

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-third Session
May 9, 2005**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:12 a.m. on Monday, May 9, 2005, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

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

GUEST LEGISLATORS PRESENT:

Assemblyman Brooks Holcomb, Washoe Assembly District No. 24

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Bob Guernsey, Principal Deputy Fiscal Analyst
Cindy Clampitt, Committee Secretary

OTHERS PRESENT:

Ari Morales, Army Specialist 4th Class, Nevada National Guard
Giles E. Vanderhoof, Major General, The Adjutant General of Nevada, Office of the Military
Frank Siracusa, Chief, Division of Emergency Management, Department of Public Safety
Tom Fronapfel, Administrator, Field Services Division, Department of Motor Vehicles
Stan Olsen, Lieutenant, Las Vegas Metropolitan Police Department and the Nevada Sheriffs' and Chiefs' Association
Rose E. McKinney-James, Clark County School District
Dave Bowman, Assistant State Fire Marshal, State Fire Marshal Division, Department of Public Safety
Susan Haas, Administrative Services Officer, State Fire Marshal Division, Department of Public Safety
Daniel K. O'Brien, Manager, State Public Works Board, Department of Administration
Dave Broxterman, Administrative Services Officer, Clark County School District
John P. Comeaux, Director, Department of Administration
Fred Droes, P.E., Chief Traffic, Safety, and ITS Engineer, Nevada Department of Transportation
Dave Hosmer, Chief, Nevada Highway Patrol, Department of Public Safety
Nancy J. Howard, Nevada League of Cities

Keith Rheault, Ed.D., Superintendent of Public Instruction, Department of Education
Phyllis Dryden, Office of Career, Technical and Adult Education, Department of Education
Jim Barbee, Consultant, Agriculture Education, Career, Technical and Adult Education, Department of Education
Norman Dianda, President and Owner, Q&D Construction Company
John Madole, Associated General Contractors, Nevada Chapter
Doug Busselman, Nevada Farm Bureau
Anne K. Loring, Washoe County School District
Mary Pierczynski, Superintendent, Carson City School District
Marta J. Hall, Education Coordinator, Department of Corrections
Frank Brusa, Nevada Association of School Administrators
Frederick Schlottman, Administrator, Offender Management Division, Department of Corrections
Kevin D. Crowe, Chief, Planning and Evaluation, Nevada Division of Mental Health and Developmental Services, Department of Human Resources
Randal R. Munn, Special Assistant Attorney General, Office of the Attorney General
Dana K. Bilyeu, Executive Officer, Public Employees' Retirement System
Ronald P. Dreher, Peace Officers Research Association
Michael Neville, Peace Officers Research Association of Nevada
Raymond McAllister, Professional Firefighters of Nevada
Mary Ellen Horan, Executive Director, VSA arts of Nevada at the Lake Mansion
Joan Dyer, President, Reno Historic Preservation Society
Gloria Dopf, Member, Board of Directors, VSA arts of Nevada
Robin H. Joyce, Las Vegas Regional Clean Cities Coalition
Edgar Roberts, Administrator, Motor Carrier Division, Department of Motor Vehicles
Dennis Colling, Chief, Administrative Services Division, Department of Motor Vehicles
Annalloyd Thomason, Las Vegas Regional Clean Cities Coalition
Charles Duarte, Administrator, Division of Health Care Financing and Policy, Department of Human Resources
Evan R. Dale Deputy Manager, Administration and Finance, State Public Works Board, Department of Administration
Sonia Taggart, Senior Deputy Attorney General, Office of the Attorney General
Lisa Foster, Deputy Chief of Staff, Office of the Governor

CHAIR RAGGIO:

We have a busy agenda today. I will now open the hearing on Senate Bill (S.B.) 161 for the limited testimony on the fiscal note.

SENATE BILL 161 (1st Reprint): Creates Nevada War on Terrorism Medal.
(BDR 36-705)

SENATOR BOB COFFIN (Clark County Senatorial District No. 10):

There is a minor change to the first reprint of S.B. 161 that I did not support when it was moved out of the Senate Committee on Transportation and Homeland Security.

The necessary change relates to the number of days of consecutive service required. I believe any person called away from their home and work to support

the Global War on Terrorism should not be required to have served a specific number of days because of the risk involved.

CHAIR RAGGIO:

What is the requirement for eligibility in the first reprint of this bill?

SENATOR COFFIN:

The original version of the bill applied to anyone who had been called to active duty without regard to the number of days of service. The fiscal note is drafted in that fashion. The fiscal note would be reduced if the first reprint of the bill is passed.

I am proud to have with me today, Army Specialist 4th Class, Mr. Ari Morales. Specialist 4th Class (SP4) Morales is from Las Vegas and serves with the military police based in Henderson. SP4 Morales graduated from the Community College High School in Las Vegas and enlisted at the age of 17, in June 2001. He did not know that the tragedy of September 11, 2001, was going to occur. While he was on active duty for training, he was mobilized as part of Operation Nobel Eagle from 2001 to 2002. From February to December 2003, he was deployed for Operation Iraqi Freedom. He is still, five years later, serving with his unit. He deserves this medal. His mother and father are state employees. He traveled, at his own expense, to appear at this hearing. He would also like to offer his support for S.B. 355.

SENATE BILL 355: Provides for bonus to be paid to certain members of Nevada National Guard and Reserves called to active duty to combat terrorism. (BDR 36-704)

ARI MORALES (Army Specialist 4th Class, Nevada National Guard):

I concur fully with Senator Coffin's testimony. A medal from our state would be something a soldier would wear on their chests with pride when called to duty and away from home and family. It would show our state supports us 100 percent in our efforts.

Soldiers receive mobilization medals for active duty service at the federal level. Something from the state would indicate the State of Nevada supports our troops when they are deployed which has occurred frequently.

GILES E. VANDERHOOF (Major General, The Adjutant General of Nevada, Office of the Military):

The fiscal note was based on the original bill without specified days of service and the limit to one medal. I concur with Senator Coffin's testimony.

The Office of the Military calls up members for a variety of missions in support of the Global War on Terrorism. Some members are called to active duty repeatedly. They may not meet the time period criteria, but they certainly are committed, away from their families and suffering hardships. I prefer to see S.B. 161 passed without the length of service limits.

If the bill is passed with the first revision, the fiscal note would need to be amended reflecting a reduced impact. A person would be entitled to only one medal instead of two, as is the case with the military police where they were mobilized for two months, released and then remobilized and sent to Iraq. The fiscal note includes the people who were mobilized for New Year's Eve in

Las Vegas numbering 600 individuals. All of those individuals should be entitled to the medal.

CHAIR RAGGIO:
Are you speaking to the original fiscal note?

GENERAL VANDERHOOF:
That is correct. The original fiscal note covered the costs without the time limitations and the ability to award more than one medal.

CHAIR RAGGIO:
Is the fiscal note amount \$71,400, or is this the reduced figure?

GENERAL VANDERHOOF:
There is no new fiscal note. This fiscal note, based on the original bill, is \$71,400. A new fiscal note would be a lesser amount based upon the first reprint.

CHAIR RAGGIO:
Is the original fiscal note \$71,400 in fiscal year (FY) 2006 and \$10,500 in FY 2007?

GENERAL VANDERHOOF:
That is correct. The reason for the higher figure in FY 2006 is the measure would make the award, retroactive, to the date of the tragedy of September 11, 2001.

CHAIR RAGGIO:
What was the reason the Committee on Transportation and Homeland Security passed the bill with the amendment?

SENATOR COFFIN:
I am unsure. General Vanderhoof testified in support of the original bill as did I.

SENATOR BEERS:
Can an individual earn more than one of the federal Global War on Terrorism medals?

GENERAL VANDERHOOF:
Only one federal medal is allowed. The protocol for award of medals is that an individual is only awarded one medal and receives a device to attach to the medal for subsequent awards at a much lower cost.

SENATOR BEERS:
What would trigger a secondary award under the original version of S.B. 161?

GENERAL VANDERHOOF:
An individual would be eligible for a secondary award for any subsequent call-up related to the Global War on Terrorism. The shortest deployment would be approximately 600 individuals for the New Year's Eve call-up in Las Vegas. That event results in a call-up period of three days.

I have had to activate the same groups over the past two years because of their skill sets and that will likely continue for at least two more years. There is a

group of individuals who will not spend New Year's Eve with their families for as long as six years. They are entitled to recognition from the state for their efforts in the Global War on Terrorism even for that short period of time.

SENATOR BEERS:

According to the original version of the bill, the medal should be awarded to Nevadans who are members of the National Guard or the Reserves and are activated to military service under the Call of the President of the United States. Is it the President who is activating our troops for the New Year's Eve service?

GENERAL VANDERHOOF:

The President does not issue the order for New Year's Eve.

SENATOR BEERS:

The original bill goes on to say, "... and is awarded a Global War on Terrorism Expeditionary Medal or Global War on Terrorism Service Medal pursuant to Executive Order 13289." It seems to me that New Year's Eve service does not qualify under that criteria of the original bill.

SENATOR COFFIN:

That is why I approved of all the changes proposed by the Committee on Transportation and Homeland Security except the bookkeeping efforts necessary to determine how many days of active service have been accrued. What if a soldier comes to the end of 7 year's service with 58 days of active service?

I do not support S.B. 161, section 1, subsection 2, paragraph (b). Some individuals have volunteered for active duty.

SENATOR BEERS:

I am not sure the amendment reduces the fiscal impact of the bill. As I read the original bill, an individual can only receive one medal unless they achieve the federal medal more than once.

SENATOR COFFIN:

Theoretically, the current fiscal note is as high as it can go. A revised fiscal note would have a lesser impact because fewer individuals would be eligible to receive the medal.

The medal has been contemplated by me to be struck from silver at the old U.S. Mint in Carson City. I will leave the practicality of that decision up to the Office of the Military.

SENATOR BEERS:

The original bill restricts award of the medal to cases where the federal government has already awarded its medal. The revised bill lists a set of criteria that does not include having been awarded the medal from the federal government. The original bill requires us to follow issuance of the federal medal.

SENATOR COFFIN:

That is correct, but that is not our intent in the bill.

SP4 MORALES:

I will describe some of the sacrifices I saw being made during my times of deployment.

As stated by General Vanderhoof, for five years in the future I will not spend a New Year's Eve with my family. I have not spent a New Year's Eve with my family for the past five years which will be a total of ten years missing that event.

In addition, I am a full-time student at the University of Nevada, Las Vegas as a communications major. I signed up, willingly, not knowing the future challenges that would face our country. I am two years behind in my college education. I would not change any of the sacrifices I have made.

Many families were awaiting the birth of a child at the time of deployment. I witnessed many divorces during deployment.

CHAIR RAGGIO:

Thank you for your service. I will now close the hearing on S.B. 161 and open the hearing to limited testimony on S.B. 380. This bill relates to homeland security. We are considering the first reprint of this measure.

SENATE BILL 380 (1st Reprint): Makes various changes relating to homeland security. (BDR 19-611)

GENERAL VANDERHOOF:

I have with me, Mr. Frank Siracusa, Chief, Division of Emergency Management, Department of Public Safety. He will speak to the fiscal note.

FRANK SIRACUSA (Chief, Division of Emergency Management, Department of Public Safety):

The fiscal note was prepared by the Division of Emergency Management.

CHAIR RAGGIO:

What does the first reprint of S.B. 380 entail?

MR. SIRACUSA:

The fiscal note pertains to section 4 of the original bill. It requires every political subdivision, local government or entity within the state that is applying to any state, federal, local government or private entity for a homeland security grant for projects of preparedness, response, recovery, prevention or deterrents to submit their application to the Commission on Homeland Security requesting permission to submit a grant application.

That provision comes with a heavy workload for the Commission, the Office of Homeland Security and the Division of Emergency Management for review and coordination.

The first reprint to the bill would rewrite section 4 and eliminate the fiscal note.

CHAIR RAGGIO:

How is coordination accomplished to ensure all the entities who apply for grants are using them wisely or that the funds are being allocated appropriately?

GENERAL VANDERHOOF:

Without the change in the bill, it would have been unworkable. I am not sure how we could have met the limited time periods imposed by the federal government. Currently, every federal grant requires a list of eligible projects. The application must meet those criteria. The application is reviewed by the Division of Emergency Management and others, because of the time periods, and presented to the Nevada Commission on Homeland Security who establishes grant formulas.

CHAIR RAGGIO:

Are oversight measures in place?

GENERAL VANDERHOOF:

That is correct. The time periods between when we are notified a federal grant is available and when disbursement must be complete are extremely short.

CHAIR RAGGIO:

What fiscal note is required under the first reprint?

MR. SIRACUSA:

The first reprint of S.B. 380 requested five new positions to allow the agency to review every application. Currently, the Commission would only review the application after the fact. The result is that a fiscal note is not required.

CHAIR RAGGIO:

There is no additional cost?

MR. SIRACUSA:

That is correct.

CHAIR RAGGIO:

I will close the hearing on S.B. 380 and open the hearing on S.B. 242. This bill requires certain inquiries to determine if a vehicle is stolen.

SENATE BILL 242 (1st Reprint): Requires Department of Motor Vehicles to perform certain inquiries to determine if vehicle is stolen. (BDR 43-350)

TOM FRONAPFEL (Administrator, Field Services Division, Department of Motor Vehicles):

The Department of Motor Vehicles (DMV) worked with the sponsor of this bill to provide the amendments reflected in the first revision.

The fiscal note for S.B. 242 is fairly simple. The bill requires the DMV to run each registration against the national databases to determine whether or not the vehicle has been stolen.

CHAIR RAGGIO:

Does the DMV do something similar currently?

MR. FRONAPFEL:

No, sir. We run checks for possible stolen out-of-state vehicles, but not on every registration as required by S.B. 214. The cost is 4 cents for each transaction. The number of annual vehicle registrations for FY 2006 is projected at 1.34 million and 1.38 million in FY 2007.

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CHAIR RAGGIO:

Has the fiscal note been revised as a result of the first revision to the bill?

MR. FRONAPFEL:

The fiscal note was the same for the original bill as it is in the first reprint.

CHAIR RAGGIO:

What are the projected costs?

MR. FRONAPFEL:

The first year of the biennium includes programming costs. The fiscal impact is approximately \$65,437 in FY 2006, \$55,308 in FY 2007 and \$56,857 in FY 2008 and ongoing in future biennia the projection is \$58,335 annually.

