

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-third Session
May 17, 2005**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:11 a.m. on Tuesday, May 17, 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

STAFF MEMBERS PRESENT:

Brian M. Burke, Senior Program Analyst
Rick Combs, Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Bob Guernsey, Principal Deputy Fiscal Analyst
Janet Johnson, Program Analyst
Michael Archer, Committee Secretary

OTHERS PRESENT:

James T. Richardson, Ph.D., Nevada Faculty Alliance
Daniel J. Klaich, Vice Chancellor of Legal Affairs, System Administration Office,
University and Community College System of Nevada
Dana Bilyeu, Public Employees Retirement System
Michael Willden, Director, Department of Human Resources

CHAIR RAGGIO:

We will open this meeting by hearing the University and Community College System of Nevada (UCCSN) budget closing report.

BRIAN M. BURKE (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Please refer to my handout titled Senate Committee on Finance, Joint Subcommittee on Higher Education/CIP Closing Report, University and Community College System of Nevada ([Exhibit C](#), original is on file at the Research Library) as I review the budget closing issues. These include corrections and adjustments to the Governor's budget and several items in the Adjusted Base Budget which required added attention from the Subcommittee.

CHAIR RAGGIO:

Regarding the corrections made to the Governor's budget, which resulted in a General Fund savings of \$2.2 million, did the Subcommittee authorize the utilization of this amount for other purposes?

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MR. BURKE:

In addition to the \$2.2 million, the Subcommittee used about \$5 million in General Fund savings of the revenue adjustments to fund appeals which you will find listed on page 37 of [Exhibit C](#).

CHAIR RAGGIO:

Was there agreement on the Subcommittee for utilization of those appeals?

MR. BURKE:

Yes, there was agreement. I will continue my review with the adjusted Base Budget on page 1 of [Exhibit C](#).

SENATOR BEERS:

Please explain to this Committee the Nevada Federal Insurance Contributions Act (FICA) alternative.

MR. BURKE:

The Nevada FICA alternative plan allows part-time or seasonal employees the option of contributing to a personal investment account instead of making FICA contributions. There are mandatory and voluntary components to this plan. Should they choose this option, it would eliminate the UCCSN matching contribution, resulting in savings to the General Fund. A benefit to the employee is that these funds would be portable.

CHAIR RAGGIO:

There is no way to determine how many employees will participate in this alternative, so the Subcommittee approved a Letter of Intent requesting UCCSN report any savings which would then become a reserve for reversion.

SENATOR MATHEWS:

Is the professional staff at UCCSN eligible for longevity pay? Is merit pay the only way they can get a pay increase?

MR. BURKE:

No, they are not eligible for longevity pay. Merit pay for the professionals is similar to a step increase in the classified system in that a 2.5-percent merit pool is budgeted for professional positions at or below the level of assistant dean.

CHAIR RAGGIO:

The Assembly did not provide the 2.5-percent merit increase to any professional whose salary was over the maximum amount.

SENATOR MATHEWS:

I disagree with that concept. It is wrong to exclude meritorious service merely because a person has reached the top of their salary scale.

SENATOR BEERS:

You have included the merit pay issue as an adjusted Base Budget item. Is this because you are reducing the budget by last biennium's merit pay?

MR. BURKE:

The merit pay is not a reduction, it is an addition. The formula we employ is to take the professional salary for each campus, add 2.5 percent, exclude positions

that are at, or beyond, the assistant dean level then consider the Governor's recommendation for the partial exclusion for merit pay beyond the maximum level. That is all part of a Base Budget adjustment.

CHAIR RAGGIO:

The UCCSN merit pay has been included in the Base Budget computation for at least the last 15 years; however, there has been a differential in the percentage over the years.

SENATOR BEERS:

Has the reduction for those at the maximum salary level always been in the Base Budget?

MR. BURKE:

The full exclusion, passed by the Assembly, was not an adjustment that was in the Governor's Base Budget.

CHAIR RAGGIO:

Those professionals above that maximum salary level receive merit pay increases out of this budget item but do so from other sources of funding.

MR. BURKE:

That is correct. The UCCSN would have to generate salary savings to be able to pay merit increases that are not budgeted. I will continue my review of the Adjusted Base Budget items on page 3 of [Exhibit C](#) which includes the Nevada National Guard fee waivers and athletic fee waivers.

CHAIR RAGGIO:

Did the Subcommittee include the Nevada State College when approving the permanent waiver of UCCSN registration and other fees for members of the Nevada National Guard?

MR. BURKE:

That is correct. Because the Nevada State College had been previously excluded, the Subcommittee added \$9,300 in fiscal year (FY) 2006 and \$9,500 in FY 2007.

SENATOR BEERS:

The Subcommittee approved continuation of the athletic fee subsidies at the University of Nevada, Reno (UNR) and the University of Nevada, Las Vegas (UNLV), freezing them at FY 2006 levels for both years of the biennium and shifting General Fund appropriations from the main campus accounts to the intercollegiate athletics accounts. Will this mean the athletes on waivers will still create tuition revenue when they sign up for classes?

MR. BURKE:

Yes, the way we processed that change is to increase revenues in the main account and reduce the corresponding General Funds in that account. I will next review the university police officers' salaries on page 4 of [Exhibit C](#) which deals with applying the two-grade increase proposed for other law enforcement officers to the university police.

SENATOR BEERS:

Did the Budget Division report that UCCSN does not have difficulty recruiting or retaining employees for these positions? Is this the reason they did not include the two-grade pay increase?

MR. BURKE:

Yes, according to the Budget Division, the university police officer series were excluded from the list because resources were focused on other law enforcement positions. This information can be found in more detail in my memorandum to the Assembly Committee on Ways and Means and Senate Committee on Finance dated May 11, 2005, ([Exhibit D](#), original is on file at the [Research Library](#)). According to that memorandum, the UCCSN is concerned about losing university police officers to other law enforcement agencies.

