys to serve. It is also serviced by an attorney. We cannot compete with California, Oregon and Washington. As I look at the intermountain states, we would be by far leading the pack, almost by a factor of two over Idaho.

CHAIR RAGGIO:

As I indicated, we are not passing on the salary in closing the budget at this point because that will be part of the Unclassified Salary Act. Subject to that, I would accept a motion to close the budget as indicated.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-1041 WITH A SALARY INCREASE FOR THE COUNCIL FOR PROSECUTING ATTORNEYS POSITION. THE AMOUNT OF THE INCREASE WILL BE DETERMINED AT A LATER TIME.

SENATOR RHOADS SECONDED THE MOTION.

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

CHAIR RAGGIO:

The next budget account is 101-1042.

AG, Victims of Domestic Violence – Budget Page ELECTED-91 (Volume I)
Budget Account 101-1042

MR. FERGUSON:

Within this budget account is the Office of Ombudsman for Victims of Domestic Violence. There is also the Committee on Domestic Violence. This account has responsibility for the distribution of federal funds to sub-grantees for what is called the Stop Violence Against Women Formula Grant. The main issue in this budget account is funding the Ombudsman position with General Funds. The *Executive Budget* recommends \$139,435 in General Funds to fund the Ombudsman position and associated personnel costs. Currently, there are no General Funds in this budget.

A brief bit of history, the AG has indicated this recommendation stems from the desire to apply the same funding requirement to the Ombudsman's Office as is applied to the sub-grantees that receive the Stop Violence Against Women grants. Currently, sub-grantees are given three years to utilize these funds, as seed money, to pay administrative costs, after which time they are required to obtain alternate forms of funding for those administrative costs. The AG testified that the State Domestic Violence Program should also find alternate funding sources to fund domestic violence administrative costs. As a result, the *Executive Budget* recommends General Funds.

During the budget hearing, the AG clarified that the federal government has not requested the Office discontinue the use of domestic violence grant monies to fund the Ombudsman position. This is a request that is recommended by the Office. The Committee also asked the AG to research and determine if there is any alternate funding sources that could be used. In the Office's response to staff, they indicated they are not aware of any other funds available to support that position. Staff has indicated three potential options the Committee could take on page 27 of [Exhibit F](#). Item A would be to fund the Ombudsman position with General Funds. This is what is reflected in the closing sheets and what is reflected in the Governor's recommended budget. Item B, the Committee could request the Office to continue funding the Ombudsman position with federal domestic violence grant funds, thereby removing the General Fund appropriation. This is what is currently being done. Item C, the Committee could entertain using a combination of General Funds and federal grants. For example, if you allocate at 50 percent, the General Fund appropriations and reserves would be reduced by \$69,718.

CHAIR RAGGIO:

If the federal government has not required us to do this, why is the AG's Office reluctant to fund this with federal funding?

MR. FERGUSON:

My understanding is the funds are pass-through funds ultimately to be received by the sub-grantees. The sub-grantees are given three years in which they can use some of those funds to pay administrative costs. The AG believes the state should stick to the same principle and no longer fund the administrative costs or the Ombudsman cost with these grant funds, but rather fund with other sources. Apparently, the only source that has been identified is the General Fund. The issue would be the amount of federal funds used to pay the Ombudsman. If not used to pay the Ombudsman, it could be passed down to sub-grantees as well.

CHAIR RAGGIO:

That does not make sense because you are using General Fund money that could also be used for similar purposes. I do not see the reason for us to fund this with General Fund money now.

SENATOR BEERS:

Perhaps we should continue funding this out of the grant. Additionally, this may be a meaningless gesture, but perhaps we should issue a Letter of Intent that over the next three years the Ombudsman find an alternate source of funding.

CHAIR RAGGIO:

What would that be?

SENATOR BEERS:

I do not know.

CHAIR RAGGIO:

Funding has to come from one or the other source.

MR. GHIGGERI:

The only thing I can say is to echo the Chair's comments on the previous Letter of Intent to the hospital patients. The Legislature has sent Letters of Intent to the Division of Aging Services, for the last two or three sessions, asking that they find sources other than tobacco settlement money to fund their operations. You write the letter and nothing happens.

CHAIR RAGGIO:

It is fairly obvious it will either be funded with General Funds or funded through the money that is available for this purpose, and that is the status quo. My position would be to continue the status quo at this point. If there are no objections, we will continue on to the next issue.