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

If the legislation in section 4 is not effective until July 1, 2006, would that defer the operating costs to FY 2007 and incur only programming costs for FY 2006?

MR. FRONAPFEL:

That is correct.

MR. GHIGGERI:

The fiscal note for operating costs in the first year would be moved forward. Would the only costs in FY 2006 be approximately \$11,000 plus ongoing costs in FY 2007?

MR. FRONAPFEL:

That is correct.

CHAIR RAGGIO:

The fiscal note for FY 2006 is \$11,687?

MR. FRONAPFEL:

That is correct, based on section 4 of S.B. 242, first reprint.

CHAIR RAGGIO:

The FY 2007 fiscal note would be approximately \$55,000 and would increase in future years based of demographics? Do you recommend this legislation?

MR. FRONAPFEL:

The Chair is correct regarding the fiscal note. We are in support of the bill. We worked with the bill sponsor to develop the amendment.

STAN OLSEN (Lieutenant, Las Vegas Metropolitan Police Department and the Nevada Sheriffs' and Chiefs' Association):

I will provide some perspective to the provisions of this bill. In 2003 the Las Vegas Metropolitan Police Department collaborated with the DMV to determine how many vehicles in our jurisdiction were stolen before they were registered. There were 350 vehicles in 2003 and the number increased in the next calendar year.

Unfortunately, a great number of the individuals affected by the situation happened to be in the lower-income bracket. They buy cars on street corners.

SENATOR BEERS:

The vehicles were first stolen and then registered?

LIEUTENANT OLSEN:

That is correct.

CHAIR RAGGIO:

I will close the hearing on S.B. 242 and open the hearing on S.B. 274. This is the governmental operations bill.

SENATE BILL 274 (1st Reprint): Revises certain provisions relating to governmental operations. (BDR 42-87)

ROSE E. MCKINNEY-JAMES (Clark County School District):

I will draw the Committee's attention to section 10 of the bill. This section would allow the Clark County School District to formally establish an independent construction department. This provision necessitates a fiscal impact to the district. It relates to a duplication of fees which have been paid, over time, to both the State Public Works Board (SPWB) and the State Fire Marshal Division.

CHAIR RAGGIO:

Is there someone present to represent the State Fire Marshal Division? This is the first reprint of the bill. Would the bill, among other provisions, change the duties currently performed by the Fire Marshal? It removes the SPWB from the process of plan approval and specifications for the construction of school buildings; it allows school districts in Clark County, whose population is greater than 400,000, to create a building department to regulate facility construction and maintenance; allows the SPWB to delegate its authority to the University and Community College System of Nevada (UCCSN) under certain circumstances; and requires an interim study of the operations of the State Fire Marshal Division. Please inform the Committee if there are other provisions.

DAVE BOWMAN (Assistant State Fire Marshal, State Fire Marshal Division, Department of Public Safety):

We do not oppose S.B. 274 except for the severe fiscal impact it would have on the State Fire Marshal Division. The bill would eliminate our ability to function in counties other than those with the population cap. With me is Ms. Susan Haas, Administrative Services Officer, State Fire Marshal Division.

CHAIR RAGGIO:

Will there be a substantial loss of revenue to the State Fire Marshal Division as a result of the bill?

SUSAN HAAS (Administrative Services Officer, State Fire Marshal Division, Department of Public Safety):

The work program related to plan reviews generates \$826,000 in revenue over the biennium. The Clark County portion is approximately 70 percent of the total. Our reading of the bill would indicate that the 400,000 population cap would remove the entire revenue from that source.

The fiscal note removes approximately \$1.6 million in revenue from our office if this bill is approved.

CHAIR RAGGIO:
What is your total budget?

Ms. HAAS:
Our total budget for FY 2006-2007 is \$3.7 million.

CHAIR RAGGIO:
Our staff indicates the bill would create a loss of approximately 41 percent of your funding. Does that agree with your analysis?

Ms. HAAS:
Yes, sir.

CHAIR RAGGIO:
What is the amount of General Fund support in this budget?

PUBLIC SAFETY

Public Safety, Fire Marshal — Budget Page PS-168 (Volume III)
Budget Account 101-3816

MR. GHIGGERI:
There is currently \$1.1 million each year in General Fund support in this budget. The remainder of the revenue is derived from fees collected by the State Fire Marshal Division.

CHAIR RAGGIO:
Has the Subcommittee on Public Safety, Natural Resources and Transportation closed this budget?

MR. GHIGGERI:
They are scheduled to close this budget on May 12, 2005.

Ms. MCKINNEY-JAMES:
Clark County has been functioning as an owner/operator with an independent building department for approximately 14 years. We would like to formalize that arrangement. Our fees for the fiscal year, combining the SPWB and the State Fire Marshal Division, approach approximately \$500,000 for functions that we undertake within the school district.

We have parallel departments for construction management and inspection that function similar to any other owner/operator. Through a request for proposal process, we identify the contractor and provide oversight on the projects. We are concerned about the duplication because many of the services, otherwise performed by the State Fire Marshal Division and the SPWB, are performed within the department or by other local agencies.

Section 10 of S.B. 274 provides the school district with substantial savings and formalizes our independence as a building department.

CHAIR RAGGIO:
Does the Clark County School District currently have a building department?

MS. MCKINNEY-JAMES:
Yes, sir.

CHAIR RAGGIO:
The bill appears to authorize such a department. Why is that necessary if the department already exists?

MS. MCKINNEY-JAMES:
We have been functioning under a building department structure without the authority for that function. That has required the District to work through the SPWB. In conversations with Mr. Daniel K. O'Brien, Manager, State Public Works Board, Department of Administration, he has indicated they provide a pass-through review only to the district's building plans. He is not opposed to the bill provisions. Our Administrative Services Officer, Mr. David Broxterman, Clark County School District, has had discussions with the State Fire Marshal Division. We recognized that removing the District from their revenue stream presents a challenge for the fire marshal. The other side of the equation is it allows the district to provide efficiency in terms of the structure and the savings I have indicated.

CHAIR RAGGIO:
What, if any, would be the downside if the State Fire Marshal Division is removed from this process?

MR. BOWMAN:
There is not a downside except that the state will lose some of its oversight ability. The school district is capable of performing its own plan review.

CHAIR RAGGIO:
Have there been disputes between the State Fire Marshal Division and the building department of the school district?

MS. MCKINNEY-JAMES:
None, of which I am aware. In our conversations regarding this bill, nothing has surfaced relating to any disputes.

CHAIR RAGGIO:
Does S.B. 274 remove the SPWB from the process?

MS. MCKINNEY-JAMES:
Yes, sir, it does.

CHAIR RAGGIO:
What functions have the SPWB been performing previously?

MS. MCKINNEY-JAMES:
They check the same plans checked by the school district.

DANIEL K. O'BRIEN (Manager, State Public Works Board, Department of Administration):
The SPWB, as authorized in *Nevada Revised Statutes* (NRS) 393, is required to check only the plans of school districts. We do not perform inspections. We act as a "middleman" passing plans to outside plans examiners.

In regard to structuralized safety that is being performed by the State Fire Marshal Division, their authority comes through the SPWB's requirement to plan check. At some time in the past, the nonstructuralized safety review was delegated to the State Fire Marshal Division and not done by the SPWB.

CHAIR RAGGIO:

Is there a downside to the SPWB being outside this process?

MR. O'BRIEN:

There is none.

CHAIR RAGGIO:

Are other school districts such as Washoe County of concern?

MR. O'BRIEN:

We have been in contact with Washoe County. The State Fire Marshal Division also performs the service to the Washoe County School District.

CHAIR RAGGIO:

This Committee needs to know if there are objections to removal of the SPWB from approving plans and specifications for the construction of school buildings.

MR. O'BRIEN:

I have heard none except for the financial impact.

DAVE BROXTERMAN (Administrative Services Officer, Clark County School District):

We already have a building department. The construction management responsibilities have been separated. We have operated for nearly 20 years in that fashion. We conduct the inspections, issue the certificates of occupancy and we are involved with the local fire departments in the final inspection prior to the issuance of a certificate of occupancy.

The provisions of the bill will save the school district approximately \$500,000 annually in duplicate assessments and unnecessary evaluations.

CHAIR RAGGIO:

The issue seems to be limited to the fact of substantially reduced revenue for the operation of the fire marshal's office. Is that correct? What impact will the reduction in revenue have on the office's ability to perform its duties?

MS. HAAS:

The provisions remove 41 percent of our budget.

CHAIR RAGGIO:

With the removal of the responsibilities for oversight of the Clark County School District building program, is your revenue otherwise sufficient to perform the remaining responsibilities?

MS. HAAS:

No, sir. We would still require the plans examiners to function for the rural school districts. Our budget has historically been built on the Clark and Washoe Counties' revenue.

CHAIR RAGGIO:

If you are not performing those services, you will not receive those revenues?

Ms. HAAS:

Correct.

CHAIR RAGGIO:

You would have reduced revenue, but you would have reduced responsibilities as well.

Ms. HAAS:

The reduction in responsibilities would allow the office to concentrate on the rural counties where we have been unable to perform our functions.

CHAIR RAGGIO:

From where would replacement revenue be derived?

Ms. HAAS:

We would need to request additional funding from the General Fund.

CHAIR RAGGIO:

Has the Governor requested the replacement General Fund revenue in the *Executive Budget*?

Ms. HAAS:

No, sir.

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

It struck me that if the State Fire Marshal Division is not required to provide the service, the scope of their operations would be reduced to match the revenues they still received.

CHAIR RAGGIO:

That is assuming they were providing the services commensurate with what was being charged.

MR. COMEAUX:

That is correct. My office has received nothing to the contrary.

SENATOR BEERS:

I concur with Mr. Comeaux's testimony.

MR. BOWMAN:

The Governor appointed a blue ribbon committee several years ago to study the operation of the State Fire Marshal Division. One of the suggestions that has been common between that report and other studies done over the years was the need for a stable funding source. The office has been built, for a number of years, on fee collection and revenue. Over the years, many mandatory requirements and missions have not been accomplished because of the fee structure.

During the past two years, we developed a business plan as directed during the 72nd Legislative Session. We have undertaken many new missions and reengineering. To accomplish those goals, we need a stable funding structure.

CHAIR RAGGIO:

There is no question the State Fire Marshal Division serves an important purpose. The issue is how will you function if this revenue is no longer provided? I have not sensed a solution at this hearing. I suggest the State Fire Marshal Division, the Governor's Office and the Budget Division meet and return to this Committee within 48 hours with a recommendation of how the State Fire Marshal Division should function and funding recommendations.

SENATOR CEGAVSKE:

I also sit on the Committee which heard the policy testimony on this bill. In a prior session, a decision was made to not allow local fire departments to collect the revenue for these functions. We directed the funding to the State Fire Marshal Division budget.

The UCCSN also came forward to the other committee to request authority to be removed from the State Fire Marshal Division provisions as well.

CHAIR RAGGIO:

With that understanding, I will close the hearing on S.B. 274. I will now open the hearing on S.B. 310.

SENATE BILL 310 (1st Reprint): Establishes provisions relating to promotion of safety of pedestrians. (BDR 43-290)

FRED DROES, P.E. (Chief Traffic, Safety, and ITS Engineer, Nevada Department of Transportation):

The Department of Transportation (NDOT) has analyzed the bill with regard to time and staffing requirements to perform the provisions of the bill.

CHAIR RAGGIO:

Please explain the intent of the bill.

MR. DROES:

Senate Bill 310 requires the NDOT and local agencies to maintain pedestrian crash records pertaining to intersections to determine specific areas with high-crash rates and take remedial actions to reduce those crashes.

CHAIR RAGGIO:

Is that type of information currently maintained?

MR. DROES:

The NDOT currently maintains a crash database of all crashes statewide. Approximately 60,000 crashes occur each year in the state. Local agencies are beginning to maintain their own crash records. A current project underway would meld the various crash databases to make them available to multiple agencies.

CHAIR RAGGIO:

Please explain the fiscal note on this measure.

MR. DROES:

Four additional staff engineers would be needed to address the provisions of the bill. The time constraints of S.B. 310 cause the NDOT to require additional staff. A review of intersections determined to have high-crash rates or a large

number of complaints must be made within seven days. That must be followed by a thorough investigation of those locations to determine methods to reduce the crashes or complaints. Action is required by the NDOT to perform the recommended safety measures.

CHAIR RAGGIO:

A fiscal note from the Nevada Highway Patrol (NHP) has also been added to this bill.

DAVE HOSMER (Chief, Nevada Highway Patrol, Department of Public Safety):

I requested staff to review the original bill. We are one of the agencies classified as a response agency. We prepared a staff study which indicated an appropriation of approximately \$156,000 from the Highway Fund would be needed for the NHP to implement the provisions of S.B. 310.

The appropriation would pay for one position to track complaints and establish a Web site. Although we currently have a Web site, an interface would need to be written for access to this area. There are several provisions in the bill that caused me concern. We have to rely on the engineers from the NDOT for crash analyses.

CHAIR RAGGIO:

Was there an indication from the NDOT for an additional four or six engineers to address this measure?

MR. DROES:

The original version of S.B. 310 would have required six additional engineer positions. The first revision has reduced some of the time constraints and would require the addition of four engineers. The fiscal impact to the NDOT is currently for four engineers with an appropriation request of \$310,625 each year.

CHAIR RAGGIO:

What change was made in the bill to reduce the need from six to four additional engineers?

MR. DROES:

The original bill required a response within 24 hours for a pedestrian crash. It also included a requirement for installed signage. Those requirements have been reduced to a period of 7 to 14 days after receipt of information from the local enforcement agencies identifying high-incidence crash locations.

COLONEL HOSMER:

The NHP would have to rely on the NDOT for engineering analysis requiring close coordination. The hard-dollar costs over future biennia would be \$156,000 allocated from the Highway Fund, as indicated in the fiscal note. There are additional hidden costs. As an enforcement agency, we would be required to mitigate some of the hazards through enforcement.

The NHP has not requested additional trooper positions in the *Executive Budget*; however, depending on the effects of this bill in the first biennium, there may be an impact at the trooper level for additional positions in future biennia.

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CHAIR RAGGIO:

Has either the NDOT or the NHP submitted a revised fiscal note as a result of the amendments to this bill?

COLONEL HOSMER:

The NHP has not.

MR. DROES:

The NDOT has not.

CHAIR RAGGIO:

Please provide revised fiscal notes within 48 hours to this Committee.