SENATOR COFFIN:

It is not so much the migration of these officers to other agencies as it is the higher risk the university officers have assumed. Campuses are more dangerous, and mutual aid agreements with other jurisdictions have made the risk greater for university police.

SENATOR COFFIN MOVED TO ADD ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$360,263 IN FY 2005-2006 AND \$376,056 IN FY 2006-2007 TO GRANT THE TWO-GRADE INCREASE FOR THE UNIVERSITY POLICE OFFICER SERIES.

SENATOR MATTHEWS SECONDED THE MOTION.

SENATOR BEERS:

I request the proponents of this motion to explain the justification for it since the Budget Division holds that there are no recruitment or retention problems.

SENATOR COFFIN:

I do not agree with the Budget Division's assessment. We need to compensate these officers for the increased risks they are asked to take. If these officers' salaries do not keep pace with other law enforcement agencies, there will be increased migration of university police officers to other law enforcement agencies.

SENATOR TITUS:

We need to be sure the campus police do not exceed their jurisdiction more often than is required.

CHAIR RAGGIO:

I think the university police positions were overlooked in the preparation of the budget. The university police officer attrition rate is high, and I am still mindful of the horrible death of Sergeant George Sullivan at UNR. These officers are as much at risk as other police officers. I support the motion.

THE MOTION CARRIED UNANIMOUSLY.

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MR. BURKE:

I will continue covering Adjusted Base Budget items on pages 5 through 7 of [Exhibit C](#). The Subcommittee chose to apply the Governor's recommendation for the enrollment and formula-funding at 84.09 percent but revised the UCCSN student fee and tuition revenue re-projections. The Subcommittee approved modifications of the Governor's budget to shift funding for remedial course full-time enrollments from the universities to the community colleges and adjusted the funding in the budget for the operation and maintenance of new space.

CHAIR RAGGIO:

The Subcommittee agreed to make the UCCSN remedial courses self-supporting and limited adjustments to FY 2007. This limitation was because an earlier implementation date would not be equitable; the principle being that the money should follow the students.

SENATOR BEERS:

How do you derive the formulas for the operation and maintenance of new space as mentioned on page 7 of [Exhibit C](#)?

MR. BURKE:

We start with the current services and then do the formula amounts. The enhancements are beyond the formula. These new space amounts are formula driven.

SENATOR BEERS:

Is this a maintenance unit that is in the formula?

MR. BURKE:

It is a formula-driven maintenance component.

CHAIR RAGGIO:

As new space is acquired, the operations and maintenance costs will increase.

SENATOR BEERS:

When we get to the end of this UCCSN budget, do we then divide by the drivers of the formula to come up with the percentage we are funding after all of our enhancements?.

MR. BURKE:

When a dollar amount is decided upon by the Committee, it drives the formula percentage that is provided to the UCCSN.

SENATOR BEERS:

Are you saying the final step of this process is to back into a formula percentage that we fund during the Legislative Session?

MR. BURKE:

It could be characterized that way. I will continue reviewing the budget items with UNLV Academic Leases on page 7 of [Exhibit C](#) which funds leases for the UNLV Arts Department and UNLV fine arts instruction and studio. I will also review the UNLV dental school enrollments found on page 7 of [Exhibit C](#) in which the Senate and assembly members of the Subcommittee differed on their recommendation for enrollment funding.

SENATOR COFFIN:

With regard to UNLV dental school enrollments, did the Assembly Committee on Ways and Means feel that second- and third-year costs were over budgeted? Are they taking money from those years to fund the fourth year?

MR. BURKE:

The initial action on the Assembly side of the Subcommittee was to fully remove the funding for those enrollments. I do not know what came about to change that action into its current form.

SENATOR BEERS:

Did the Subcommittee decide not to fund the fourth year, and later the full Assembly Committee on Ways and Means decided to fund a fourth year, at the same funding level as the second and third years?

MR. BURKE:

That is correct. I will resume my budget closing review with School of Law enrollments found on page 8 of [Exhibit C](#) which describes the Subcommittee's recommendation to accommodate unfunded enrollment growth. I will also discuss the recommended changes to the *Executive Budget* for fringe benefit adjustments which is also found on page 8 of [Exhibit C](#).

The Subcommittee approved funding for the classified position 2-percent cost-of-living-increase-adjustment (COLA) as detailed on page 9 of [Exhibit C](#). There is a difference in the amount recommended for the professional salary adjustment, also described on page 9 of [Exhibit C](#). The Subcommittee approved the Governor's recommendation on incremental formula Increases and medical school residencies, as explained on page 10 of [Exhibit C](#). The Subcommittee did not approve the Governor's recommendation to remove Desert Research Institute (DRI) cloud-seeding funding described on page 11 of [Exhibit C](#).

CHAIR RAGGIO:

It was finally decided to put the DRI cloud-seeding program in the budget rather than having it considered each year by the Interim Finance Committee (IFC).

MR. BURKE:

I will resume reviewing items on pages 11 through 13 of [Exhibit C](#) which include National Direct Student Loan and the Ruvo Center for Alzheimer's disease which the Subcommittee approved with the Governor's recommendation. However, the Subcommittee split on its decision to retain 100-percent of indirect-cost Recoveries

CHAIR RAGGIO:

With regard to the 100 percent of indirect-cost recoveries budget item, over the years we have gradually moved to allow the UCCSN to retain all their indirect-cost recovery. The issue before us today is that even though the commitment is for 100 percent of cost recovery, the dollars reflected did not amount to 100 percent.

MR. BURKE:

The Assembly Subcommittee did not approve the Governor's recommendation to allow UCCSN the 100-percent cost recovery retention. I will resume reviewing the budget closing list on page 13 of [Exhibit C](#) with the two-grade increase for dispatchers at UNLV and the Subcommittee recommendation to

transfer and redistribute certain costs to other accounts. On page 13 of [Exhibit C](#) I will discuss the Subcommittee recommendation for student revenue fees which includes a recommended Letter of Intent to the Board of regents regarding fee allocations.