MR. FERGUSON:

The next issue is the addition of a new administrative assistant IV position. This position would assist the Committee on Domestic Violence and the Domestic Violence Ombudsman with a variety of administrative tasks. Currently, there is a contract position that provides some administrative assistance. The decision unit E-200 did not remove those contract costs.

E-200 Reward More Efficient Operations – Page ELECTED-92

MR. FERGUSON:

Staff has discussed this with the Office, and they agree the contract costs should be removed if this decision unit were approved for a new position. The closing sheets reflect that change to reduce the funding by \$26,804 for the biennium.

CHAIR RAGGIO:

What is the difference in cost by adding this position rather than continuing to use the contracted individual?

MR. FERGUSON:

The administrative assistant IV would cost \$82,309 for the biennium. The contract cost that would be removed would be \$26,804. However, it would be providing significantly more assistance than the AG has indicated is required.

CHAIR RAGGIO:

What about the facility? Do they have a place for the administrative assistant?

MR. FERGUSON:

Yes, it is in Carson City.

SENATOR BEERS:

The new person would require \$8,409 in training for a total cost of approximately \$91,000.

MR. FERGUSON:

My understanding is the \$8,409 for additional training is not for this position; it is for existing staff. Ideally, that training cost would be in a separate decision unit.

CHAIR RAGGIO:

Is the training portion paid out of court assessment money?

MR. FERGUSON:

Yes, it is.

SENATOR BEERS:

Is there only one existing staff member?

MR. FERGUSON:

There is one existing staff member, yes. They are requesting a total of two staff members.

SENATOR BEERS:

Did you obtain a comparison of the number of hours of clerical help going from the contract position to the roughly 1,800 hours the employee would provide?

MR. FERGUSON:

I did not obtain that specific information.

SENATOR BEERS:

Do you know the rate? Can you back into it?

MR. FERGUSON:

I do not know offhand, but I could certainly provide it to the Committee.

There is one other significant issue in this budget. The *Executive Budget* recommends to split this budget account and leave the Ombudsman and the Committee Against Domestic Violence programs and funding in budget account 101-1042 and move all of the pass-through money into a newly created budget account 101-1040 which would be called Violence Against Women Grants budget.

For a bit of history, that exact scenario is what existed during the 1999-2001 biennium. However, the pass-through budget was not part of the *Executive Budget*. The 1999 Legislature indicated a desire to review the pass-through funds, and they requested the pass-through monies be included in the *Executive Budget*. As a result, the AG's Office decided to combine those two budget accounts into budget account 101-1042 and collect all the pass-through money as well. The problem was that it created such a large budget account that there were significant accounting issues involved which made the account unnecessarily complex. The AG's Office has requested the account be once again split out, placing just the pass-through monies into a separate account where they can be tracked, and leave the Ombudsman and Committee Against Domestic Violence programs in budget account 101-1042.

CHAIR RAGGIO:

I would have to defer to staff on that. Does that make sense?

MR. FERGUSON:

I believe it does. The budget accounts become so complex it makes it difficult to track the different funding sources. Splitting the accounts would simplify accounting practices.

CHAIR RAGGIO:

In what account would the grants be placed?

MR. FERGUSON:

The grants would be in the new budget account 101-1040. The other issue is the AG indicated, if approved, budget account 101-1040 would remain part of the *Executive Budget* so the Legislature could monitor transactions of the pass-through monies. The only other issue is savings in computer costs that are reflected in the closing sheets.

SENATOR CEGAVSKE:

When the AG was here talking about his budget, I asked about the problems with serving the husbands or boyfriends with restraining orders. The research indicated that in 17 counties they only serve papers from Monday through Friday, from 9 a.m. to 5 p.m. One of the reasons I asked is that the number of murders of women and their children have risen significantly. A group came to my office and we talked to the Metropolitan Police Sheriff in Clark County. They asked a few officers if they would work a swing shift. They did and it was successful, but they do not have funding. I am talking to a few constables to see if they would be willing to assist us in these efforts. I thought staff might be able to tell us if there are any parts of any of these budgets or grant money that could be used to fund swing shift positions for serving restraining orders at night.

CHAIR RAGGIO:

Are you referring to law enforcement officers? Funding would have to be made available to those who are serving the orders of process or making arrests.