NANCY J. HOWARD (Nevada League of Cities):

Local governments and members of the Nevada League of Cities are already functioning according to the provisions of S.B. 310 when accidents occur.

The Nevada League of Cities and participating local governments statewide are collaborating with the NDOT, the DMV and other agencies to study pedestrian and traffic safety in the state. The measure is an unfunded mandate, but it is difficult to place a specific cost to the measure.

CHAIR RAGGIO:

What is already being done?

MS. HOWARD:

I attended a workshop of the Nevada Traffic Safety Summit, in the summer of 2004 in Las Vegas, discussing some of these issues.

CHAIR RAGGIO:

I will close the hearing on S.B. 310 and open the hearing on S.B. 406. This bill requires the State Board for Occupational Education to prescribe programs of career and technical education.

SENATE BILL 406: Requires State Board for Occupational Education to prescribe program of career and technical education. (BDR 34-1307)

ASSEMBLYMAN BROOKS HOLCOMB (Washoe Assembly District No. 24):

Senate Bill 406 was introduced by the Senate Committee on Human Resources and Education. I introduced Assembly Bill (A.B.) 48 in the Assembly Committee on Education.

ASSEMBLY BILL 48 (1st Reprint): Requires State Board for Occupational Education to prescribe program of career and technical education. (BDR 34-781)

Assembly Bill 48 was passed unanimously from the Assembly Committee on Education and was referred to the Assembly Committee on Ways and Means. Both bills are identical. Assembly Bill 48 was not given a hearing because of financial constraints.

CHAIR RAGGIO:

Is A.B. 48 an exempt bill?

ASSEMBLYMAN HOLCOMB:

Yes, it is. I have been told it will not be heard in the Assembly Committee on Ways and Means. I will provide background on S.B. 406.

The bill addresses four concerns. There is a need for skilled workers. It is necessary to diversify the economy. Approximately 70 percent of jobs available do not require a college education. A poll that appeared in the Reno-Sparks Chamber of Commerce, *Business Matters* newsletter, dated December 15, 2004, ([Exhibit C](#)), stated the No. 1 concern among the business community is a lack of skilled workers and it is exactly what is addressed by S.B. 406.

The bill also addresses the high school dropout rate in Nevada. A letter has been provided to you from Mr. Glenn E. Adair, former principal of the Carson City High School, dated March 23, 2005, ([Exhibit D](#)). He is currently administrator of the Nevada Center for Vocational Education and Research. His letter states, "Build programs that are relevant to student need and interest and watch the dropout rate fall." Nevada has the highest dropout rate in the nation. Students in the 9th through 12th grades have a dropout rate of 6 percent. I have provided the Committee with Education Accountability Briefs No. 1 through No. 6 ([Exhibit E](#)). I call the Committee's attention to Brief No. 4. The statewide student dropout rate is 6 percent. For individuals enrolled in career and technical education, the dropout rate is 1.7 percent less.

For African-Americans, statewide, the overall rate is 7.9 percent. Those African-American students enrolled in career and technical education (CTE) at the Southern Nevada Vocational Technical Center (SNVTC) have a dropout rate of 0.08 percent.

For the Hispanic student population in the Clark County School District, the dropout rate is 9.8 percent. The statewide Hispanic dropout rate is 8.6 percent and the Hispanic dropout rate at the SNVTC is 1.3 percent.

Brief No. 5 of [Exhibit E](#) reflects graduation rates. The statewide graduation rate for African-Americans is 59.6 percent. For those enrolled in the CTE program, the rate is 92.9 percent.

Brief No. 6 of [Exhibit E](#) reflects the Nevada High School Proficiency Examination performance in a comprehensive Career and Technical Education High School.

In the reading component, African-American students were proficient statewide at 65.9 percent. Those enrolled at the SNVTC were 90.6-percent proficient. The same kinds of percentages are seen in the writing and mathematics proficiency modules as well. The results of the science module will not be available until June 2005.

My third concern is the expenditure of nearly \$400 million on the prison system. Refer to the sheet titled, "Inmate Profile" ([Exhibit F](#)). The inmates have three things in common. The majority of inmates are from Nevada, have an eighth-grade literacy level and have few marketable skills.

A letter has been provided from Ms. Jackie Crawford, Director, Department of Corrections, dated March 25, 2005 ([Exhibit G](#)). The letter urges support of A.B. 48. The bill provisions will reduce the recidivism rate.

We are spending nearly \$400 million for mental health issues. Ninety-two percent of the recipients are earning less than \$16,000 each year. I asked Dr. Carlos Brandenburg, Administrator, Division of Mental Health and Developmental Services, Department of Human Resources, whether or not it would make a difference if his clients had marketable skills. His response was that if those individuals had marketable skills, they would not be on the streets.

The combined expenditures for the prison system and mental health services are nearly \$1 billion.

The sheet titled "S.B. 406 & A.B. 48 Bill Summary," describes the bills ([Exhibit H](#)). Senate Bill 406 requires a ninth-grade student, enrolled in the program, to maintain a 3.0 grade point average to be awarded an advanced diploma. Pages 1 to 24 of the bill concern accountability. Page 24 seeks an appropriation of \$6 million each year or \$12 million for the biennium.

Carson City and Clark and Washoe Counties are in support of S.B. 406 with the amendment ([Exhibit I](#)).

CHAIR RAGGIO:

What are the provisions of the amendment?

ASSEMBLYMAN HOLCOMB:

The first amendment is in section 4, lines 20 through 30, on page 15 of S.B. 406. It originally required written approval from the school board of trustees for a student to join the program. That is not necessary. All they really need is approval from their parents and their school counselor.

The second change is in section 4, lines 39 through 44, of S.B. 406. A student is required to take six units of study. The amendment changes the language to state, "a sequence or combination of sequences of courses".

The third amendment is in section 8, lines 40 through 44, on page 17, and lines 1 through 16, on page 18, to change the language to enabling legislation.

CHAIR RAGGIO:

Does the bill apply to all school districts, not just those in counties of over 100,000 population?

ASSEMBLYMAN HOLCOMB:

It applies to all school districts. The provisions of the bill instill pride in the students. It requires students to apply themselves and provides economic and educational opportunities.

A student who graduates from high school with an advanced diploma can get a good-paying job and move directly to a community college to learn additional skills.

CHAIR RAGGIO:

Senate Bill 406 provides an appropriation of \$6 million each year to the Department of Education (DOE). How will the funds be utilized?

ASSEMBLYMAN HOLCOMB:

I will defer your question to Dr. Keith Rheault, Superintendent of Public Instruction, Department of Education.

The *Reno Gazette Journal* published a nice article on the CTE program. Please find time to read it.

CHAIR RAGGIO:

Will this bill add another type of diploma for Career and Technical Education?

KEITH RHEAULT, ED.D. (Superintendent of Public Instruction, Department of Education):

That is correct.

CHAIR RAGGIO:

Does the recipient of this diploma have to meet other standard graduation requirements?

DR. RHEAULT:

The diploma would enhance the standard diploma if the student met certain criteria. The students must complete six courses in career and technical education and complete the program with a 3.0 grade point average.

CHAIR RAGGIO:

Do these students still have to pass a high school proficiency examination?

DR. RHEAULT:

All the other requirements for the standard diploma apply.

The No Child Left Behind Act of 2001 emphasized the need for core academics. The career and technical areas get left behind. The fiscal note to S.B. 406 would pay for itself in what it would achieve. I have brought staff members to provide details of the fiscal note.

The DOE held a mega-conference recently at Lake Tahoe focusing on school improvement efforts. One speaker has studied the 30 highest-performing school districts in the country and the one feature they all had in common was that they emphasized career and technical programs. They use CTE courses instead of making electives available at the end of the senior year. They are used in the ninth and tenth grades to get students interested in a program and then require the English, mathematics and science courses. Two years have been spent redesigning CTE programs so they could "talk the same language as math and science." The funding would be used to start new programs or to enhance current programs to raise them to the newly-developed standards.

CHAIR RAGGIO:

There would be some costs to the local school districts. Is that matter addressed?

DR. RHEAULT:

We plan to place the \$6 million into grant funds. The cost to the districts, if they were to start a new program, would need to be ongoing.

CHAIR RAGGIO:

Do you contemplate the need for new facilities?

DR. RHEAULT:

Six million dollars would not fund new facilities.

CHAIR RAGGIO:

Would the local school districts have the facilities to implement the program if it were established? Are we asking them to provide additional facilities at their expense?

DR. RHEAULT:

That may be, but they would have to make that commitment. Contemplation of the CTE program is good cause for a review of current programs. Some may not be up to date and there may be a need to shift to the higher course types.

CHAIR RAGGIO:

I concur that there is a glaring need for CTE-type programs. However, I want to ensure we are not implementing something without the proper backing to make it work.

SENATOR BEERS:

I agree that provisions of the bill should be a core part of the school districts' mission. We are not asking them to teach any additional students and the districts are funded on a per-student basis. I am confused why this program is not able to be implemented within existing budgets. The DOE may have issues that may be beyond the scope of the school districts' funding. This is the type of program that should be incorporated in all high school programs throughout the state.

PHYLLIS L. DRYDEN (Office of Career, Technical and Adult Education, Department of Education):

I have provided a copy of my testimony in support of S.B. 406 ([Exhibit J](#)). I will provide a brief overview of CTE. It will give earned recognition to Nevada's CTE students. Students are prepared for postsecondary education or work when they complete a CTE program.

The CTE students are a part of the total student body. The only differentiating factor is that they choose to use their elective credits for CTE courses. The CTE courses are mostly in the elective category. All school districts, except Esmeralda County which has no high school, have one or more CTE programs.

There are six program areas listed in the pamphlet titled, "Career and Technical Education, An Overview of Programs in Nevada" ([Exhibit K](#)). These are agriculture, natural science, business and marketing, family and consumer sciences, health occupations, information technology and trade and industrial education. The CTE programs serve secondary and postsecondary students and are administered through the DOE. The fact card titled "2003-2004 Facts About Secondary and Postsecondary Career and Technical Education in Nevada

([Exhibit L](#)) shows demographics and goals of the CTE. High school students can currently earn up to 15 college credits before they graduate from high school.

The cost of CTE programs is expensive because of the need for up-to-date equipment. That is why the cost is over and above the per-student cost. In many states funding is weighted. For instance, a CTE student might receive 1.5 times of per-student funding.

SENATOR BEERS:

Would weighted funding be an approximate 25- to 50-percent premium over the regular per-student funding? Are we not currently doing this?

MS. DRYDEN:

Yes, the local school districts receive the per-student funding.

SENATOR BEERS:

Is Nevada currently using weighted funding?

MS. DRYDEN:

Yes, we served 47,953 students in CTE programs in the last school year.

JIM BARBEE (Consultant, Agriculture Education, Career, Technical and Adult Education, Department of Education):

Our career and technical education programs are largely elective although there are certain academic opportunities for students to meet graduation requirements. Our programs are expensive to train students to obtain jobs in industry, whether they are attending college or not. The equipment required changes rapidly. Technology and economics are changing quickly in our country.

Speaking to the \$12 million request over the biennium, it would be distributed in a nontraditional manner. Each year, \$2.4 million would be utilized for new or expanded programs. A school district would apply via a grant to the DOE in specific program areas backed by a plan for sustainability.

The remaining 3.6 percent annually would be distributed based on previous year CTE student enrollment. The intent is to fund established programs at a level allowing them to reach the accountability measures passed by the DOE last year in the Career and Technical Education Life-long Learning Initiative as listed in [Exhibit H](#). The funds will be utilized in those two program areas.

CHAIR RAGGIO:

What is the value of the new diploma?

MR. BARBEE:

It would provide students in the CTE program an award for finding their "fit" in the school system. In addition, it will be a certificate for the student to utilize when seeking employment while they are, hopefully, continuing their education.

CHAIR RAGGIO:

There has been testimony concerning the dropout rate. How will the CTE diploma affect the dropout rate?

MR. BARBEE:

It is a matter of promoting and expanding CTE programs to increase the percentage of students remaining in school as shown in [Exhibit E](#).

CHAIR RAGGIO:

Are you saying that some students drop out because they have no interest in pursuing a core curriculum?

MR. BARBEE:

That is accurate in some cases.

NORMAN DIANDA (President and Owner, Q&D Construction Company):

I have been in support of students learning "hands-on" trades for 40 years. I have expanded Q&D Construction Company from a two-man operation to a company that now employs over 900 individuals in northern Nevada. They all are people who work with their hands. Some are employed after college and others are employed directly after high school under apprenticeships.

The importance of S.B. 406 to me is that it will help fulfill the needs of the construction industry and its associated trades. Other trades include culinary, mechanical, design, graphic arts, secretarial, project management and project administration. We are currently experiencing a declining workforce throughout the state. We are the fastest-growing state in the nation.

I have over 900 employees, and, by the peak of summer, I will need another 200 employees. I doubt I will be able to fill all the positions. I consider a CTE diploma to be worth approximately \$50,000 annually to start.

I had the opportunity, on May 5, 2005, to visit the Ace Charter High School. I had not been there during the three years it has been in operation. I toured the classes and watched what they did. That concept is what must occur to generate a quality workforce in Nevada. The students in the program were attentive to their instructor and were learning "hands-on" abilities.

I have made a commitment to the community college that if they will create a two-year degree program to follow a CTE diploma, I will fund scholarships and get commitments from another 20 or 30 similar employers to do the same.

There is nothing to be ashamed of to be a graduate of a CTE program. Our money should be placed in education rather than prisons. This is an opportunity to do that. What has failed in past years is the emphasis has been that every student needs a college education and we have lost sight of the fact we need a continuing workforce of people who think with their minds and work with their hands.

I never went to college. I had the opportunity to grow up on a farm. That opportunity is scarce today and is likely one of the reasons students are not choosing one of the trades for employment. Someone has to tell them about it. It is up to the grammar and high schools to start informing students of other opportunities than attending college. Our community will be rewarded greatly by doing that.

JOHN MADOLE (Associated General Contractors, Nevada Chapter):

I raised four sons who attended schools in the Washoe County School District. I always felt as though a not-so-subtle message was sent to my sons that they would be a failure if they did not attend college. One of my sons received instruction in CTE courses and it changed his life. The opportunity needs to be there for other people.

A CTE diploma would raise the level of what is seen as a high school education. We will restore the dignity that comes with saying you work with your hands. Not everyone is going to go to college. I know individuals with a college education who are pumping gasoline or working in a mechanic's shop. This is a small amount of resources to be dedicated. The funding should be more reflective of individuals who will never seek a college degree. The Associated General Contractors are highly involved with the Ace Charter High School. It is one of the most exciting things I have seen happen in the education field for many years.