CHAIR RAGGIO:

With regard to the student fees and revenue issues, I must warn that the percentage of student fees that were allocated for supporting the state budget has decreased. We cannot continue to use the student fees for items other than support of the budget.

MR. BURKE:

I will continue reviewing the budget closing items with the Subcommittee's clarification of the General Fund appropriation for the Research Grant Balance Forwards item on page 15 of [Exhibit C](#). On page 15, is a description of Subcommittee recommendations to modify Law School fees and UCCSN nonresident tuition. On page 16 of [Exhibit C](#), is an explanation of the Estate Tax and the Subcommittee decision to take no action relative to the unobligated estate tax balance of \$29 million. I will discuss the Subcommittee action on UCCSN Appeals described on pages 16 and 17 of [Exhibit C](#). The UCCSN requested unfunded items for special consideration totaling \$130,450,000. These items are listed on page 38 of [Exhibit C](#). The Subcommittee took no action on the items on the unfunded list. Subsequent to the Subcommittee closing, the Assembly Committee on Ways and Means added General Fund appropriations of \$9.26 million for the 2005-2007 biennium to bring the Community College of Southern Nevada (CCSN) instructional faculty salaries to the weighted average of the other Nevada community colleges.

CHAIR RAGGIO:

I recall that certain items on that list were singled out by the Subcommittee for high priority, like the statewide nursing initiative, enrollment increases and enhancements for the School of Medicine. Are there any others?

MR. BURKE:

They also mentioned the technology items as having high priority.

CHAIR RAGGIO:

The Assembly Committee on Ways and Means proposed to use unobligated estate taxes to fund capital improvement projects. Is that issue still unresolved?

MR. BURKE:

The Subcommittee took no action to move any of the unobligated estate tax revenues into the operating budgets.

CHAIR RAGGIO:

Would they be available for those purposes?

MR. BURKE:

There is \$29 million available.

CHAIR RAGGIO:

After the Subcommittee adjourned, the Assembly Committee on Ways and Means added a \$9,260,000 appropriation to bring the Community College of Southern Nevada (CCSN) instructional faculty salaries up to the weighted

average of other Nevada community colleges. The reason for that change is not because they are outside the formula; rather, because they had higher than anticipated enrollments and had to hire instructors quickly at lower than average salaries.

MR. BURKE:

It appears the salary differences were caused by a situation that occurred in the late 1990s when CCSN outpaced their budget and enrollment. Consequently, they had to bring on more part-time and full-time faculty members at lower average salaries.

CHAIR RAGGIO:

Is this to be a single leap to allow them to catch up, rather than phasing it in over time, as we did for the universities?

MR. BURKE:

If you are referring to the formula, there is a formula component for UNLV specifically. It is a salary-equity pool over a six-year period. The recommendation by the Assembly is for a phase in over a two-year period.

CHAIR RAGGIO:

If an institution continues to hire people at lower salaries, will that not continue this problem?

MR. BURKE:

Yes, that is possible.

SENATOR BEERS:

This move would increase the average salary system wide. In the next biennium, we would have to increase all the salaries to catch up with the new average.

MR. BURKE:

I computed this by calculating the weighted average of salaries on the three campuses other than CCSN, and then bringing CCSN to that existing weighted average.

SENATOR BEERS:

Will that not increase the weighted average for the other institutions?

MR. BURKE:

It should bring them just to that weighted average. I excluded CCSN from the weighted calculation when I established the non-CCSN weighted average. If CCSN is funded at that average amount, it should not inflate the average.

SENATOR BEERS:

If you now calculate the weighted average after this bill is processed, for say Truckee Meadows Community College (TMCC), you are going to calculate it with CCSN, and that weighted average will increase based on CCSN's average increasing.

MR. BURKE:

I will provide you with my spreadsheets.

CHAIR RAGGIO:

We will not act on this item until you have explained it to Senator Beers' satisfaction.

SENATOR TITUS:

Does this weighted average compare CCSN salaries to all the other community colleges in the system, not including the universities?

MR. BURKE:

We are just referring to community colleges.

CHAIR RAGGIO:

The Governor has recommended retention of partial limits on the professional merit-pay formula, except for those whose salaries are at, or above, the maximum. What is the maximum?

MR. BURKE:

It depends on the position.

SENATOR TITUS:

I was hired at UNLV, in 1977, at a salary of \$13,500. Any of us hired in those early years would now have reached the maximum because it is the range in which you were hired that determines that maximum. Is that correct?

JAMES T. RICHARDSON, PH.D. (Nevada Faculty Alliance):

At the two universities we establish ranges by discipline or groups of disciplines. A senior-level faculty member might be hired at the top, or close to the top, of that range. The Assembly action would mean that if we hired a senior-level person now, they would never receive a merit-pay increase regardless of how well they performed. That would negatively affect our ability to hire and retain faculty.

CHAIR RAGGIO:

Is it the Governor's position that we fund merit pay up to the maximum salary but not beyond that level?

DR. RICHARDSON:

As originally implemented by the Legislature, when professional employees reach the top of their salary range, the amount of their salary within the range would be counted as part of the merit pool. However, the part that was above that level would not be counted as part of the merit pool. The legislation did not say that these high-earning people could not get merit raises. This is what the Governor now recommends and we support it

SENATOR COFFIN MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION ON MERIT PAY FOR UCCSN PROFESSIONALS.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

On the issue of the indirect-cost recovery, the Chair's recommendation is that we allow the full-indirect-cost recovery at the dollar limit recommended by the Governor.

SENATOR BEERS:

I would like an explanation of this issue.

CHAIR RAGGIO:

At one time, all indirect-cost recovery money, derived from the percentage of grant money the state receives for administering grants, went into the General Fund. The Legislature gradually granted UCCSN authorization to retain 100 percent of the indirect-cost recovery. The UCCSN believes this money is necessary to attract other grants. The issue before this Committee is whether or not to allow them to retain that 100-percent recovery.