SENATOR CEGAVSKE:

Yes. When the constables serve notices, they are paid. They would also have to be funded, and we tried to obtain assistance from the Constable's Office.

CHAIR RAGGIO:

I do not have any suggestions for you. If you receive additional information and an idea of the amount and kind of funding that would be required, we can take a look at it.

I would accept a motion to close budget account 101-1042 with the recommendation to leave the funding for the Ombudsman with the federal domestic violence grant funding and remove the biennial General Fund appropriation of \$139,435 from this budget. Approve the new administrative assistant IV position with a reduction in the contract cost and the new budget account 101-1040 be established for the pass-through domestic violence grants.

SENATOR MATHEWS MOVED TO CLOSE BUDGET ACCOUNT 101-1042 WITH THE RECOMMENDATION TO LEAVE THE FUNDING FOR THE OMBUDSMAN WITH THE FEDERAL DOMESTIC VIOLENCE GRANT FUNDING AND REMOVE THE BIENNIAL GENERAL FUND APPROPRIATION OF \$139,435 FROM THIS BUDGET, APPROVE THE NEW ADMINISTRATIVE ASSISTANT IV POSITION WITH A REDUCTION IN THE CONTRACT COST AND THE NEW BUDGET ACCOUNT 101-1040 BE ESTABLISHED FOR THE PASS-THROUGH DOMESTIC VIOLENCE GRANTS.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will next address the Violence Against Women Grants budget.

Violence Against Women Grants – Budget Page ELECTED-96 (Volume I)
Budget Account 101-1040

CHAIR RAGGIO:

This is the one we referenced which will not include pass-through domestic violence grants. Are there any other adjustments to be made?

E-212 New Programs – Page ELECTED-96

MR. FERGUSON:

One other adjustment for the Committee's information is in decision unit E-212. This would allow acceptance of a new federal training grant fund for abuse and sexual assault against elderly and disabled persons. It would provide revenue of \$158,733 in FY 2006 and \$32,000 in FY 2007.

CHAIR RAGGIO:

What are the requirements for accepting the grant? Is it a matching grant?

MR. FERGUSON:

No, it is not a matching grant. It is a grant to be used for training purposes.

CHAIR RAGGIO:

With the understanding it is not a matching grant, what period does the grant cover? All the information we have is that it is a new federal training grant relating to abuse and sexual assault against elderly and disabled persons. It provides \$158,733 the first year and \$32,000 in the second year. I do not know why it decreases so dramatically in the second year. What does that indicate?

MR. FERGUSON:

It is just a one-time grant for training.

CHAIR RAGGIO:

Subject to learning more about it, I will accept a motion to close budget account 101-1040 in accordance with that action.

SENATOR BEERS:

Would it be appropriate for us to ask the agency to report to us the nature of the requirements?

CHAIR RAGGIO:

Yes, that was my intent.

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT 101-1040 WITH E-212 WHICH WOULD ALLOW ACCEPTANCE OF A NEW FEDERAL TRAINING GRANT FUND FOR ABUSE AND SEXUAL ASSAULT AGAINST ELDERLY AND DISABLED PERSONS AND SUBJECT TO OBTAINING MORE INFORMATION REGARDING THE NATURE OF THE GRANT REQUIREMENTS FROM THE REQUESTING AGENCY.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

MR. GHIGGERI:

I am ready to review the Lieutenant Governor's budget.

Lieutenant Governor – Budget Page ELECTED-30 (Volume I)
Budget Account 101-1020

MR. GHIGGERI:

Please refer to page 17 of [Exhibit F](#). The only issue that staff has with this account is the recommended level of travel. If the Committee agrees, staff will meet with Commission on Tourism officials to determine if any travel in this budget could be funded using the Commission on Tourism budget, based on the Lieutenant Governor's activities with the Commission on Tourism. General Fund dollars, as expensed in this budget, would be replaced by Tourism funds.

CHAIR RAGGIO:
With that understanding and subject to your research and findings, I would accept a motion to close budget account 101-1020 as submitted.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-1020 SUBJECT TO STAFF’S RESEARCH AND FINDINGS REGARDING TRAVEL FUNDING RELATED TO THE LIEUTENANT GOVERNOR’S ACTIVITIES WITH THE COMMISSION ON TOURISM.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:
There being no further business to come before the Committee, the meeting is adjourned at 10:48 a.m.

RESPECTFULLY SUBMITTED:

Jo Greenslate,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____