CHAIR RAGGIO:

Would you agree that a student with a CTE diploma would enhance his or her ability to seek a college degree?

MR. MADOLE:

I concur with Mr. Dianda's statements.

MR. DIANDA:

I failed to mention that when I was at the Ace Charter High School, one of the courses they are lacking is diesel mechanics. I asked if one could be added. The instructor replied students had requested a diesel mechanics course, but they have no room to provide that at this time. I am going to provide them with a space at my place of business in the next school year for the practical applications of a diesel mechanics course.

DOUG BUSSELMAN (Nevada Farm Bureau):

We support S.B. 406.

ANNE K. LORING (Washoe County School District):

We have reviewed the amendment to S.B. 406, and the Washoe County School District is in support of the bill with the amendment.

School districts already provide CTE programs for our students. It is the most expensive course sequence offered. Part of the reason has already been discussed. In addition, personnel are expensive. A welding teacher is not necessarily equipped to teach the culinary arts or health programs. Quite often, we encounter lower enrollments in specific classes so the student/teacher ratio is smaller. In some cases, transportation costs rise as well. In Washoe County schools, the upper-level classes are offered at only one facility and transportation must be provided for students.

While the program is expensive, it is effective for our young people to motivate and prepare them for the work world. The Federal Carl D. Perkins Vocational and Technical Education Act, Public Law 105-332, grant funds are also used for these programs. Earlier this year, it was feared the funds would be cut in the President's budget; however, the House of Representatives has reinstated that funding in the federal budget.

Ms. Joyce Haldeman, Executive Director, Community and Government Relations, Clark County School District, needed to attend another hearing but wished to add her support as well.

CHAIR RAGGIO:

If S.B. 406 is passed, are the local school districts going to return to the Committee to say the program has been funded, it is overwhelming and we need more facilities?

MS. LORING:

That would not be our intent. The bill establishes a grant application process and the districts will need to bear that in mind.

SENATOR BEERS:

I would like to work with Ms. Loring, in the interim, to develop a weighted formula for technical trade students in the funding formula.

MARY PIERCZYNSKI (Superintendent, Carson City School District):

We are in support of S.B. 406 with the proposed amendments. We would use the funds to enhance programs. Although we work with the community college, we have additional needs.

CHAIR RAGGIO:

Will you be returning to the Committee requesting additional funding in two or four years?

MS. PIERCZYNSKI:

The Carson City School District has a fairly intensive CTE program. We would use this funding to enhance our current program.

MARTA J. HALL (Education Coordinator, Department of Corrections):

We urge support of S.B. 406. There are over 1,000 Nevada inmates under age 22. Of those, 83 percent enter prison with no job skills, 68 percent have no high school or general education diploma. We would like to see CTE programs in the prison to send these inmates out with marketable skills and, hopefully, reduce the recidivism rate. I view this training as a preventative measure. The cost is approximately \$5,000 per student, per year, in the public school system. The cost is \$17,000 to incarcerate and train students. I hope CTE programs would perhaps keep students from entering prison where education is much more expensive.

FRANK BRUSA (Nevada Association of School Administrators):

We support S.B. 406. I previously served as Director of the Southern Nevada Vocational Technical Center in Las Vegas and we would have appreciated the provision of a CTE diploma.

FREDERICK SCHLOTTMAN (Administrator, Offender Management Division, Department of Corrections):

In viewing the general population of Nevada and the population of the Nevada Department of Corrections, it is obvious that if an individual has skills and education, they do not go to prison. If an individual does not have those things, their odds of going to prison are greatly increased. We currently have, in our ten-year capital improvement program plan, the opening of eight new or

reoccupation of prison facilities. Anything that slows down the stream of inmates into the system will save the state money.

KEVIN D. CROWE (Chief, Planning and Evaluation, Nevada Division of Mental Health and Developmental Services, Department of Human Resources):

There is national and in-state evidence that these programs as indicated in the brochure titled "Career Clusters, Focusing Education on the Future," ([Exhibit M](#)) will serve children who are likely to need mental health services later and for individuals who will take part in clinical programs in the area of supported employment and psychosocial rehabilitation. I have provided a report of the effects of CTE programs on the children with mental health needs ([Exhibit N](#), original is on file at the Research Library).

I urge the Committee to read the article from the *Reno Gazette-Journal* dated April 1, 2005 ([Exhibit O](#)).

(Assemblyman Holcomb also provided a handout titled, "SB 406 Proposed Fund Allocation," ([Exhibit P](#)) and written testimony from the Nevada Association of Career and Technical Educators dated May 9, 2005 ([Exhibit Q](#)).

CHAIR RAGGIO:

I will close the hearing on S.B. 406 and open the hearing on S.B. 454.

SENATE BILL 454: Provides that investigators employed by Attorney General are eligible to enroll in Police and Firefighters' Retirement Fund. (BDR S-106)

RANDAL R. MUNN (Special Assistant Attorney General, Office of the Attorney General):

With me today is Mr. Mike B. Neville, Washoe County District Attorney's Office, and Mr. Ronald P. Dreher, Peace Officers Research Association of Nevada (PORAN).

As you know, this bill has had some difficulties and is now before the Committee for a first hearing. The bill is straightforward. It is a matter this Committee has considered previously.

Senate Bill 454 proposes to include the investigators of the Office of the Attorney General as eligible for early retirement and other benefits related to peace officers and firefighters in the Public Employees' Retirement System of Nevada (PERS).

CHAIR RAGGIO:

Originally, when an eligibility survey was conducted, investigators of the Attorney General's Office were not considered as meeting the criteria established for early retirement. What has changed to indicate this bill should be processed?

MR. MUNN:

Nothing specific has occurred other than the process put in place by PERS to allow applicants to apply specifically. That has lead to a level of frustration for the investigators.

CHAIR RAGGIO:

The eligibility survey, as adopted, required that positions meet certain criteria for individuals to be eligible for early retirement benefits. Those were well accepted. What has changed, or do these positions now meet the criteria?

MR. MUNN:

I am not aware of anything that has changed. Our office was in the process of making application to PERS for that specific purpose and the application process was the reason we sought to have S.B. 454 indefinitely postponed. We have since learned the Washoe district attorney's office and PORAN were relying on us to have an opportunity as well to be included in the bill provisions.

CHAIR RAGGIO:

The Committee needs to hear what the exact qualification situation is at this time.

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

In 1985, the Legislature requested the PERS to conduct a study of early retirement for police and firemen. Prior to that time, there was a legislative list of positions that were included in early retirement. The Legislature was in a position to review each individual bill to place positions into the early retirement fund. Between 1985 and 1987, we conducted the study and appeared before the 64th Legislative Session with a recommendation for a new approach to participation in the police and fire fund. That is the criteria to which you referred.

The frontline category requires two years of first responder type of activities. Seventy-five percent of the employees' duties time must be devoted to that process. There are approximately 259 positions classified as frontline, first responders, in the police and fireman fund at this time. Thus, approximately 259 are promotional positions. If an individual maintains two years of duty in those kinds of positions, they are allowed to promote from the frontline category and maintain their early retirement coverage.

That does not frustrate the promotional opportunities but serves the public purpose of the police and fireman fund to promote a youthful and vigorous frontline public safety force capable of protecting the public from physical harm. A process is in place including an application form. Prior to the last Legislative Session, we updated the 1987 study where we reviewed the criteria and the public policy in place supporting the early retirement program. The PERS Board made minor modifications to the program to assist some departments that were having difficulty meeting the first responder requirements. The modifications have been adopted by the PERS Board. The Attorney General's Office is one of those where promotional coverage has been provided into the positions but they do not meet the frontline or first responder criteria. Their application is currently pending because it is not complete.

CHAIR RAGGIO:

Is there a process whereby departments can approach the Board and be added if they meet the criteria?

MS. BILYEU:

That is correct.

CHAIR RAGGIO:

Senate Bill 454 refers to the investigators of the Office of the Attorney General. There is also a proposed amendment ([Exhibit R](#)) for the investigators of the Washoe County District Attorney's office. Have those groups made application to the PERS for this purpose?

MS. BILYEU:

They have been through the process once. I am not familiar with the current status of the application for the Washoe County District Attorney's Office. I believe they have received promotional coverage from the system. In essence, if sheriffs, police officers or highway patrol troopers want to promote into the district attorney investigator positions, they could maintain their early retirement eligibility. They have not been given first responder category in the system.

CHAIR RAGGIO:

The issue is whether or not there is a procedure for them to appeal for first responder coverage. Is there currently a procedure?

MS. BILYEU:

There is a procedure in place.

MR. MUNN:

We have a pending application.

CHAIR RAGGIO:

Why should this Committee pass a specific law if that procedure is available?

MR. MUNN:

It is a matter of equity. We are talking about individuals who are essentially performing the same duties throughout the state. Some have been included and some have not.

CHAIR RAGGIO:

We are being asked to change a procedure and criteria that has been through the legislative process session after session. Why should that be changed? If we do this for one group, then every group in the state will want a special bill, will they not?

MR. MUNN:

It is my understanding we are talking about approximately 8,000 individuals who currently have the status of a peace officer in this state. Approximately 300 are not included in the early retirement eligibility standard.

CHAIR RAGGIO:

That is the problem that has been going on for years. Every position that is designated as a peace officer, even if they are serving a warrant, is not eligible for early retirement. That is why we went through the procedure and created standards and criteria to define the type of duties recognized for early retirement. The issue was never that everyone who is designated as a peace officer would be eligible for early retirement. I am stating what the historical position of the Legislature has been. Should every peace officer be entitled to early retirement benefits?

MR. MUNN:

We are living in a time in which every individual with a peace officer status is called upon to perform dangerous duties involving the public. The status difference that has been imposed on investigators, in the district attorney's office and our office, as opposed to other law enforcement individuals, is slowly moving away from earlier distinctions.

These individuals are involved in joint task forces, search warrants with dangers and with homeland security issues. I see their roles growing in the future from that of sitting behind a desk and investigating over the Internet.

CHAIR RAGGIO:

That is understandable. Do they not have the opportunity to appear before the PERS Board and make their case?

MR. MUNN:

That is my understanding.

RONALD P. DREHER (Peace Officers Research Association):

We have provided a package of information ([Exhibit S](#), original is on file at the [Research Library](#)) comprised of various other job descriptions which confirm similarity in duties and should qualify under police/fire retirement. We also provided the proposed amendment ([Exhibit R](#)).

The purpose of the amendment was to include the few agencies whose positions are not currently included in the police/fire early retirement. There are approximately 8,200 professional law enforcement officers in the early retirement system. There are less than 300 that are not. In the 71st Legislative Session, PERS was directed to study the system. The study was presented to the 72nd Legislative Session. It indicated the most important issue was that Nevada was the only state using an application/evaluation process to determine eligibility for police/fire enrollment. The Legislature then instructed PERS, in the 72nd Legislative Session, to reevaluate the system. They did that. Mr. Neville will testify that his group scored half the necessary points. During the same time we were testifying before this Committee, the State Fire Marshal Division was presenting an application to the PERS for police/fire retirement. On page 3 of [Exhibit S](#) are approximately eight agencies who fall under the police/fire category. Of those groups, who have all appealed to this Committee over the past two sessions, only one group, the State Fire Marshal, was allowed to join early retirement. They were not just allowed in, they were unanimously voted in by the same people who will likely appear shortly in opposition to [S.B. 454](#). Their application was accepted in June 2003, less than two weeks after this Committee met. In September 2003, the Category IV State Fire Marshal was allowed to enter early retirement, as they should be.

On pages S-6 through S-22 of [Exhibit S](#) is the application for the State Fire Marshal Division investigators and on pages S-24 through S-45 is the application for the Washoe County District Attorney investigators completed in September 2004. The common denominator is they all perform first-responder functions. That is what Ms. Bilyeu testified was a requirement for acceptance into the police/fire early retirement. Most importantly, they are investigators. They perform the same functions I did as a homicide investigator. They react to emergencies when called upon.

The problem that causes us to return session after session is the disparity in the system. Less than 300 individuals do not receive the same benefits I enjoy. It is important to provide this benefit to these individuals to enhance recruitment and retention issues. We asked for accountability and we have not received it. We conducted a study to indicate Nevada is the only state that does not provide the benefit for all individuals who have peace officer status.

The statutory definitions would eliminate the problem. It does not eliminate the police/fire committee. They are a fiduciary committee. We have one of the best retirement systems in the United States. They are not police officers. The people evaluating police officers and firemen are civilians. This group was not reviewed by the police/fire committee until after it was reviewed by civilians. They did not interview the district attorney investigators, but they did interview the fire marshals. When reviewing both applications in pages S-6 through S-45 of [Exhibit S](#), it is evident the two groups perform the same functions. Why should one group receive the early retirement benefit and the other not? It comes back to three issues: politics, disparity and equality. There has been no opposition to this bill. The amendment will end the debate.

CHAIR RAGGIO:

What are the provisions of the amendment?

MR. DREHER:

The amendment provides that only the exception of three sections of NRS 289, including school administrators and a couple of other classifications, will not receive the police/fire coverage. The only time they are defined as police officers is when they are apprehending truants. Another exception is for a correctional officer from another state who is temporarily given the powers of a peace officer. The intent of S.B. 454 is to eliminate the disparity in these classifications.

CHAIR RAGGIO:

In essence, all classifications designated as peace officers would be placed in the police/fire early retirement system?

MR. DREHER:

That is correct, using the definitions found in NRS 289.

MICHAEL NEVILLE (Peace Officers Research Association of Nevada):

The Chair repeatedly asked if there was not a policy in place for review of these positions. The PORAN has been before the Committee in 2001, 2003 and we are here in 2005 because we maintain that the procedure pursuant to Senate Concurrent Resolution (S.C.R.) No. 46 of the 63rd and 64th Sessions is broken. We have presented evidence during each legislative session indicating why it does not work.

When the PERS was asked to conduct a study to compare Nevada's process against the rest of the country, it proved Nevada was the only state not utilizing statutory definitions. The proposed amendment to S.B. 454 creates a statutory definition. The advantage of the statutory definition over a statutory list, such as Nevada had prior to 1985, is its self-limiting capability. Theoretically, under a statutory list, virtually any state employee can appeal to the legislature each session for inclusion in the police/fire early retirement.