SENATOR COFFIN:

We should allow UCCSN to retain 100 percent of indirect-cost recovery as an incentive for the universities to seek grants and continue their research activities as they see fit.

CHAIR RAGGIO:

Such action would not add the additional \$2.2 million that would have otherwise been computed.

SENATOR COFFIN MOVED TO ALLOW UCCSN TO RETAIN THE INDIRECT-COST SAVINGS AT THE LIMITS RECOMMENDED BY THE GOVERNOR, AND NOT APPROVE THE ADDITIONAL \$2.2 MILLION REQUESTED BY UCCSN, AND ISSUE A LETTER OF INTENT TO THAT EFFECT.

SENATOR MATHEWS SECONDED THE MOTION.

SENATOR MATHEWS:

Are we following the Governor's recommendation of allowing UCCSN 100 percent of indirect-cost recovery?

CHAIR RAGGIO:

The motion is to follow the Governor's recommendation to allow UCCSN 100 percent of cost recoveries. However, when computing this within the budget, UCCSN pointed out that it is \$2.2 million short of their needs. While we not approving that additional money, we are approving the policy of 100 percent of indirect-cost recoveries. In the future, they will be able to build a 100-percent indirect-cost recovery into their budget.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The next budget closing item we will address is the dental school enrollments on page 7 of [Exhibit C](#). The two issues in question are whether to fund the fourth year enrollment and at what amount. Our options, with regard to the amount, is either the enhanced amount or to fund enrollments at the same level as second- and third-year enrollments.

SENATOR COFFIN:

If we do not fully fund this, it would change the faculty-to-student ratio. It could diminish the quality of the dental practitioner at a time they are about to begin practicing in public.

SENATOR MATHEWS:

We must be careful not to reduce the faculty-to-student ratio in the fourth year of dental school because the school's accreditation might suffer.

SENATOR CEGAVSKE:

What was the Subcommittee's rationale for this funding plan?

MR. BURKE:

The Assembly Committee on Ways and Means made a motion to fund the fourth year at the average cost of the second and third years. I am unable to explain why they did this.

SENATOR CEGAVSKE:

If we decreased the General Fund savings of \$1,020,000, what affect would that have on the students?

DANIEL J. KLAICH (Vice Chancellor of Legal Affairs, System Administration Office, University and Community College System of Nevada):

We provided the Legislature with an educational plan necessary to support the final class of the dental school. We were surprised that the fourth year of dental school was changed by the Assembly and do not believe this will allow for proper education of fourth-year dental students.

SENATOR CEGAVSKE:

What specifically will this funding cut do that will not allow for the proper education of these students? What would the faculty-to-student ratio be if these funds were cut?

MR. KLAICH:

The reduction will be \$1,020,000 in each year of the biennium. It will impair their ability to get through the dental school. I do not know what the faculty-to-student ratio would be if the proposed funding cut occurred.

CHAIR RAGGIO:

We need to know the required faculty-to-student ratio to maintain accreditation of the dental school.

MR. KLAICH:

At the request of this Legislature, we have provided a detailed plan for training dentists in Nevada. Your questions now seem to be asking us to plan a mediocre fourth year of dental school. The fourth year is primarily clinical study and is different and more expensive than the earlier classroom years.

CHAIR RAGGIO:

If the plan you have already submitted is followed, would that ensure accreditation?

MR. KLAICH:

Yes, it would.

SENATOR COFFIN MOVED TO APPROVE THE UNLV DENTAL SCHOOL ENROLLMENT FUNDING AS RECOMMENDED BY THE GOVERNOR FOR THE FOURTH YEAR OF ENROLLMENT.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED (SENATOR BEERS VOTED NO.)

CHAIR RAGGIO:

The next budget closing issue we will discuss is the Professional 2-Percent COLA as described on page 9 of [Exhibit C](#). The Assembly Committee on Ways and Means funded it at 80 percent, but allowed the UCCSN to access the Board of Examiners account for the remaining 20 percent. Historically, 100 percent has not been necessary and so the Chair suggests we fund it at an amount less than 100 percent.

MR. BURKE:

The Assembly Committee on Ways and Means did not add any funding. Rather, they moved the 80-percent funding out of the UCCSN account into the Board of Examiners account with the stipulation that the UCCSN could access up to 100-percent funding for justified need. Historically, they have not needed 100-percent funding to cover 100 percent of the costs.

SENATOR CEGAVSKE:

Why not just fund it at the recommended 80 percent?

CHAIR RAGGIO:

I am concerned that they may need more than 80 percent, and they will have no ability to get more funding.

SENATOR COFFIN MOVED TO FUND THE PROFESSIONAL TWO-PERCENT COLA AT 95 PERCENT, TO ADD \$3 MILLION TO BRING THE COLA LEVEL TO 95 PERCENT, AND TO ALLOW THE BOARD OF REGENTS TO RETAIN CONTROL OF THE FUNDS.

SENATOR RHOADS SECONDED THE MOTION.

SENATOR CEGAVSKE:

What difference would it make if the Board of Examiners controlled the funds rather than the Board of Regents?

MR. BURKE:

If the funding control were moved to the Board of Examiners for the UCCSN professionals, they would then have to come to the Board of Examiners to justify salaries the same as other agencies must.

CHAIR RAGGIO:

The Board of Regents is a constitutionally-elected body, and it is an unnecessary departure from tradition to have these funds managed by another entity.

SENATOR CEGAVSKE:

Must we depend on the Board of Regents to provide our checks and balances?

CHAIR RAGGIO:

As a practical matter, they are going to fund the COLA to the extent authorized and necessary.

THE MOTION CARRIED (SENATOR BEERS VOTED NO.)

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CHAIR RAGGIO:

When looking at the unfunded items, on page 38 of [Exhibit C](#), we have not restored the \$23,560,000 that was in the Governor's budget for enrollments that were not substantiated by the enrollment count. The Chair recommends we do not go beyond the Governor's budget on these items. Please explain to this Committee the unfunded items regarding the enrollment increases and enhancements initiative for the School of Medicine.

MR. KLAICH:

There were two requests brought by the School of Medicine. One was to increase enrollments and the other was to bolster some of the administrative and research facilities at the university. I will provide you with details of that information.

SENATOR COFFIN:

Do we want to get into picking and choosing the priorities of these projects or should we just give the UCCSN the appropriation and let the Board of Regents determine how to spend it?

CHAIR RAGGIO:

That might be a solution. What does the Board of Regents feel are the most necessary and important items on this list?

MR. KLAICH:

Our highest priority is to fund the formula which we believe equitably distributes funds throughout the system according to their growth and programs. We understand enrollments did not increase at levels projected and budgeted by the Governor. We ask that you apply the same rationale as you did during the last session. We consider it most important that you restore the formula funding level to 86 percent.

CHAIR RAGGIO:

If we agreed to do part of that, what would be your next highest priority?

MR. KLAICH:

The next highest priority would be our statewide nursing initiatives in the amount of \$4.5 million. We also would like an ongoing budget for system growth in technology in the amount of \$2.3 million. The next priority would be the enrollment increases in the school of medicine, and shoring up the clinical and research facilities in the amount of \$4.3 million.

CHAIR RAGGIO:

What amount of dollars, available in the Governor's budget, would it take to increase the formula funding by one percent?

MR. KLAICH:

We estimate a one-percent increase in the formula would cost about \$10 million over the biennium.

SENATOR CEGAVSKE:

Of everything we have closed today, are we outside the Governor's recommendation? If so, those items should be deducted from the \$23,560,000. I do not think we need to spend the full \$23,560,000. My highest priority on the unfunded items list is the statewide nursing initiatives. I will not support the health-related initiatives on the list.

SENATOR COFFIN:

I do not trust myself to make the decision on the total funding. It seems the Board of Regents would know best, and if they have not taken care of a program, at the end of a session we could add more unfunded items. I believe we should give them an amount of money and let them decide.

SENATOR TITUS:

I do not understand what was meant, in earlier discussion, about the COLA being higher than the Governor's recommendation.

MR. BURKE:

I believe you are referring to the motion to add \$3 million beyond what was recommended by the Governor to get the COLA level to 95 percent for the professional positions. The cost of other items, already voted on today, is \$736,000 for the police salaries. The DRI cloud seeding appropriation request is \$1 million; however, it might net to zero due to a possible offset on the IFC contingency fund.

SENATOR TITUS:

I support the Chair's proposal to increase the formula by one percent. This would cost \$10 million and would leave approximately \$10 million to cover their other priorities such as nursing initiatives, the medical school and technology.

CHAIR RAGGIO:

I think we should not just give the UCCSN money to fund their priorities without some way of assuring they will provide them.

MR. KLAICH:

If the Committee wishes to stay within the Governor's recommendation of \$23 million, I suggest they stay with the \$3 million used to get the COLA to 95 percent, add the 1-percent increase to the formula, fund the nursing initiatives and technology and cut the request for the School of Medicine in half but allow it to allocate between the initiatives and enrollment growth. This suggestion would almost equal the Governor's recommendation in dollars.

CHAIR RAGGIO:

What amount would be required for those initiatives?

MR. KLAICH:

Both are funded at \$4.3 million, with latitude being given to the School of Medicine, to spend dollars between those two initiatives as determined appropriate.

SENATOR TITUS MOVED TO APPROVE FUNDING FOR THREE UCCSN SPECIAL CONSIDERATION ITEMS, THE NURSING CAPACITY INITIATIVES AT \$4 MILLION, THE SCHOOL OF MEDICINE AT \$4.3 MILLION, TECHNOLOGY AT \$2.2 MILLION, AND TO ADD \$10 MILLION TO THE ENROLLMENTS AND FORMULA FUNDING.

SENATOR RHOADS SECONDED THE MOTION.

SENATOR MATHEWS:

By how much would the proposed \$10 million increase the formula?

MR. BURKE:

It would bring it to nearly 85 percent on the maintenance side.

MR. KLAICH:

We calculated the \$23 million figure would change the funding of the formula to approximately 85.5 percent in the first year of the biennium and 86.1 percent in the second year. Doing a rough calculation of approximately 40 percent of that, it would have the affect of increasing the formula to just under the 85-percent level.

CHAIR RAGGIO:

In this motion we are leaving the computation on the enrollment at the correct amount.

THE MOTION CARRIED. (SENATORS BEERS AND CEGAVSKE VOTED NO.)

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CHAIR RAGGIO:

We will now hear the budget closings from the Joint subcommittee on General Government on the Judicial Branch budget.

RICK COMBS (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Please refer to my handout titled Senate Committee on Finance, Joint Subcommittee on General Government Closing Report, Judicial Branch ([Exhibit E](#), original is on file at the Research Library). This is an overview of actions recommended by the Subcommittee for the Judicial Branch budget accounts.

SENATOR RHOADS MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT FOR THE SUPREME COURT BUDGET AS FOUND ON PAGE 2 OF [EXHIBIT E](#); NOT TO INCLUDE THE UNCLASSIFIED PAY ISSUES; AND TO INCLUDE THE ONE-SHOT APPROPRIATION OF \$194,204 FOR MOVING AND FURNISHING EXPENDITURES FOR THE REGIONAL JUSTICE CENTER.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

MR. COMBS:

The Administrative Office of the Courts budget on page 3 of [Exhibit E](#) describes the Subcommittees' recommendation to decrease professional services expenditures in each fiscal year of the biennium. The Subcommittee also recommended denying the transfer of an auditor position.