The evidence the system is not working was brought to light in November 2003, when the PERS presented their findings after a reevaluation of their process. They offered minor changes with a linear point scale and acceptance of the police representative of the Police Fire Advisory Committee to act as a consultant for PERS staff when conducting an evaluation. I testified before the PERS Board and noted the subjective nature of the process in quantification of public protection and emotional stability. The police representative on the PERS Board agreed with me on a number of points. The most significant point was the mere five points awarded for carrying a duty weapon. Despite the tremendous responsibility associated with that function, PERS staff elected to keep the score at five points, because to emphasize the duty weapon too heavily would exclude otherwise deserving individuals from coverage. It is my opinion that comment single-handedly stripped away any façade of objectivity from the process. Interestingly, although the PERS Board carried its motion to accept the recommendations, the police representative voted against acceptance.

In 2004, the Washoe County District Attorney investigators applied for the early retirement benefit and were reevaluated in July 2004. In 1997 when we applied under the old process, we scored 60 points. Coverage is approved at 75 points. Under the improved system, with no changes in our job descriptions, except an increase in the duties recognized for early retirement, we scored 38 points. Statistically, the results indicate the process is subjective, arbitrary and capricious.

In our repetitive appearances before this Committee, we have been asked to show more evidence of why this process should be changed. (Mr. Neville provided a written Position Paper for the Committee [\[Exhibit T\]](#).)

CHAIR RAGGIO:

I cannot speak for this Committee, but historically, there is a greater cost to the state and local governments to provide full coverage to any individual designated as a peace officer. After numerous requests, through the legislative process, we reached mutual agreement that there would be a study conducted to analyze the positions. Every individual designated as a peace officer for certain purposes is not in a life-threatening or other situation creating the need for early retirement. I am not advocating the rightness of the process, only the historical perspective of legislation. It was finally resolved, through the study and criteria, to allow those with evidence of a need to be authorized for police/fire early retirement to be covered. The process was put in place to ensure others could apply for qualification.

I understand the belief in your testimony that your group has not been treated objectively. I am not sure how it is addressed in this body without setting aside the current system. That is what you are really suggesting. Many positions are given peace officer status for limited purposes.

I want to assure those who have spoken today, this Committee has not requested presentations to convince us of their need for inclusion in the early retirement. The requirement is to convince the PERS Retirement Board, not their staff, that a position qualifies.

MR. NEVILLE:

I misspoke. We were not requested to come before the Committee to be deemed worthy of our inclusion in the early retirement.

CHAIR RAGGIO:

I was district attorney in Washoe County and am aware of the functions of investigators in that office.

MR. NEVILLE:

My testimony was that we were asked to return to the Committee and prove that the current process is not working. I believe we have done so. Just because something looks good on paper does not mean it will work in practical application.

Although the process was approved with good intentions, I believe we can set it aside, adopt the amendment for a statutory definition and close the door on this issue. It addresses the spirit of S.C.R. No. 46 of the 63rd Session and provides equity among the 8,500 peace officers in this state.

RAYMOND McALLISTER (Professional Firefighters of Nevada):

We oppose S.B. 454, both the original and amended forms. I have been a member of the Police/Fire Advisory Committee for the last six years. For many of the positions Mr. Dreher and Mr. Neville are discussing, I have participated in the evaluation process. The current process requires an application and the PERS staff conduct onsite visits and interviews. They interview groups that work with the applicant group and then make a recommendation to the Police/Fire Advisory Committee. The Advisory Committee consists of two police officers, two firefighters and a management position, represented alternately from police or fire venues. The PERS staff makes a presentation as can the applicant group.

CHAIR RAGGIO:

Is the process subjective, in your opinion?

MR. McALLISTER:

The initial process only required the PERS staff to conduct an investigation of an application. Our recommendation, adopted through the legislatively-requested study, was to break the scoring out further and provide for a member of the Police/Fire Advisory Committee to sit with PERS staff in review of the application. If the applicant group are peace officers, a police officer will sit with staff and if the applicant group are firefighters, a firefighter will sit with staff. That provision adds credibility to the process. The groups come before a group of their peers after application and if they meet the criteria, they will be accepted.

CHAIR RAGGIO:

Why would the district attorney investigators score 68 points in one application and upon reapplication score only 34 points?

MR. McALLISTER:

Part of the reason is the criteria have been broken out further. Previously, points were scored in broader functions. What sometimes happens is that with more definition, they may not meet the criterion met in a broader category.

The district attorney investigators appeared before the Police/Fire Advisory Committee twice and have also appeared before the PERS Board and have been denied at all levels.

I was involved in the Attorney General investigators' evaluations. They provided a good presentation before the Advisory Committee, but at the time, the Attorney General investigators were broken into seven categories performing in seven functional areas. Two to three of those areas perhaps met the criteria for police/fire early retirement. The others did not. I asked the gentleman, at that time, if he would be willing to separate those that could qualify from those who did not. His response was that they wanted "all or nothing." It is my understanding they are reapplying based on the more defined criteria.

CHAIR RAGGIO:

Would it also be true that district attorney investigators might be separated by position?

MR. McALLISTER:

I am not aware of the criteria for the district attorney. I find it ironic that Mr. Neville is sponsoring this legislation. In previously proposed legislation for the district attorney investigators, the Clark County District Attorney's office opposed the measure. At that time, Mr. Neville was willing to amend the bill to exclude the Clark County investigators as long as the Washoe County investigators were accepted.

MS. BILYEU:

The PERS Board has voted to oppose S.B. 454 as originally written. They have not seen the proposed amendment.

CHAIR RAGGIO:

The amendment would apparently include all peace officers.

MS. BILYEU:

The PERS Board opposed S.B. No. 45 of the 72nd Legislative Session. I feel sure the Board would oppose the amendment to S.B. 454 as well.

MR. DREHER:

Pages S-6 through S-45 of [Exhibit S](#) are crucial because the PERS Board voted in favor of the fire marshal group and did not accept the district attorney group.

Page S-109 of [Exhibit S](#) concerns a group of peace officers who have been accepted into the police/fire early retirement and they are not Peace Officers Standards and Training (P.O.S.T.) certified.

CHAIR RAGGIO:

To what group are you referring?

MR. NEVILLE:

That group is the youth supervisors at the Caliente and Elko Youth Centers. They are not P.O.S.T. certified and therefore do not fall under the provision of NRS 289, and yet they are included in the police/fire early retirement.

MR. DREHER:

Our intent in noting this group is not to exclude them from the coverage, but to indicate the PERS Board has been aware of the disparity for a number of years and no one has made an effort to correct the situation.

Any new hire, after July 1, 2005, would become a part of the early retirement system. The fiscal note indicates an extreme cost to the state by making the assumption that if all currently-employed peace officers left their positions at one time, the amount required for their retirement benefits would be as indicated. (Mr. Dreher provided the Committee with a document titled "Senate Bill 454 [as amended] Points to Consider," [\[Exhibit U\]](#)).

CHAIR RAGGIO:

Your point addresses the unfunded liability and determines the contribution rate.

MS. BILYEU:

I wish to make a clarification regarding the youth supervisors in Elko and Caliente. The PERS evaluates positions. The position criteria establish the positions at the Elko and Caliente centers are required to be peace officers. Whether the employer hires individuals appropriately in those positions is not something we review.

CHAIR RAGGIO:

I will close the hearing on S.B. 454 and open the hearing on S.B. 508.

SENATE BILL 508: Makes appropriation to VSA arts of Nevada for restoration of Lake Mansion in Reno. (BDR S-1430)

MARY ELLEN HORAN (Executive Director, VSA arts of Nevada at the Lake Mansion):

Reno was established 137 years ago today. It is appropriate to remember the history of Reno and Nevada on this date. I have provided a packet of information ([Exhibit V](#)). On the front of the packet is a copy of an advertisement from May 9, 1868. We are hopeful to have an appropriate celebration at the Lake Mansion next year. Yesterday was the kickoff of Preservation Week. [Exhibit V](#) contains new information since our last meeting. It includes letters of support from Senator Harry S. Reid, U.S. Congress, the Historic Reno Preservation Society, the Nevada Museum of Art and the Lear Theater. The last two will be our new neighbors. [Exhibit V](#) also includes a proposed budget indicating how the \$350,000 appropriation will be spent.

We are a statewide organization averaging approximately ten workshops daily in rural communities, the Reno-Sparks area, Carson City and southern Nevada.

JOAN DYER (President, Reno Historic Preservation Society):

We are pleased the Lake Mansion is back in downtown Reno. Because of the topography of the land, a large basement and foundation were added. Therefore, the statewide program has a better home allowing more programs to be provided to the disabled adults and children.

Historically, we are pleased with the location. Other properties in the same area are being refurbished and the river district is being enhanced.

CHAIR RAGGIO:

The Committee may note the Lake Mansion was recently moved to the corner of Court Street and Arlington Avenue. They have done a great job.

GLORIA DOPF (Member, Board of Directors, VSA arts of Nevada):

My involvement is in the area of special education. I review programs for young people with disabilities through the VSA arts of Nevada.

We support S.B. 508 and the requested appropriation to reach the goals set for the Lake Mansion.

CHAIR RAGGIO:

Please explain how the budget in [Exhibit V](#) would utilize the requested \$350,000 appropriation in this measure.

Ms. HORAN:

The funds would be used for interior restoration of the main flooring and installation of a bathroom. The mansion was built in 1877 and cracks, both from the move and from age, have developed. Those would be restored. Additional wear and tear has occurred to the exterior of the mansion. The request is larger than expected due to lead abatement issues. Landscaping costs are also included.

CHAIR RAGGIO:

The Committee will note the budget included in [Exhibit V](#) includes the cost of construction and relocation. Also, the funding sources utilized are identified which include a number of foundations. Local input has been received. It has been a well-supported project.

SENATOR MATHEWS:

I passed by the location this week and the Lake Mansion looks natural in that setting. I appreciate all the effort on this project.

CHAIR RAGGIO:

I will close the hearing on S.B. 508 and open the hearing on S.B. 476 limited to the fiscal impact of the bill.

[SENATE BILL 476 \(1st Reprint\)](#): Provides for rebate on purchase of new vehicle that is powered solely by alternative fuel and exemption from governmental services tax upon registration of new vehicle that is powered solely by electrical power or alternative fuel. (BDR 43-1301)

ROBIN H. JOYCE (Las Vegas Regional Clean Cities Coalition):

This bill was approved by the Senate Committee on Taxation without opposition. We conferred with the Nevada Motor Transport Association and the Motor Carrier Division of the DMV in constructing the original amendments.

The bill, as written, will create a four-year performance-based incentive program which will sunset in 2009. We now understand we cannot encumber a subsequent legislature. Therefore, we are requesting a two-year program and, if it is as successful as we expect, we will return to the 2007 Legislature requesting an additional two years for the program.

The incentives include a 10-percent rebate on the purchase price of new alternative-fuel vehicles and a registration exemption for the full amount of the governmental services tax. The funds from the program would offset any loss of revenue to the DMV creating no effect on the Highway Fund.

The program, under the revised request, would be limited to 250 vehicles in each year of the biennium. We are requesting an appropriation from the General Fund. The original request was for a \$1 million annual appropriation for four years. The amendment requests \$1 million for FY 2006 and \$1,387,500 for FY 2007. I have provided a copy of the fiscal note to the Committee ([Exhibit W](#)).

The program has built-in accountability. Any unused funds will roll over to the next program year and any unused funds at the end of the biennium will revert to the General Fund if the program is not renewed in 2007.

The program would be administered by the Las Vegas Clean Cities Coalition. The program will include a card lock system through Haycock Petroleum, at no cost, to ensure compliance with fuel usage.

Nevada is one of only seven states and one of only two in the West with no incentives for the purchase of alternative fuels. With the high cost of gasoline and a growing international dependence on foreign oil, we believe the time is right for such a program.

SENATOR BEERS:

What does the \$2 million provide? Does the \$13,060 cover only the governmental services tax reductions?

MR. JOYCE:

The incremental cost of alternative fuel vehicles is between \$3,000 and \$4,000 more than a similar gasoline-powered vehicle. If 250 vehicles are purchased in a year, the 10-percent refund of the purchase price would be between \$750,000 and \$1 million. The funds from this program would be used to offset the loss of revenue due to the governmental services tax exemption.

SENATOR BEERS:

Are you saying the \$2 million appropriation would be allocated to pay the incremental cost refunds, loss of governmental services tax revenue to the counties and administrative costs?

MR. JOYCE:

That is correct.

EDGAR ROBERTS (Administrator, Motor Carrier Division, Department of Motor Vehicles):

The DMV has a neutral position on S.B. 476. However, the DMV has submitted a revised fiscal note addressing the loss of revenue to the DMV and counties and costs to implement the bill.

Section 2 of S.B. 476 provides for a program to be created within the DMV to issue rebates of 10 percent of the purchase price for up to 250 new alternatively-fueled vehicles. The bill provides an allocation from the General Fund for the rebates from FY 2006 through FY 2007. However, sections 5 and

6 of S.B. 476 have an expiration date of June 30, 2009. Under these circumstances, there is a potential unfunded mandate of \$450,000 in FY 2009 as the balance of the appropriation will not meet the cost of the rebates in the last year of the program.

Section 3 provides for exemption from the governmental services tax for up to 250 new vehicles powered by alternative fuel. The DMV has listed the cost associated with implementation of section 3 of S.B. 476 in the revised fiscal note.

The final DMV concern with this measure is the implementation date of July 1, 2005. Development of forms, computer programming and development of regulations are necessary prior to implementation. The DMV requests that a later effective date of January 1, 2006 be considered.

SENATOR BEERS:

Is your testimony that the \$2 million allocation is not sufficient for the upcoming biennium?

DENNIS COLLING (Chief, Administrative Services Division, Department of Motor Vehicles):

The fiscal note ([Exhibit W](#)) was created utilizing certain assumptions. In our research, we found two alternatively-fueled vehicles currently available. We used those vehicles to determine the fiscal note. The fourth year of the program will be short of funding if the program is used to its maximum amount in each year.

SENATOR BEERS:

I thought the amendment limited the provisions to two years.

MR. JOYCE:

That is correct. We cannot encumber subsequent legislatures. Testimony indicated the program would rebate 250 vehicles. That is incorrect. The bill would allow for a rebate of up to 250 vehicles. If there were only 100 new alternative-fueled vehicles purchased in the first year, the funding would roll to the second year of the program. If a portion of the allocation was unused at the end of the second year, those funds would revert to the General Fund.