SENATOR BEERS MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT FOR THE ADMINISTRATIVE OFFICE OF THE COURTS BUDGET AS FOUND ON PAGE 3 OF [EXHIBIT E](#).

SENATOR COFFIN SECONDED THE MOTION.
THE MOTION CARRIED UNANIMOUSLY.

MR. COMBS:

I will continue describing these budget closing items with the Subcommittee's decision to approve one rural courts coordinator position in the Planning and Analysis budget on page 4 of [Exhibit E](#).

SENATOR RHOADS MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT FOR THE DIVISION OF PLANNING AND ANALYSIS BUDGET AS FOUND ON PAGE 4 OF [EXHIBIT E](#).

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

MR. COMBS:

Next, I will review the Subcommittee's action to add one database management specialist position in the Uniform System of Judicial Record budget account on page 4 of [Exhibit E](#).

SENATOR COFFIN MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT FOR THE UNIFORM SYSTEM OF JUDICIAL RECORDS' BUDGET AS FOUND ON PAGE 4 OF [EXHIBIT E](#).

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

MR. COMBS:

The Subcommittee recommended to increase the administrative revenue projection by \$152,990 in each fiscal year of the biennium as noted on page 5 of [Exhibit E](#).

CHAIR RAGGIO:

Can the projected revenue of \$152,990 be reached with the proposed assessment fee of \$7 dollars?

MR. COMBS:

It is projected that about 90 percent of those assessments would include the \$7 fee.

CHAIR RAGGIO:

How high can the assessment be on a \$100 fine?

MR. COMBS:

We received testimony before the Subcommittee that the assessment could get as high as \$1,000 on a large misdemeanor fine.

SENATOR COFFIN MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT FOR THE SPECIALTY COURTS' BUDGET AS FOUND ON PAGE 5 OF [EXHIBIT E](#).

SENATOR RHOADS SECONDED THE MOTION.

CHAIR RAGGIO:

Is there other funding for the Specialty Courts?

MR. COMBS:

There is funding in the budget of the Department of Human Resources, Mental Health Division for mental health courts.

THE MOTION CARRIED UNANIMOUSLY.

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MR. COMBS:

I will continue describing the Subcommittee's decision to appropriate funding for the Senior Justice and Senior Judge Program in the Retired Justice Duty Fund on page 5 of [Exhibit E](#).

SENATOR CEGAVSKE MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT FOR THE DISTRICT JUDGE SURVIVING SPOUSE PENSION ACCOUNT, THE JUDICIAL EDUCATION ACCOUNT, THE DISTRICT JUDGE'S SALARY ACCOUNT, THE JUDICIAL TRAVEL ACCOUNT AND SUPPORT ACCOUNT, THE JUDICIAL SELECTION ACCOUNT AND THE LAW LIBRARY ACCOUNT BUDGETS AS FOUND ON PAGES 5 AND 6 OF [EXHIBIT E](#).

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

MR. GHIGGERI:

This Committee approved Senate Bill (S.B.) 485; however, after looking at the amendment suggested by Public Employees' Retirement System, we came up with a slightly amended version of the bill that was approved by the Committee. Amendment No. 774 will maintain the intent of the Committee while removing the fiscal impact to the Legislature.

SENATE BILL 485: Temporarily extends prospective expiration of provisions governing allowances paid by Public Employees' Retirement System to certain re-employed retired public employees and continues experience study. (BDR S-1107)

DANA BILYEU (Public Employees' Retirement System):

The proposed amendment is to extend the study period of critical labor shortage from the year 2005 to 2008. The provision to pay these reemployed, retired public employees would sunset during the 2009 Legislative Session, unless there is legislation to extend it. This will give us an opportunity to study the cost and remove the current fiscal note.

CHAIR RAGGIO:

I think the need is still apparent with regard to the reemployed teachers.

SENATOR CEGAVSKE MOVED TO AMEND AND DO PASS AS AMENDED S.B. 485 WITH AMENDMENT NO. 774.

SENATOR RHOADS SECONDED THE MOTION.

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

MR. GHIGGERI:

The Committee also passed S.B. 242. When that legislation was approved, there was an estimated fiscal impact of approximately \$11,000 for the Department of Motor Vehicles (DMV) to implement programming changes related to this measure and the appropriation in fiscal year 2007. The DMV does not need this funding in the year 2006 so we recommend Amendment No. 778 to provide ongoing costs of \$55,308 beginning in FY 2007.

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

SENATOR MATHEWS MOVED TO MOVED TO AMEND AND DO PASS AS AMENDED S.B. 242 (1st REPRINT) WITH AMENDMENT NO. 778.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

This Committee will be in recess at 10:37 a.m. and reconvene later today.

It is 5:07 p.m. and the Committee will come back to order. We will discuss S.B. 156. Senator John J. Lee, the bill's sponsor, and I met with the proponents of this legislation and they, recognizing the fiscal needs, have agreed that in lieu of the bill as it is currently written, we send a strong message to the Board of Regents encouraging them to establish the program described in the measure and report back to the Legislature next session on the status of such a program. Senator Lee has agreed to Amendment No. 779 and the Chair recommends that this committee adopt that amendment.

SENATE BILL 156: Encourages establishment of program of agronomy, horticulture, landscape ecology, and design and plant sciences within College of Agriculture of University of Nevada, Reno. (BDR S-823)

SENATOR MATHEWS:

The CCSN already has such a program.

CHAIR RAGGIO:

If the bill were passed without this amendment, it would require funding of \$1.2 million.

SENATOR COFFIN MOVED TO AMEND AND DO PASS AS AMENDED S.B. 156 WITH AMENDMENT NO. 779.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

MR. COMBS:

Please refer to my handout titled Senate Committee on Finance, Joint Subcommittee on K-12/Human Resources, Closing Report, Department of Human Resources Report ([Exhibit F](#), original is on file at the Research Library).

SENATOR COFFIN:

Was the Subcommittee satisfied that the Department of Human Resources could provide the money necessary for the clerical position in the Suicide Awareness and Prevention Program?

MR. COMBS:

The Department was asked to absorb the workload with their existing clerical staff. This is a new program which adds two professional positions. They did not ask for a clerical position; rather, for permission to contract out that service. After reviewing the Department's ratio of support staff to professional staff, the Subcommittee felt the Department could process the additional workload created by these two positions. The Subcommittee recommended this additional

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workload be tracked by the Department to support the possibility of requesting a state position next session.

SENATOR COFFIN:
Where will these people be located?

MR. COMBS:
They will be located in the Kinkead Building.

SENATOR COFFIN:
How will they run this statewide program from the Kinkead Building? Why are they not located in the main population center of the state?

MICHAEL J. WILLDEN (Director, Department of Human Resources):
While the statewide coordinator will be located in the northern part of the state, the statewide training position will be in Las Vegas.

SENATOR BEERS:
Did we fund these new positions out of the General Fund?

MR. COMBS:
The Subcommittee tried to find a way to cost allocate the public Information officer position; however, that could not be done, and the Department decided they would include it in their statewide cost allocation.

CHAIR RAGGIO:
There was little that could be allocated to federal programs.

MR. COMBS:
There was nothing they could directly allocate. They would have to do it through the statewide cost allocation.

CHAIR RAGGIO:
That is General Fund money.

MR. COMBS:
Originally, but is reimbursed in later years.

SENATOR MATHEWS MOVED TO CONCUR WITH THE
RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON HUMAN
RESOURCES/K-12 FOR THE DEPARTMENT OF HUMAN RESOURCES
ADMINISTRATION BUDGET AS FOUND ON PAGE 1 OF [EXHIBIT F](#).

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR BEERS VOTED NO.)

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MR. COMBS:
I will resume describing the Subcommittee's recommendation for the appropriation to match the federal Developmental Disability Grant in the Department of Human Resources Developmental Disabilities account described on page 1 in [Exhibit E](#).

SENATOR CEGAVSKE MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON HUMAN RESOURCES/K-12 FOR THE DEVELOPMENTAL DISABILITIES BUDGET AS FOUND ON PAGE 1 OF [EXHIBIT F](#).

SENATOR COFFIN SECONDED THE MOTION.

SENATOR BEERS:

This is a 51-percent increase in the General Fund appropriation and I will be opposing it.

THE MOTION CARRIED. (SENATOR BEERS VOTED NO.)

MR. COMBS:

Next, I will review recommendations by the Subcommittee to increase funding in a variety of programs relating to persons with disabilities as described under the heading of Community Based Services on page 2 of [Exhibit F](#).

SENATOR BEERS:

This is a 65-percent increase in the General Fund appropriation.

SENATOR TITUS:

This is an increase in funding that is greatly needed.

SENATOR TITUS MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON HUMAN RESOURCES/K-12 FOR COMMUNITY-BASED SERVICES AS FOUND ON PAGE 2 OF [EXHIBIT F](#).

SENATOR CEGAVSKE SECONDED THE MOTION.

CHAIR RAGGIO:

The Subcommittee recommends a number of reductions in funding to the Department of Human Resources' budget but wanted to be sure to fund the waiting list, brain trauma, rehabilitation and independent living services. I endorse the recommendation of the Subcommittee.

SENATOR TITUS:

This funding also helps move us toward the Olmstead U.S. Supreme Court decision which requires us to move people out of institutions and into the community.

THE MOTION CARRIED. (SENATOR BEERS VOTED NO.)

MR. COMBS:

I will continue reviewing the budget closing items with the Healthy Nevada Fund on page 3 of [Exhibit F](#) which details several recommendations the Subcommittee made for this item, including the approval of one new position and changes in the amount of appropriation for the Senior Prescription Program.

SENATOR COFFIN:

What did the Subcommittee use as a rationale for the large reduction in the forecast for prescription drug expenditures?

MR. COMBS:

The Department of Human Resources first indicated they had cost-significant savings in the program by shifting from a fully-insured program to a self-insured program. During FY 2005, it became evident that the Department was correct and the costs were reduced. The adjustments made in the budget were based on a per-member, per-month cost.

SENATOR MATHEWS MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON HUMAN RESOURCES/K-12 FOR THE HEALTHY NEVADA FUND AS FOUND ON PAGES 3 THROUGH 6 IN [EXHIBIT F](#).

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. COMBS:

The budget closing items for the Human Resources Grants Management Unit can be found on page 6 of [Exhibit F](#). The Subcommittee recommends various changes in the level of General Fund contribution for grants and an appropriation for a statewide problem gambling program.

CHAIR RAGGIO:

We will discuss [S.B. 357](#). If this bill is passed, the recommendation of the Subcommittee would be to authorize the staff to make adjustments for the administrative costs only.

[SENATE BILL 357](#): Creates Advisory Committee on Problem Gambling and authorizes grants of money for programs for prevention and treatment of problem gambling. (BDR 40-1157)

SENATOR CEGAVSKE MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON HUMAN RESOURCES/K-12 FOR THE HUMAN RESOURCES GRANTS MANAGEMENT UNIT AS FOUND ON PAGE 6 OF [EXHIBIT F](#).

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. COMBS:

I will continue discussing the budget closings with the Public Defender item on page 7 of [Exhibit F](#). The Subcommittee recommended counties share more of the cost of services they receive from the Public Defender.

SENATOR MATHEWS MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON HUMAN RESOURCES/K-12 FOR THE HUMAN RESOURCES PUBLIC DEFENDER BUDGET FOUND ON PAGE 7 OF [EXHIBIT F](#).