SENATOR BEERS:

I recall hearing Arizona engaged in a similar project without any limit and found demand was more robust than anticipated. It resulted in the President of the Arizona Senate losing a subsequent election.

ANNALLOYD THOMASON (Las Vegas Regional Clean Cities Coalition):

That is the reason a funding cap was placed in S.B. 476.

SENATOR BEERS:

If there is \$775,000 carried forward into 2008, could we reduce the appropriation to \$612,500 in each year of the biennium? There are administrative costs but not a large amount.

MR. COLLING:

That is correct. We assumed there would be 250 vehicles in each year maximizing the appropriation. In the first reprint of the bill, sections 5 and 6

both refer to a 2009 expiration date. We made the assumption in the fiscal note that the funding would roll forward into 2008 and 2009 and expend the allocation as available.

The fiscal note ([Exhibit W](#)) has been divided into two sections. The first is for the alternate-fuel vehicle rebate and the second is for exemptions of the governmental services tax.

SENATOR BEERS:

If we were to process this bill, would we need to amend section 5 to change the expiration date to June 30, 2007, and reduce the appropriation?

Ms. THOMASON:

There are more than two makes of alternative-fuel vehicles on the market. Some of them have an incremental cost of \$3,000 or \$4,000 and others have an incremental cost of \$25,000 to \$40,000. We would like to preserve the total funding to impact the heavy-duty vehicle market where the greatest emissions benefit will be derived.

MR. COLLING:

We agree with Ms. Thomason. Our assumptions were based on the average cost of the two vehicle makes because we do not know what will occur.

SENATOR BEERS:

How does S.B. 476 address the eventuality that all the vehicle owners who apply for the rebates are in the classification of an incremental cost of \$40,000?

Ms. THOMASON:

The financial cap of \$1 million annually is self limiting. Our goal is to demonstrate there can be demand for alternatively-fueled vehicles beyond government fleets if financial assistance is available.

SENATOR BEERS:

What rebate was offered in Arizona?

Ms. THOMASON:

The Arizona rebate was up to 50 percent of the total cost of a vehicle. As an example, a natural-gas-powered Honda Civic sold in those days for approximately \$25,000. It was a super-ultra-low-emission vehicle. The rebate in Arizona on that vehicle was \$13,500.

SENATOR MATHEWS:

This bill would be useful and has built-in safeguards against the situation that occurred in Arizona.

SENATOR BEERS:

Should the provisions be confined to Washoe and Clark Counties?

Ms. THOMASON:

That is our position. Those counties are where the fueling infrastructure already exists. We are presently representing the southern Nevada portion of the industry.

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SENATOR BEERS:

Does S.B. 476 currently have that limitation?

MS. THOMASON:

It does not.

CHAIR RAGGIO:

The hearing on S.B. 476 is closed. The Committee is in recess at 10:49 a.m. and will reconvene immediately after the Senate Floor Session. The Committee is reconvened at 12:08 p.m.

CHARLES DUARTE (Administrator, Division of Health Care Financing and Policy, Department of Human Resources):

We have supplied the Committee with a document titled "Summary of General Fund Need" ([Exhibit X](#)). We are requesting a supplemental appropriation allowing us to continue to pay claims through FY 2005. On page 1 of [Exhibit X](#), three areas of need for supplement funding in FY 2005 totaling \$23,545,019 are reflected.

Detail for the first component requesting \$16,963,283 is found on page 2 of [Exhibit X](#).

CHAIR RAGGIO:

The members of this Committee who also serve on the Subcommittee for Human Resource/K-12 have heard this testimony, but the other members of the Committee have not. At the time it was not known what level of supplemental appropriation would be needed. The total could have gone as high as \$37,000,000. Please brief the Committee on what caused the need for this supplemental appropriation request.

MR. DUARTE:

A number of factors contributed to the need. The primary cause is that our weekly payments to providers will exceed the funding available and we will be forced to discontinue claims payments. We have tried to consider all the known factors, but there are many unknowns at this point. We identified a number of issues that will be resolved in the next several weeks that will impact claims payments. They include additional claims payments to University Medical Center for trauma care and other claims issues. Advances have been made to the Division of Mental Health and Developmental Services and the Division of Child and Family Services to close their fiscal year with sufficient funds.

The \$16,963,283 request contemplates those issues and clearing the intergovernmental transfer account. That account is used to maintain payments to hospitals for the Disproportionate Share Hospital Program and the Upper Payment Level Program. We try to maintain a \$6 million balance in the fund. Previous calculations included sweeping the account. We are now suggesting a more prudent approach of balancing forward the funds and maintaining a balance of approximately \$6 million at the end of the fiscal year. The \$5,807,865 is requested for the balance forward in the intergovernmental transfer account.

The remainder (\$773,871) of the \$23,545,019 total General Fund request is for the Nevada CheckUp program claims payment. We have experienced

accelerated claims payments for our non-HMO clients and children in the fee-for-services plan in the CheckUp Program.

CHAIR RAGGIO:

In addition to the supplemental appropriation for FY 2005 are you requesting adjustments for the Medicaid and CheckUp budgets? Are these figures already built into the *Executive Budget*?

MR. DUARTE:

The figures in the FY 2006 and FY 2007 are requests in addition to the *Executive Budget*.

CHAIR RAGGIO:

Will the *Executive Budget* also need to be adjusted?

MR. DUARTE:

Yes, sir.

CHAIR RAGGIO:

The question before us today is a bill draft request for a supplemental appropriation for the respective programs totaling \$23,545,019. Was this the number utilized in a recent press release by the Governor?

MR. DUARTE:

Yes, sir.

CHAIR RAGGIO:

Does the Department of Administration agree with the amounts reflected in [Exhibit X](#)? Are you providing a budget amendment for this purpose?

MR. COMEAUX:

We concur with the supplemental appropriation request and the budget amendments.

SENATOR COFFIN:

What benefits do we have that might be attractive to individuals from other states? Do we have more benefits than California for instance?

MR. DUARTE:

The last time I compared Nevada's state plan benefits to California's, we had approximately 32 optional services and California's were approximately the same. From a benefit standpoint, we are in parity. What causes our program to be less attractive is not the benefits offered but the eligibility criteria. California has more liberal standards for eligibility for single adults and offers a medically needy program allowing individuals to buy into Medicaid. We do not offer those programs. There are a larger percentage of individuals in the Nevada program with disabilities as a result of more restrictive eligibility for single mothers and children.

SENATOR COFFIN:

I wanted to clarify that our program was not so attractive that we were offering a safe harbor with higher benefits.

SENATOR RHOADS:

Does that mean we will also approve the budget amendment for \$30,069,829?

CHAIR RAGGIO:

We will not move on that portion today. We will only consider a bill draft request for a supplemental appropriation for FY 2005 of \$23,545,109. I raised the issue because the budgets are being considered in the subcommittee.

SENATOR BEERS MOVED TO REQUEST A BILL DRAFT FOR A SUPPLEMENTAL APPROPRIATION OF \$23,454,019 TO THE DIVISION OF HEATH CARE FINANCING AND POLICY.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

The Committee has copies of a letter dated May 4, 2005, from Mr. Daniel K. O'Brien, Manager, State Public Works Board ([Exhibit Y](#)). The letter is in support of a onetime appropriation request in connection with the Southern Nevada Veterans' Home.

EVAN R. DALE (Deputy Manager, Administration and Finance, State Public Works Board, Department of Administration):

We are requesting a onetime appropriation of \$673,900 to support ongoing litigation associated with the Southern Nevada Veterans' Home. Attempts at mediation have failed and it appears the case will go to arbitration.

CHAIR RAGGIO:

Is arbitration required under the contract?

MR. DALE:

It was not required under the contract; however, there was a Nevada Supreme Court ruling requiring us to go to arbitration.

CHAIR RAGGIO:

Is this a requirement for binding arbitration per the Nevada Supreme Court ruling?

MR. DALE:

Yes, it is. The funds would support arbitrator costs and expert witness fees. There is also a request for contingency funds in the event arbitration lasts longer than we anticipate.

CHAIR RAGGIO:

In view of the Nevada Supreme Court's decision that legislative intent in NRS 338.150 mandates binding arbitration, we need to approve this appropriation. Did the mediation not result in any agreement?

MR. DALE:

That is correct.

CHAIR RAGGIO:

What happens if there is an award as a result of arbitration?

SONIA TAGGERT (Senior Deputy Attorney General, Office of the Attorney General):

This would not be a tort claim action, so it could not be drawn from the tort claim fund. We would have to appear before the Interim Finance Committee (IFC).

CHAIR RAGGIO:

What if it is \$7 million? Where would those funds be found? The IFC is not an automated-teller machine.

MS. TAGGERT:

We will remind the arbitration panel of that fact. If such an award is made, we would have to seek funding from the state to pay the award.

CHAIR RAGGIO:

Is settlement likely to occur between legislative sessions?

MS. TAGGERT:

The arbitration is currently scheduled to begin on November 7, 2005.

CHAIR RAGGIO:

What is the anticipated length of arbitration?

MS. TAGGERT:

It appears arbitration may last four or five weeks.

CHAIR RAGGIO:

What is the amount of the claim from the other side?

MS. TAGGERT:

The claim, including subcontractor claims, is up to \$15 million. That includes claims against the architect, all the subcontractors and the contractor. We have counterclaimed for \$2 million.

CHAIR RAGGIO:

What is the balance in the Contingency Fund?

MR. COMEAUX:

The Contingency Fund balance is \$12 million.

CHAIR RAGGIO:

That fund addresses many needs. How do we address this possibility between legislative sessions?

SENATOR BEERS:

Does the \$15 million claim include withheld retention payments?

MS. TAGGERT:

There was approximately \$1.8 million in retention at the end of the project. Those funds were used for project completion when the original contractor was fired and a new contractor was hired to complete the project.

SENATOR BEERS:

Did we pay the original contractor the full amount of the contract?

MS. TAGGERT:

We kept the retention funds of \$1.8 million.

SENATOR BEERS:

Did we pay the contract in full excluding the retention?

MR. DALE:

The contract was approximately \$16 million. Typical retention funds would have been approximately \$1.6 million, but we retained \$1.8 million on this project. The \$1.8 million was used to complete the project.

SENATOR BEERS:

What does their \$15 million damage claim consist of on a \$16 million project? Are they claiming damage to their reputation?

MS. TAGGERT:

The amount they originally claimed was approximately \$5 million. Through the years of this case their claims have increased. They have added a new claim for \$5 million for wrongful termination. We believe that claim has no merit.

SENATOR BEERS:

What was the \$5 million claim based on?

MS. TAGGERT:

The first \$5 million was through subcontractor claims and money held in retention. The contractor claims they completed the project, although no substantial completion occurred.

CHAIR RAGGIO:

I recall advocating we adopt a procedure similar to that in the state of Georgia. Georgia privatized the construction and operation of their veterans' home.

There appears to be no choice for the moment. The request is for a bill draft to request appropriation to support the litigation costs connected with the binding arbitration procedure in the amount of \$673,900.

SENATOR BEERS MOVED TO REQUEST A BILL DRAFT TO APPROPRIATE \$673,900 FOR LITIGATION COSTS RELATED TO THE SOUTHERN NEVADA VETERANS' HOME.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

There are two bills that must be passed with amendments. We will consider S.B. 214 and S.B. 404.

SENATE BILL 214: Revises provisions governing statewide system of accountability and revises other provisions governing education. (BDR 34-459)

SENATE BILL 404: Creates Commission on Educational Excellence. (BDR 34-1365)

Dr. Rheault, I am aware the interested parties have been working on these measures and it is my understanding there has been some accord reached and an amendment is being proposed.

We will consider S.B. 404 first.

DR. RHEAULT:

Senate Bill 404 was the Governor's bill to provide the structure for oversight of the \$100 million in school improvement funds in the *Executive Budget*. It was heard two weeks ago. At that time we were aware S.B. 214 had similar provisions in sections 19 and 20.

CHAIR RAGGIO:

The Committee has been provided a proposed amendment ([Exhibit Z](#)). In the interest of time can you summarize the amendment provisions for the Committee?

DR. RHEAULT:

There are five proposed amendments to S.B. 404. The work group included Legislative Counsel Bureau (LCB) staff, the Governor's Office, school district representatives, the Nevada State Teachers Association, the administrators' association and school board representatives.

The first amendment is for membership on the Commission on Educational Excellence. It has been increased from seven to nine members. The premise was to have a better mix of expert practitioners and more global representatives. One school administrator at the district level is added and it is specified that at least one must represent a rural school district. We included a representative of the Regional Professional Development State Coordinating Counsel, and changed the at-large position in the original bill to a parent whose child attends that school. A key component of all school improvement plans includes parent involvement and is more important than inclusion of a member from the general public. Other members include the Superintendent of Public Instruction as a voting member. Any of the category groups could submit names to the Governor and he may or may not choose those individuals to serve on the Commission.

CHAIR RAGGIO:

There would now be nine members including two teachers and two principals who have been involved in successful programs?

DR. RHEAULT:

There would be the two teachers, two principals, two district administrators, one representative from the regional training program for the professional development of teachers and administrators, one parent and myself.

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SENATOR MATHEWS:
Is there already a commission similar to this?

DR. RHEAULT:
There is a seven-member Council on Academic Standards appointed by the Governor and the Legislature to develop the academic standards.

SENATOR MATHEWS:
Could that Council take on the additional duties prescribed in S.B. 404?

DR. RHEAULT:
I see these as two separate functions.

CHAIR RAGGIO:
Page 1 of the amendment ([Exhibit Z](#)) lists the members of the Commission.

DR. RHEAULT:
The second amendment enhances the wording in S.B. 404 regarding the involvement of the legislative staff in the Legislative Committee on Education. Page 2 of [Exhibit Z](#), section 5, subsection 6, provides that Legislative Counsel Bureau staff shall be involved with the Commission, they will be notified of all Commission meetings and shall provide, as directed by the Legislative Committee on Education, technical expertise and assistance to the Commission. They will be involved in development of the Commission criteria.

SENATOR CEGAVSKE:
How many different educational groups are there? There is the Commission on Professional Standards, the Council on Academic Standards and the State Board of Education.

DR. RHEAULT:
There is also the Commission on Educational Technology and the Nevada Public Education Foundation.

SENATOR CEGAVSKE:
There are five groups and we will create a sixth Commission to oversee the other five groups?