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

MR. COMBS:

Page 8 of [Exhibit F](#) describes the Subcommittee's recommendation for funding the Blue Cross/Blue Shield Settlement Account, the Children's Trust Account, and the Indian Affairs Commission

SENATOR CEGAVSKE MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON HUMAN RESOURCES/K-12 ON THE BLUE CROSS/BLUE SHIELD SETTLEMENT ACCOUNT, THE CHILDREN'S TRUST ACCOUNT AND THE INDIAN AFFAIRS COMMISSION DESCRIBED UNDER THE HEADING OF OTHER DEPARTMENT OF HUMAN RESOURCES ACCOUNTS FOUND ON PAGE 8 OF [EXHIBIT F](#).

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR BEERS ABSTAINED.)

CHAIR RAGGIO:

Is the overall decrease in General Fund support for the Department of Human Resources budgets still \$1,412,275 in FY 2005-2006 and \$1,447,878 in FY 2006-2007?

MR. COMBS:

That is correct, and the majority of that comes from the Healthy Nevada Fund.

JANET JOHNSON (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Please refer to my handout titled Senate Committee on Finance, Joint Subcommittee on K-12/Human Resources Closing Report, Department of Human Resources, Division of Aging Services ([Exhibit G](#), original is on file at the [Research Library](#)). The Subcommittee recommended increases in Tobacco settlement funds to the Aging Services Grants

SENATOR CEGAVSKE MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON HUMAN RESOURCES/K-12 FOR THE AGING SERVICES GRANTS BUDGET FOUND ON PAGE 1 OF [EXHIBIT G](#).

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. JOHNSON:

I will resume describing the Division of Aging Services budget closing items with the Aging Older Americans Act on page 2 of [Exhibit G](#). The Subcommittee recommends adjusting the funding amount of the Senior Ride program and continuing the "hold harmless" provision for funding rural senior centers.

SENATOR MATHEWS MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON HUMAN RESOURCES/K-12 FOR THE AGING OLDER AMERICANS ACT BUDGET AS FOUND ON PAGE 2 OF [EXHIBIT G](#).

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. JOHNSON:

I will describe the Subcommittee's recommendation to appropriate funds to add four new positions to the Elderly Protective Services (EPS)/Homemaker programs shown on page 2 of [Exhibit G](#).

SENATOR CEGAVSKE MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON HUMAN RESOURCES/K-12 FOR THE EPS/HOMEMAKER PROGRAMS BUDGET AS FOUND ON PAGES 2 OF [EXHIBIT G](#).

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

Is the reduction in the General Fund contribution of \$475,335 in FY 2006 and \$468,477 in FY 2007 based on the revised estimates received by the Subcommittee?

Ms. JOHNSON:

That is correct.

Ms. JOHNSON:

I will resume describing the recommendation of the Subcommittee to change the amount of the appropriation, based upon anticipated demographic growth, in the Senior Citizens' Property Tax Assistance budget found on page 3 of [Exhibit G](#).

SENATOR COFFIN MOVED TO CONCUR WITH THE RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON HUMAN

RESOURCES/K-12 FOR THE SENIOR CITIZENS' PROPERTY TAX ASSISTANCE BUDGET AS FOUND ON PAGE 3 OF [EXHIBIT G](#).

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MS. JOHNSON:

You will find information on the Senior Services Program budget on pages 8 through 12 of [Exhibit G](#). There were a number of major closing issues in this budget. The Subcommittee reached consensus on all these issues with exception of the use of tobacco settlement money. A decision on this budget will also affect the Aging Services Grants Budget account. There is approximately \$600,000 a year in tobacco settlement money which goes into the Senior Services Program budget. The Assembly membership of the Subcommittee moved that 50 percent of that funding be replaced with General Funds, and those tobacco settlement dollars go into the Aging Services Grants budget to help seniors avoid institutional placement. That proposal was not agreed upon by the Senate membership of the Subcommittee.

SENATOR CEGAVSKE:

The tobacco settlement money should be left in this account. We should not replace it with General Fund money.

MS. JOHNSON:

Originally there was a Letter of Intent recommending the tobacco settlement money not be used for ongoing programs.

SENATOR TITUS:

The Department of Human Resources Senior Service Program should be funded by a General Fund appropriation. The tobacco money should be used for special programs that are more appropriate to the intent of those settlement funds. The Community Home-based Care Initiative Program saves the state money and would be an excellent use of General Fund dollars.

CHAIR RAGGIO:

How is the Senior Services Program being funded now? What did the Governor recommend?

Ms. JOHNSON:

Approximately \$600,000 each year of the Senior Services Program is funded by tobacco settlement money. The Governor recommended it continue to be funded in this way.

SENATOR CEGAVSKE MOVED TO ADOPT THE PROPOSED AMOUNT OF FUNDING AND CONTINUE FUNDING THE SENIOR SERVICES PROGRAM WITH TOBACCO SETTLEMENT MONEY AS RECOMMENDED BY THE GOVERNOR.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION FAILED. (SENATORS TITUS, COFFIN, RHOADS AND MATHEWS VOTED NO.)

SENATOR TITUS MOVED TO ADOPT THE ASSEMBLY PROPOSAL THAT 50 PERCENT OF THE TOBACCO SETTLEMENT MONEY BE REPLACED BY GENERAL FUND MONEY IN THE SENIOR SERVICES PROGRAM, AND THAT THIS TOBACCO MONEY BE PLACED IN THE AGING SERVICES GRANTS.

SENATOR COFFIN SECONDED THE MOTION.

SENATOR CEGAVSKE:

How will that tobacco money be used?

Ms. JOHNSON:

The Assembly proposes to put that \$300,000 in the Aging Services Grants budget to be used for independent living grants.

SENATOR CEGAVSKE:

I will not support the motion.

SENATOR MATHEWS:

I support this motion because it keeps with the spirit of the previous Letters of Intent.

THE MOTION CARRIED. (SENATORS RAGGIO, CEGAVSKE AND BEERS VOTED NO.)

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CHAIR RAGGIO:
There being no further business to come before this Committee, we are adjourned at 5:56 p.m.

RESPECTFULLY SUBMITTED:

Michael Archer,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____