DR. RHEAULT:
I view this Commission as a specific mission to oversee the \$100 million appropriation in the *Executive Budget*.

SENATOR CEGAVSKE:
None of the other existing groups could perform these functions?

DR. RHEAULT:
I provided a letter from the State Board of Education dated May 6, 2005, ([Exhibit AA](#)) which includes a resolution from the Board contending they have jurisdiction to perform the functions of the proposed Commission.

SENATOR CEGAVSKE:
The last time we discussed this measure, we discussed the fund that is being replaced. The allocation into the fund being replaced is nothing near the funds allocated in S.B. 404. There is \$12 million or \$13 million left in the other fund.

There has been a suggestion those funds be used for Grades 7 through 12 to fund remediation. Now, \$50 million each year would be allocated for remediation in this bill. We have never made that size of an allocation for that purpose. I am curious as to why we are exceeding previous allocations and creating yet another Commission.

One of my biggest concerns is we are trying to pull all the different groups, organizations and schools together. One of our largest downfalls in Education is coordination of the different groups.

DR. RHEAULT:

Section 6 of S.B. 404 outlines the Commission's responsibilities. We compared the responsibilities designated in S.B. 214 and we made numerous amendments strengthening the responsibilities of the Commission. The proposed amendments to section 6 begin on page 3 of [Exhibit Z](#).

The amendments specify the Commission would be responsible for identifying programs, practices and strategies that have proven effective. The amendment includes a deadline by which the Department of Education will prioritize the schools in the state based on adequate yearly progress (AYP) status. We are not requiring schools to meet the AYP; schools will be ranked by how well they meet the AYP. That provision would be used by the Commission prior to final allocations.

Section 6, subsection 4, paragraph (e), subparagraphs 1 and 2, on page 3 of [Exhibit Z](#), the amendment adds that the Commission shall set criteria for participation and for continuation of funding. The review will be, without limitation, a review of leadership at the school to determine whether changes are advisable.

Deadlines were set for distribution of funding. With the exception of the first year, the allocations must be distributed by August 15 through the Department of Education and the Commission.

Page 4 of [Exhibit Z](#), section 6, subsection 2, addresses Senator Cegavske's question. "... To the extent money is available; the Commission shall make allocations of money to school districts and schools for effective programs of remedial education." These are targeted for Grades 7 through 12. In making such allocations the Commission shall comply with the requirements in subsection 1.

We interpreted this to address the approximately \$13.9 million remaining in the old remediation program. If that were approved through the budgeting process to be used for Grades 7 through 12, it would fall under the authority of the Commission. The allocations would be distributed in the same manner as is done for the elementary schools.

SENATOR TITUS:

Would grant money be available for all-day kindergarten?

DR. RHEAULT:

Yes, it will be based on a school's improvement plan. In Clark County, many of the schools included full-day kindergarten in their improvement plans as a means

to address improvement. If it is in their school improvement plan, that would be an allowable request for funding.

SENATOR TITUS:

In other words, the \$50 million in each year of the biennium would fund remediation in kindergarten through sixth grade. Would the \$13.9, over the biennium, be reserved for high schools?

DR. RHEAULT:

The \$13.9 million would be reserved for Grades 7 through 12.

SENATOR TITUS:

When the Governor first made this proposal, it was targeted for at-risk schools. Why has all the funding been placed in the at-risk schools instead of reserving some funding for those schools on the brink of becoming at-risk schools?

DR. RHEAULT:

It may appear in a first reading of S.B. 404 that at-risk schools are the only ones to benefit. The bill will provide a ranking of schools if there is limited funding, based on requests. Any kindergarten through sixth grade school nearing at-risk status is to submit an application based on their needs. They may still have pockets of students who need help, although they are meeting the AYP. This bill would not limit schools from making an application for funds if they need specific assistance.

SENATOR MATHEWS:

Will the provisions of the bill be under the administration of the State Board of Education?

DR. RHEAULT:

The administration would be under the nine-member Commission.

SENATOR MATHEWS:

Would the Commission report to you?

DR. RHEAULT:

My position will be as a member of the Commission. The Department of Education will administer the distribution, sub-grants and staffing of the Commission.

SENATOR MATHEWS:

Does the Commission report directly to the Governor?

DR. RHEAULT:

No, they do not.

SENATOR MATHEWS:

I fail to understand why the State Board of Education could not administer this program.

DR. RHEAULT:

I committed to work with the Governor on this measure and I am employed by the State Board of Education. You have the Board's position explained in [Exhibit AA](#).

SENATOR CEGAVSKE:

A policy decision must be made as to whether or not to allocate funding from the other remediation fund.

CHAIR RAGGIO:

Senate Bill 404 does not authorize that other than to stipulate, "If it is approved in the budget process, the \$13.9 million would be available for those purposes."

SENATOR CEGAVSKE:

Would the remaining funds in the current elementary remediation fund would be at the discretion of the Commission for the Grades 7 through 12 remediation?

DR. RHEAULT:

That is correct. It was briefly mentioned in the budget closing hearings for the Distributive School Account (DSA). Utilization of the \$13.9 million would need to be specified in the intent when the DSA budget is closed.

SENATOR CEGAVSKE:

The genesis of the legislation, the process for use of remediation funds, was not user friendly. Has the process been changed to be more user friendly?

DR. RHEAULT:

Page 4 of [Exhibit Z](#), under subsection 2, makes that change from previous practice to current.

A paraphrase of subsection 2 indicates,

In making allocations for Grades 7 through 12, if there is any money made available, the Commission will follow the requirements of subsection 1, which is the criterion for distribution through the Commission.

SENATOR CEGAVSKE:

What changes have been made?

DR. RHEAULT:

It deletes the distribution process from the Board of Examiners to the IFC. The amendment to S.B. 404 provides that the approved applications do not have to be submitted separately to the Board of Examiners and the IFC for approval.

SENATOR CEGAVSKE:

If that account can be changed by statute, my question remains, why are we creating another entity when one already exists whose functions could be changed?

DR. RHEAULT:

Subsection 4, on page 4 of [Exhibit Z](#), clarifies the Commission will retain the state-approved remedial-program listing for successful program. There is also a statewide list of supplemental-service providers required under The No Child Left Behind Act. That will be provided to the Commission. The Commission must consider recommendations submitted by the Legislative Committee on Education regarding practices and strategies that have proven effective. All three elements must be considered when developing criteria and making allocations.

The next amendments concern revision of time lines regarding annual reporting. Funding is to be distributed, according to an earlier section, by August 15. By September 1 of each year, the Department of Education, or the Commission, will provide a summary of the distribution to a large list of entities.

A full-annual report will be developed by January 31 each year. It will specify the distribution, program success, what improvements have been made, whether or not they have met the measurable objectives and information we have collected from the individual applications funded.

We have amended S.B. 404 to change the effective date for appointment of the Commission members, only if the bill is approved prior to July 1, 2005, to appointment of the Commissioners upon passage and approval of the bill. That would give us time to begin the implementation process.

On page 6 of [Exhibit Z](#), section 12 requires, as part of the school improvement plans, both at the state, district and school site levels, to include budgets indicating the costs for implementation of the improvement plans. This will be built into the school improvement plans and the budgets will be used as part of the application to the Commission.

CHAIR RAGGIO:

The plans for improvement are already required under the law, so would the change be a requirement for a proposed budget to be included in the plan?

DR. RHEAULT:

The amendment would add the budget requirements. It was not clearly specified previously. Although some schools included budgets in the past, it has not been a requirement.

SENATOR TITUS:

One problem, in the past, has been that too much of the allocations are directed to administration and not enough is directed to the classroom. Why can an existing entity not perform these functions? Is there already a commission for the high school remediation program? Is there no commission with these parallel functions?

DR. RHEAULT:

There is no commission on school remediation at this point. There is a Council to Establish Academic Standards for Public Schools, a Commission for Professional Standards and a Commission on Educational Technology.

SENATOR TITUS:

Why can the Council to Establish Academic Standards for Public Schools not incorporate these functions?

DR. RHEAULT:

The Council would have to expand. The members are volunteers with full-time jobs. The first six months of this program will entail extensive time commitments. They are currently considering revision of the academic standards in the system and developing new math standards. There are two legislators as members of the Council including Senator Cegavske and Assemblywoman Chris Giunchigliani. Assemblywoman Debbie Smith is just completing her term as the parent representative.

CHAIR RAGGIO:

The Council was created as part of the Education Reform Act. They serve an entirely different function. The Legislative Counsel continually reminds us that we cannot create these kinds of commissions and require legislators to be among the members.

There are many schools designated as at risk or nearly at risk. How many of those schools, during the next biennium, could qualify for funding under the program established in S.B. 404?

DR. RHEAULT:

There are currently 337 elementary schools at risk. Of that number, 94 were on the needs improvement list. There are another 99 on the watch list. That means they did not make the needs improvement list last year, but their test scores indicate they should be on the list. We are estimating, based on this year's testing, another 30 schools will be added to the needs improvement list in each year of the biennium. That means 280 of the 560 elementary schools would reach the needs improvement list.

CHAIR RAGGIO:

Is that the number of at-risk schools during the next two years?

DR. RHEAULT:

That is correct.

CHAIR RAGGIO:

The Governor proposed the concept of S.B. 404. Does the Governor's Office concur with the amendments in [Exhibit Z](#)?

LISA FOSTER (Deputy Chief of Staff, Office of the Governor):

We concur with the amendments in [Exhibit Z](#).

CHAIR RAGGIO:

It is my understanding that if S.B. 404 is passed, that portion of S.B. 214 containing similar language would be deleted through amendment. We are at the point where if S.B. 404 is to be processed, it must be moved from Committee so that it can ultimately be sent to the Assembly.

I am in full support of S.B. 404. I thought the Governor's intent was a good plan. I am mindful of the \$13.9 million that may, or may not, be used for the higher grades. The attention has to be focused on the lower grades through 6th grade. A trust fund of \$50 million in each year of the biennium in an ongoing category is established through this bill. It probably will not go far when so many schools are potential recipients. If we have one purpose during this Legislative Session, it is to ensure, as fully as we can, that these young students who are in need of help and assistance programs are given that aid. We have thrown funds in various programs through the years and have achieved limited success.

As I understand the Governor's proposal, it would allow qualified schools to come before the Commission to present their school improvement plan which is already required. There is flexibility here. Some schools may benefit from all-day kindergarten. I do not, at this time, support all-day kindergarten for the entire state. I do not believe it is the best use of funding. Some schools can utilize that

adaptation effectively. Other schools have other projects or programs that may be far better for their purposes.

I have seen some schools that have risen from low performance to outstanding throughout the state. Apparently that is what attracted the Governor's attention. I did not necessarily agree with his proposal as to the members of the Commission who would determine how this funding is authorized at the beginning of the session. I believe the compromise amendment is effectual. Four members will have experience and been involved in schools or districts where there has been improvement.

I am mindful of how we steward state funds. I do not know what success this measure may have in the Assembly, but we would be remiss if we did not pass this bill and allow the Assembly to consider it.

SENATOR MATHEWS:

Is this a one-shot appropriation or ongoing funding?

CHAIR RAGGIO:

The Governor anticipates this to be ongoing funding. We cannot bind future legislatures. It would depend on whether the program proves itself effective.

SENATOR TITUS:

We demand accountability from teachers and students. Accountability measures could be added to the bill to ensure its success. We cannot bind future legislatures; however, a sunset clause could be placed in the bill to require the program to prove itself by the sunset date.

CHAIR RAGGIO:

Does S.B. 404 provide funding only for this biennium or does it provide for ongoing funding?

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

It is my understanding the funding is not included in this legislation. The funding is included in the *Executive Budget*. That would be dependent upon the approval of the General Appropriations Act. Each Legislative Session would review the recommended appropriations to continue the funding level. The funding level is not set in the legislation. The legislation implements the program with the funding to be provided via approval of the budget.

CHAIR RAGGIO:

The continuation of the program depends on whether the next legislature agrees to fund it.

SENATOR TITUS:

I appreciate that. Many times, once things are put in place, they become a pro forma continuation of the program. If the bill includes a sunset clause, then the Commission has to justify why the program needs to be continued to have the sunset lifted.

CHAIR RAGGIO:

What is the Committee's pleasure?

SENATOR RHOADS MOVED TO AMEND WITH THE PROPOSED AMENDMENT IN [EXHIBIT Z](#) AND DO PASS S.B. 404.

SENATOR BEERS SECONDED THE MOTION.

CHAIR RAGGIO:
Is there discussion on the motion?

SENATOR CEGAVSKE:
I do not want to take a vote at this time because I do not know how I will vote on the Floor of the Senate. I want more time to look at this amendment and I have other questions that I need answered.

CHAIR RAGGIO:
The measure needs to be moved. Are there any objections to the motion?

SENATOR CEGAVSKE:
I am abstaining.

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

SENATOR MATHEWS:
I voted in the affirmative, but I will reserve my right to reconsider on the Floor of the Senate.

SENATOR RHOADS:
I saw on CNN, last night, an interview with the Teacher of the Year for 2005. He was inspiring. He is 31-years old and has been teaching for eight years. He is teaching in a school that is 90-percent Hispanic and African-American in Washington, D.C. He has the students wrapped around his finger. He earns \$31,000 a year. It is too bad we cannot pay someone like that \$60,000 or \$80,000 per year. We should pay the better ones more money. It was an inspiring program. It feels good to hear about someone doing their job right.

CHAIR RAGGIO:
We held a hearing on April 7, 2005, on A.B. 214. My suggestion is that we amend A.B. 214 to delete the sections concerning the Commission on Educational Excellence. I do not recall opposition to other portions of A.B. 214.

SENATOR BEERS MOVED TO AMEND AND DO PASS A.B. 214. THE AMENDMENT WILL DELETE THOSE PORTIONS OF THE BILL CONCERNING THE COMMISSION ON EDUCATIONAL EXCELLENCE.

SENATOR RHOADS SECONDED THE MOTION.

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

CHAIR RAGGIO:
We have a bill draft request (BDR) for consideration of Committee introduction.

BILL DRAFT REQUEST S-1461: Makes appropriation for costs associated with the Southern Nevada Veterans' Home. (Later introduced as S.B. 510.)

SENATOR BEERS MOVED FOR COMMITTEE INTRODUCTION OF BDR S-1461.

SENATOR RHOADS SECONDED THE MOTION.

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

CHAIR RAGGIO:

We will now consider S.B. 32. The bill was heard in the Committee on April 26, 2005. The bill does not require an amendment.

SENATE BILL 32 (1st Reprint): Makes various changes relating to qualifications for free tuition and loans for certain students at institutions of University and Community College System of Nevada. (BDR 34-158)

SENATOR BEERS MOVED TO DO PASS S.B. 32.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

CHAIR RAGGIO:

We will now consider S.B. 34. Senator Coffin had asked the Committee to hold this measure.

SENATE BILL 34 (1st Reprint): Decreases fees for issuance and renewal of noncommercial drivers' licenses. (BDR 43-241)

MR. GHIGGERI:

When Senator Coffin requested the measure be held, he indicated he was more in favor of an increase in drivers' license fees rather than a decrease in the fee.

CHAIR RAGGIO:

I do not wish to circumvent Senator Coffin, but is there support for an increase of drivers' license fees in the Committee? Seeing no objections, does the effective date need to be amended?

MR. GHIGGERI:

The current effective date is upon passage and approval. Staff suggests an effective date of July 1, 2006.

SENATOR BEERS MOVED TO AMEND THE EFFECTIVE DATE TO JULY 1, 2006, AND DO PASS S.B. 34.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

SENATOR RAGGIO:

We will consider S.B. 78. This bill was heard on March 29, 2005.

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

MR. GHIGGERI:

No amendment is required for S.B. 78. The Subcommittee on Higher Education and Capital Improvement Programs, in approving the budgets for the UCCSN last week, increased the funding for the Nevada State College to include this provision. The funding is approximately \$93,000 in the first year and \$95,000 in the second year of the biennium. Funding for all other institutions was left in the Base Budget for the UCCSN. No additional funding was required for the other institutions.

CHAIR RAGGIO:

We were holding this measure for this purpose.

SENATOR TITUS MOVED TO DO PASS S.B. 78.

SENATOR MATHEWS SECONDED THE MOTION.

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

CHAIR RAGGIO:

We will consider S.B. 100. Senator Beers had requested this measure to be held at the previous hearing. His concern was with the use of the funds for remodeling the conference room. Staff recommended the funding not be changed, but we could change the description for the utilization of the funds.

SENATE BILL 100: Makes appropriation to Supreme Court of Nevada for remodeling costs. (BDR S-1217)

SENATOR CEGAVSKE:

We offered use of the Legislative Building as a meeting room. Was that discussed at later hearings?

CHAIR RAGGIO:

The hearing for this bill was held on March 4, 2005. I do not recall that decision being made.

MR. GHIGGERI:

I have not been made privy to any discussions since the hearing in March. The only information staff has is a written estimate for the cost of the remodel of the conference room. The request is approximately \$12,000. The Nevada

Supreme Court has also requested approximately \$7,000 for new furnishings for the conference room. Staff recommends that if the Committee desires to approve this legislation, the description be amended to provide for the remodel and furnishings for a conference room.

CHAIR RAGGIO:

The decision is whether or not to pass S.B. 100, and, if we do, whether or not to amend it to provide use of the funds for remodel and furnishing of the conference room rather than the conversion of the two offices as indicated in section 1.

SENATOR RHOADS MOVED TO AMEND S.B. 100 WITH A DESCRIPTION FOR USE OF THE FUNDS AS INDICATED.

THE MOTION FAILED FOR LACK OF A SECOND.

CHAIR RAGGIO:

Hearing no other motions on S.B. 100, we will now consider S.B. 183. There are two bills addressing this issue. Senate Bill 183 is the appropriation for the construction of the new court facility in White Pine County. If it is processed, an amendment is needed to change the appropriation to \$10.8 million. Only one of the two bills must be passed. If the measure is passed, a time for completion should be added.

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

MR. GHIGGERI:

Senate Bill 183 provides for a construction time frame of four years. The bill is effective upon passage and approval and has a reversion date of on, or near, June 30, 2009.

CHAIR RAGGIO:

The appropriation in the *Executive Budget* was for \$8 million, but testimony indicated the additional amount was required due to costs of materials.

SENATOR RHOADS MOVED TO AMEND S.B. 183 TO INCREASE THE FUNDING AND DO PASS.

SENATOR TITUS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS BEERS AND CEGAVSKE VOTED NO AND SENATOR COFFIN WAS ABSENT FOR THE VOTE.)

CHAIR RAGGIO:

I suggest the Committee indefinitely postpone S.B. 106 in light of our action on S.B. 183.

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

SENATOR RHOADS MOVED TO INDEFINITELY POSTPONE S.B. 106.

SENATOR MATHEWS SECONDED THE MOTION.

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

CHAIR RAGGIO:

We will consider S.B. 242 which was heard earlier today.

MR. GHIGGERI:

If the Committee wishes to approve this legislation, staff would recommend funding be included in the bill to allow the DMV to implement the provision. The fiscal note indicated a cost of \$65,000 in FY 2006 and \$55,000 in FY 2007. Based upon testimony, the effective date recommended is to make the background checks effective July 1, 2006. Staff recommends the appropriation be \$11,687 in FY 2006 to accommodate computer program changes and to provide \$55,308 in FY 2007 to implement the 4-cent-per-transaction background check.

CHAIR RAGGIO:

It was my understanding that the appropriation was reduced for FY 2006.

SENATOR BEERS MOVED TO AMEND AND DO PASS S.B. 242 AS RECOMMENDED BY STAFF.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

CHAIR RAGGIO:

We will consider S.B. 265. This bill was heard on April 4, 2005.

SENATE BILL 265: Provides for allowances for certain travel expenses incurred by Legislators during legislative interim. (BDR 17-538)

SENATOR RHOADS MOVED TO DO PASS S.B. 265.

SENATOR BEERS SECONDED THE MOTION.

SENATOR BEERS:

I am confused as to why the fiscal note is so high if the bill establishes a cap of \$5,000 for each legislator.

SENATOR RHOADS:

The fiscal note considers the maximum cost pursuant to the provisions of this legislation. The total cost would be \$180,000 if each legislator used the maximum amount allowable.

The fiscal note is \$120,000 in the first year of the biennium and \$60,000 in the second year for a total of \$180,000 over the biennium.

SENATOR BEERS:

The bill allows up to \$5,000 for each legislator. This covers all legislators, not just those in the rural areas.

SENATOR RHOADS:

When I drive from Tuscarora to Caliente, I travel 900 miles one way.

SENATOR BEERS:

Is there any interest from the Committee to amend S.B. 265 to only apply in the rural districts?

SENATOR RHOADS:

I have no objection.

CHAIR RAGGIO:

My interpretation of the bill is to authorize travel only when a legislator participates in public meetings of elected bodies. I see the bill to be self limiting. In Washoe County, there will be no travel allowed to attend city council or county commission meetings. Perhaps attendance at the Board of Regents would apply. Is the fiscal note primarily effective for the rural counties?

SENATOR BEERS:

As I read this bill, it would apply to Washoe and Clark Counties as well.

CHAIR RAGGIO:

Travel in Washoe and Clark Counties is allowed, but what kind of expense would one request to travel from their home to a county commission meeting.

SENATOR MATHEWS:

In Washoe County, especially in Washoe Senatorial District No. 2, they travel to Gerlach for general improvement district meetings.

SENATOR BEERS:

Perhaps an amendment for a distance limitation could be placed on the bill. Could it be limited to districts greater than 50 square miles in area?

SENATOR RHOADS:

I have no objection.

SENATOR TITUS:

My concern is that the provisions of S.B. 265 do not allow use for someone who is campaigning. I believe that is how the bill is written, once an individual has declared for reelection, they cannot travel on this account. I want my concern noted for the record.

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SENATOR BEERS:

That is my reading of the bill.

SENATOR CEGAVSKE:

I have not received a letter from the Accounting Division of the Legislative Counsel Bureau yet, but some of my colleagues have, telling them they have reached their maximum allowances for travel expenses for this Legislative Session.

CHAIR RAGGIO:

This bill applies to the interim period not during the session.

SENATOR CEGAVSKE:

I understand, but some of my colleagues are being advised they have reached their session-maximum-travel allowance.

CHAIR RAGGIO:

The motion on the floor is to do pass this measure. No motion has been made concerning an amendment.

SENATOR BEERS:

I will withdraw my second if Senator Rhoads would like to amend his motion.

SENATOR RHOADS:

I will withdraw my original motion.

SENATOR RHOADS MOVED TO AMEND AND DO PASS S.B. 265. THE AMENDMENT WILL LIMIT TRAVEL WITHIN DISTRICTS OF 50 SQUARE MILES OR MORE.

SENATOR TITUS:

It would be better if we set a minimum number of miles of travel for reimbursement.

SENATOR TITUS MOVED TO AMEND AND DO PASS S.B. 265. THE AMENDMENT WOULD PROVIDE REIMBURSEMENT FOR TRAVEL IN EXCESS OF 50 MILES PER TRIP.

SENATOR RHOADS SECONDED THE MOTION.

MR. GHIGGERI:

Please clarify whether or not the 50-mile limit is one-way or round-trip?

SENATOR TITUS:

My intent was to limit travel to a minimum of 50 miles one-way.

MR. GHIGGERI:

That is 100 miles round-trip.

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

CHAIR RAGGIO:

I will consider S.B. 304. This bill was heard on May 2, 2005. Staff has provided the Committee with a letter dated May 5, 2005, from the Office of the Attorney General addressing the fiscal note on this measure ([Exhibit BB](#)). This is the identity theft bill, first reprint, referred from the Senate Committee on Judiciary.

The letter in [Exhibit BB](#) states passage of S.B. 304 is conditional upon the enclosed proposed amendment offered by the Attorney General's Office with a proposed reduction of the fiscal note. What does the proposed amendment provide?

SENATE BILL 304 (1st Reprint): Authorizes Attorney General to issue identity theft passports to victims of identity theft. (BDR 15-940)

MR. GHIGGERI:

The Attorney General's Office is recommending that they perform a clerical function. A victim of identity theft will file a complaint with the Office of the Attorney General and they would produce the necessary documents.

SENATOR RAGGIO:

The proposed amendment is on the final page of [Exhibit BB](#). It strikes out the portion of the bill that requires the Attorney General's Office to verify the identity of a person and inserts "... file a signed written crime report, that they are a victim of an alleged crime of identity theft, and except as otherwise provided in the section, shall be given a reasonable opportunity to prove to a law enforcement agency, creditor or other lawfully interested person or governmental entity that they are the victim and not the perpetrator of any alleged crime"

[Exhibit BB](#), page 3, indicates the cost would be \$24,156 in FY 2006 and \$11,554 in FY 2007. Is the Committee in concurrence with the revised fiscal note?

SENATOR CEGAVSKE:

I am curious as to what a holopatch card is. Is the alpha card system a new system? The cost for the alpha card system is approximately \$10,000.

SENATOR BEERS:

I presume a holopatch card is a card that is difficult to counterfeit. I am not aware of what the alpha card system is. There will be fewer than 2,000 cases each year. I would think a primitive filing system would be sufficient.

CHAIR RAGGIO:

What is your suggestion? There is no one present from the Office of the Attorney General. I am concerned that we move some of the Senate bills to the other House.

SENATOR BEERS:

I suggest we move the bill and ask the Attorney General's Office to address these concerns when the bill is heard in the Assembly.

MR. GHIGGERI:

If the Committee desires to amend this legislation, staff recommends that funding be placed in the legislation to accommodate the costs.

SENATOR CEGAVSKE MOVED TO AMEND AND DO PASS S.B. 304 WITH THE PROPOSED AMENDMENT IN [EXHIBIT BB](#) AND TO INCLUDE THE REQUIRED FUNDING.

SENATOR BEERS SECONDED THE MOTION.

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

CHAIR RAGGIO:

We will now consider S.B. 369. This bill was heard on April 15, 2005. This bill provides for use of senior judges. The General Government Subcommittee heard testimony resulting in an estimated increase of approximately \$722,000 in additional administrative assessments that would be available for use in the Specialty Courts' budget without transfer from the Retired Justice Duty Fund. By not transferring the funds, the Subcommittee saved approximately \$759,000 in General Fund revenue that was otherwise in the Retired Justice Duty Fund. Staff indicates if this Committee passes S.B. 369, it should be amended to reflect the actions taken by the General Government Subcommittee and include the provision for the experience study recommended by the PERS.

The Committee has been provided a letter from the Nevada Supreme Court dated May 6, 2005, ([Exhibit CC](#)) outlining the recommendations. (Proposed amendment language was also provided as [Exhibit DD](#).)

SENATE BILL 369: Makes various changes regarding judiciary. (BDR 1-525)

SENATOR BEERS MOVED TO AMEND AND DO PASS S.B. 369 CONSISTENT WITH THE ACTIONS OF THE GENERAL GOVERNMENT SUBCOMMITTEE.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

CHAIR RAGGIO:

We will consider S.B. 400. Senator Rhoads requested this measure be held during the original hearing.

SENATE BILL 400: Provides for regulation of off-road vehicles. (BDR 43-426)

SENATOR RHOADS:

Mr. Steve Robinson, Advisor on Wildlife, Conservation and Rural Nevada Issues, Office of the Governor, and I are working on this measure.

CHAIR RAGGIO:

Senate Bill 380 was heard this morning. I believe this measure had a fiscal impact.

SENATOR BEERS:

Testimony indicated this bill had a neutral impact.

MR. GHIGGERI:

The Division of Emergency Management testified the fiscal note would be removed based on the amended language of the bill.

CHAIR RAGGIO:

Testimony indicated five additional positions were still needed.

MR. GHIGGERI:

The NDOT indicated they needed the additional positions to implement S.B. 310, but no additional positions were needed in the Division of Emergency Management for implementation of S.B. 380.

SENATOR BEERS MOVED TO DO PASS S.B. 380.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

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CHAIR RAGGIO:

We will consider S.B. 502. This measure was heard on April 26, 2005.

SENATE BILL 502: Makes appropriation for implementation of Offender Tracking Information System for Department of Corrections. (BDR S-1415)

SENATOR BEERS MOVED TO INDEFINITELY POSTPONE S.B. 502.

SENATOR RHOADS SECONDED THE MOTION.

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

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MR. GHIGGERI:

There are a number of budgets that have been recommended for closure in subcommittees, but there are many budgets yet to be closed by the full Committee.

SENATOR RAGGIO:

This Committee is adjourned at 1:34 p.m.

RESPECTFULLY SUBMITTED:

Cindy Clampitt,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair