

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-third Session
May 16, 2005**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:10 a.m. on Monday, May 16, 2005, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Michael J. Chapman, Program Analyst
Laura Freed, Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Bob Guernsey, Principal Deputy Fiscal Analyst
Leslie Johnstone, Program Analyst
Mark Krmpotic, Senior Program Analyst
Tracy Raxter, Program Analyst
Jo Greenslate, Committee Secretary

OTHERS PRESENT:

Jackie Crawford, Director, Department of Corrections
Greg Cox, Assistant Director, Operations, Department of Corrections
John P. Comeaux, Director, Department of Administration

CHAIR RAGGIO:

The University and Community College System of Nevada (UCCSN) was on the agenda today for closing. Our staff person, Mr. Brian Burke, is ill, so we will close that budget tomorrow.

CORRECTIONS

LESLIE JOHNSTONE (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

My remarks on the Corrections budget are contained on page 1 of Senate Committee on Finance, Joint Subcommittee on Public Safety, Natural Resources, and Transportation, Closing Report, Department of Corrections ([Exhibit C](#), original is on file at the Research Library). The first budget is High Desert State Prison. Please refer to your handout titled High Desert State Prison: 693,050 sq. ft. ([Exhibit D](#)).

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High Desert State Prison – Budget Page CORRECTIONS-41 (Volume III)
Budget Account 101-3762

CHAIR RAGGIO:

Is there any discussion on the recommendation for the High Desert State Prison?

SENATOR MATHEWS:

Did the Wyoming and Washington contract expire? I thought that was a long-term contract.

Ms. JOHNSTONE:

Yes, Wyoming chose to terminate and return their prisoners in February, and Washington inmates will be taken back by the end of June. That is the choice of each of those states.

SENATOR COFFIN:

On the High Desert State Prison budget, I am curious as to why the Subcommittee did not support the Governor's recommendation to hire more guards. He must have thought they were necessary. What was the rationale for not supporting the Governor's recommendation?

SENATOR BEERS:

The thought was the facility is running with current levels of staffing.

CHAIR RAGGIO:

The indication, on page 2 of [Exhibit C](#), is if we were to add additional guards at this facility, it would set a precedence to add positions at Lovelock, Ely and Warm Springs that have similar housing unit designs. Is that the situation?

Ms. JOHNSTONE:

That was staff's concern, yes.

JACKIE CRAWFORD (Director, Department of Corrections):

The additional correctional officers were in light of the fact High Desert is not designed like our other institutions. It is almost double in size; it has a 2,400-inmate capacity which is larger than Lovelock and Ely. Ely has close to 1,048 inmates, and that staffing pattern is 16 positions less than at High Desert. High Desert will ultimately increase to 3,000 inmates. The design is open. The reason we requested additional staff is we believe we need to reinforce the existing staffing pattern so we can preclude anything happening to our officers. The facility is on 30 acres, if you include the areas inside the buildings, and it has a two-mile perimeter. We are requesting your indulgence to reconsider this request and allocate those 17 positions.

CHAIR RAGGIO:

The cost is apparently \$1.5 million.

SENATOR COFFIN:

Are you talking about 17 positions or are you talking about 17 officers which would actually be 2 or 3 positions?

CHAIR RAGGIO:

Let me give you the backup, and the Department can respond. Based on the post chart, this would create one additional post in each housing unit on the day shift. Currently there are two posts on the day shift. The Department indicated the positions would provide more intense levels of inmate supervision.

SENATOR COFFIN:

The reason I asked is that at High Desert there is a mix of inmates. You do not have the typical, mostly lockdown, pattern at Nevada State Prison and Ely. You have young inmates versus the older inmates with pecking order competition at High Desert. I did not know whether staff had an opportunity to examine the safety aspect not only between prisoners but also between prisoners and guards.

SENATOR BEERS:

The youth offenders are being moved to a new facility.

SENATOR COFFIN:

By youth, I mean anyone under the age of 25. I am not talking about the youngest ones. Could the prison representative tell us if one of the posts is more important than others that have been eliminated?

SENATOR TITUS:

I served on that Subcommittee and voted in favor of the Governor's recommendation. Some of the commentary was the fear that if we went to the unit management approach for this prison, in the future, other prisons would be asking for that type of approach. They made a good argument that High Desert is the only one laid out in this way and the only prison that needs this type of unit-management approach. It is unique to this prison, and who would know better than the experts what type of staffing is needed in a facility such as High Desert.

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT
(B/A) 101-3762 WITH STAFF RECOMMENDATIONS.

SENATOR CEGAVSKE SECONDED THE MOTION.

SENATOR MATHEWS:

I am not sure I know what the Joint Subcommittee recommended.

CHAIR RAGGIO:

The Joint Subcommittee accepted the Governor's recommendation other than adding 17 new correctional officer positions.

SENATOR BEERS:

We should point out this is a closing difference between the Assembly and the Senate. The Assembly side of the Joint Subcommittee voted to close with the 17 new positions.

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

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CHAIR RAGGIO:

I would accept a motion to approve the budget with the addition of the 17 new correctional officers.

SENATOR MATHEWS MOVED TO CLOSE B/A 101-3762 WITH THE GOVERNOR'S RECOMMENDATIONS INCLUDING ADDING 17 NEW CORRECTIONAL OFFICER POSITIONS.

SENATOR TITUS SECONDED THE MOTION.

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

BUDGET CLOSED.

Casa Grande Transitional Housing – Budget Page CORRECTIONS-93 (Volume III)
Budget Account 101-3760

Ms. JOHNSTONE:

My remarks on B/A 101-3760 are contained on pages 2 and 3 of [Exhibit C](#).

CHAIR RAGGIO:

Did the entire Subcommittee agree on the recommendation on this budget?

Ms. JOHNSTONE:

The only difference between the Assembly and Senate was at High Desert. All other areas of the Corrections' budget closing recommendations were with full concurrence of the Subcommittee.

SENATOR TITUS MOVED TO CLOSE B/A 101-3760 WITH THE RECOMMENDATIONS OF THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY/NATURAL RESOURCES/TRANSPORTATION AND STAFF ADJUSTMENTS.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

Southern Nevada Correctional Center – Budget Page CORRECTIONS-77
(Volume III)
Budget Account 101-3715

Ms. JOHNSTONE:

My remarks on B/A 101-3715 are contained on pages 3 and 4 of [Exhibit C](#).

SENATOR COFFIN MOVED TO CLOSE B/A 101-3715 WITH THE RECOMMENDATIONS OF THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY/NATURAL RESOURCES/TRANSPORTATION.

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

Staff would like, included in the motion, the additional \$234,000 for the remote area differential pay (RAD) that was not reviewed by the Subcommittee and was discovered subsequent to the Subcommittee's actions.

SENATOR BEERS:

Is that practiced at Indian Springs?

MR. GHIGGERI:

That is correct, and has been in effect since the early 1980s.

SENATOR COFFIN MOVED TO CLOSE B/A 101-3715 WITH THE RECOMMENDATIONS OF THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY/NATURAL RESOURCES/TRANSPORTATION AND ADD THE ADJUSTMENT REQUIRED FOR RAD PAY IN THE AMOUNT OF \$234,000 FOR FISCAL YEAR 2007.

SENATOR RHOADS SECONDED THE MOTION.

SENATOR BEERS:

Is this the account in which we are setting a precedent for programs?

MS. JOHNSTONE:

The programming staff is in a Correctional Program budget, B/A 101-3711.

SENATOR TITUS:

I do not mind supporting the RAD, but Indian Springs used to be a long way out of town. Now Las Vegas has grown until it is almost connected to Indian Springs. It is not that far out of town anymore. When we lower the number of positions from 193 to 167, but then add money for rural pay, are we still not coming out ahead?

MS. JOHNSTONE:

Yes, and in a moment I will be able to tell you what the net difference is.

CHAIR RAGGIO:

You are showing an adjustment on page 16 of [Exhibit C](#), but that does not include the RAD.

MS. JOHNSTONE:

It does not include the RAD. Over the course of the biennium, it is approximately \$1.4 million in savings in this account. The cost of the new system is \$837,000, so there is a net reduction in General Fund expense of approximately \$500,000.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Budget Account 101-3761

MS. JOHNSTONE:
My remarks on B/A 101-3761 are contained on page 4 of [Exhibit C](#).

CHAIR RAGGIO:
Was the Educational and Vocational Opportunities Leading to Valuable Experience (EVOLVE) program in the Governor's recommendations?

MS. JOHNSTONE:
No, it was not.

CHAIR RAGGIO:
How was it added?

MR. GHIGGERI:
It was a motion made by Assemblywoman Kathy A. McClain during the budget closing hearing.

CHAIR RAGGIO:
What information is there regarding the program?

MR. GHIGGERI:
Staff has no information on that program.

CHAIR RAGGIO:
Who funds the EVOLVE program?

MR. GHIGGERI:
The first time staff was made aware of the program was during the motion made by Assemblywoman McClain.

CHAIR RAGGIO:
I suggest we not approve the program unless we find out more about it.

MS. CRAWFORD:
The EVOLVE program has been with the City of Las Vegas and has served a number of our inmates as they are released from prison. They did that through the Work Investment Board and, as a result, found jobs, performed job development and programming. They have had success in that area. That is all I know as far as a recommendation.

SENATOR BEERS:
I would note the program was outside the Governor's budget.

CHAIR RAGGIO:
I would accept a motion to approve the Governor's recommendation and not approve the program about which there is not a lot of information. If it is successful, it should continue with the City of Las Vegas' support.

SENATOR BEERS MOVED TO CLOSE B/A 101-3761 WITH THE GOVERNOR'S RECOMMENDATION.

SENATOR CEGAVSKE SECONDED THE MOTION.

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SENATOR TITUS:

I wish we had more information on the EVOLVE program because I think it is a successful program and it needs supplemental money. We do so much for male prisoners leaving the system, training programs and back-into-the-community programs. This one is specifically for women who are less likely to offend again if they can successfully get back into society. We ought to fund the EVOLVE program.

CHAIR RAGGIO:

I do not disagree. However, that is the most we have heard about this program, and the City of Las Vegas is funding it. We ought to endorse their funding.

THE MOTION CARRIED. (SENATOR TITUS VOTED NO.)

BUDGET CLOSED.

Prison Medical Care – Budget Page CORRECTIONS-18 (Volume III)
Budget Account 101-3706

Ms. JOHNSTONE:

The Joint Subcommittee approved the Governor's recommendation to add 22.51 full-time equivalent staff to the medical unit at the Southern Nevada Correctional Center. Further remarks on B/A 101-3706 are contained on page 5 of [Exhibit C](#).

CHAIR RAGGIO:

Is there access to the Interim Finance Committee (IFC) if the need occurs?

MR. GHIGGERI:

Yes, there is.

SENATOR RHOADS MOVED TO CLOSE B/A 101-3706 WITH RECOMMENDATIONS BY THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY/NATURAL RESOURCES/TRANSPORTATION.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

NDOC Director's Office – Budget Page CORRECTIONS-1 (Volume III)
Budget Account 101-3710

Ms. JOHNSTONE:

The Joint Subcommittee approved the six new positions recommended by the Governor for assignment to the Department's new offender management information system. Approval of these positions is subject to the approval of funding for the new system in the Information Technology account. Further remarks on B/A 101-3710 are contained on pages 5 and 6 of [Exhibit C](#).

CHAIR RAGGIO:

I do not understand the issue of the six positions subject to approval of funding for the new system in the Information Technology (IT) account.

SENATOR BEERS:

I was going to add the Subcommittee-approved funding for the IT account.

CHAIR RAGGIO:

Why are six positions required?

SENATOR BEERS:

They are going to put together a team of experienced veterans of the Department to help guide the implementation of the software. Those people need to be replaced in their regular jobs for the duration of the project.

Ms. JOHNSTONE:

These six positions are permanent positions. The replacement Offender Management Information System is supposed to have expanded functionality, giving it a much wider use to all of the facility accounts. These positions will serve to support that system.

SENATOR BEERS MOVED TO CLOSE B/A 101-3710 WITH RECOMMENDATIONS FROM THE SUBCOMMITTEE ON PUBLIC SAFETY/NATURAL RESOURCES/TRANSPORTATION.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

Correctional Programs – Budget Page CORRECTIONS-26 (Volume III)
Budget Account 101-3711

Ms. JOHNSTONE:

The Joint Subcommittee approved the Governor's recommendation to add \$1.1 million in General Funds over the biennium to replace all federal grant dollars previously allocated to the OASIS (Offenders Acting in Solidarity to Insure Sobriety) program at the SDCC. Budget amendment No. 55 was accepted by the Subcommittee to provide a funding mix of federal grant monies, transfers from the Inmate Welfare Account and General Funds to continue the WINGS (Willing Inmates in Nevada Gaining Sobriety) at the NNCC. The General Fund cost for the WINGS program was approved at \$24,050 for the biennium by the Subcommittee.

The Governor's recommendation to continue the Going Home Prepared Program at the SDCC after the federal grant expires in June 2006 was also approved by the Subcommittee. The General Fund cost to continue this program is \$136,000 in fiscal year (FY) 2006-2007.

The Subcommittee concurred with the Governor's recommendation to add 13 new positions in the Correctional Programs budget for the SNCC in August 2006.

CHAIR RAGGIO:

What is the difference in these programs? Are the programs in the north and south just named differently?

Ms. JOHNSTONE:

The Willing Inmates in Nevada Gaining Sobriety (WINGS) program at Northern Nevada Correctional Center (NNCC) is focused on alcohol abuse, and Offenders Actions in Solidarity to Insure Sobriety (OASIS) at Southern Desert Correctional Center (SDCC) covers nonalcohol and other substance abuse problems.

CHAIR RAGGIO:

Ms. Crawford, is that the situation?

Ms. CRAWFORD:

She is accurate on that, yes.

CHAIR RAGGIO:

Have these programs been successful?

Ms. CRAWFORD:

I think they have been. We have been collecting significant data for the OASIS program. They are looking at approximately 5- to 6-percent recidivism rate for that program. I think it is significant and important. Approximately 80 to 90 percent of inmates enter the facility with some type of substance abuse issue. Sixty percent have been validated, and, as a result, affording some of those types of programs will reduce our costs in prisons in the future.

CHAIR RAGGIO:

Is the OASIS program at Jean?

Ms. CRAWFORD:

No, OASIS is at Indian Springs, SDCC.

CHAIR RAGGIO:

Where is the WINGS program?

Ms. CRAWFORD:

The WINGS program is for the northern Nevada inmates at NNCC.

SENATOR TITUS:

Do women have an opportunity to participate in any of these programs?

Ms. CRAWFORD:

Yes, they do. The Southern Nevada Women's Correctional Center (SNWCC) has three substance abuse counselors, and the program has been successful there.

CHAIR RAGGIO:

Is this a situation where federal dollars are being reduced?

Ms. JOHNSTONE:

They are significantly reduced. This is the residential substance abuse treatment program. Whereas, in the current fiscal year, we are receiving approximately \$1 million, we expect to receive approximately \$400,000 next year and \$360,000 in the second year of the biennium.

CHAIR RAGGIO:

How are these funds used?

Ms. CRAWFORD:

These funds provide for staffing and the materials with which to provide the programming. It is quite intense. Both OASIS and WINGS are approximately one year in duration. We receive a lot of feedback from parents and families. They see a significant change in a person who has gone through the program.

CHAIR RAGGIO:

What percentage of the inmates participate?

Ms. CRAWFORD:

We have approximately 400 inmates participating.

CHAIR RAGGIO:

Out of 12,000?

Ms. CRAWFORD:

It is a small program. Some states have an entire institution designated for this purpose. I do not believe Nevada is ready for that nor could we afford it. This is on a small scale, but we believe we have made an impact.

CHAIR RAGGIO:

How are participants selected? Is there an incentive?

Ms. CRAWFORD:

As inmates come through the intake system, there is a screening process. We also look at the federal guidelines, which stipulate one year in the program, and subsequently participants should be transitioned out, being paroled into the community. There is a block of time. The prison officials do not want someone who will be in prison for 20 years to go through a program and then go back out into the yard. This is primarily a preparation for what we call prerelease.

SENATOR RHOADS MOVED TO CLOSE B/A 101-3711 WITH
RECOMMENDATIONS FROM THE SUBCOMMITTEE ON PUBLIC
SAFETY/NATURAL RESOURCES/TRANSPORTATION

SENATOR COFFIN SECONDED THE MOTION.

SENATOR BEERS:

I was compelled by the lack of data on the program, and I did not believe we should replace federal funds yet again with General Funds. I voted against this recommendation in the Subcommittee meeting and will vote against it now.

THE MOTION CARRIED. (SENATOR BEERS VOTED NO.)

BUDGET CLOSED.

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Lovelock Correctional Center – Budget Page CORRECTIONS-70 (Volume III)
Budget Account 101-3759

MS. JOHNSTONE:

The Joint Subcommittee concurred with the Governor's recommendation to add one new correctional officer position at this facility to function as a drill instructor for the Structured Living Program. That program has been operating at Lovelock for several years but has not had a dedicated position to serve as its drill instructor. Funding of \$145,803, to replace equipment, was approved by the Subcommittee as recommended by the Governor.

CHAIR RAGGIO:

How has the Structured Living Program existed without the dedicated drill instructor position?

MS. JOHNSTONE:

The Department has borrowed correctional officers from other legislatively-approved posts intermittently as needed for the drill instructor role.

CHAIR RAGGIO:

If the program has been operating without a drill instructor, why is that position needed?

MS. CRAWFORD:

I suppose it could continue without a designated drill instructor. However, it would be nice to have an assigned person to oversee that program and continue it. It is one of the best management tools we have. It is wonderful to see the self-discipline and the growth of these individuals. We have been managing without a dedicated drill instructor by designating those officers who are in the units.

CHAIR RAGGIO:

How many inmates participate in this program?

MS. CRAWFORD:

At any given time there are 200 depending upon who is in the unit. It has been successful, and it is something you should consider funding because it is an important program.

CHAIR RAGGIO:

Is this a full-time position? Apparently, it has not been.

MS. CRAWFORD:

It has not been a full-time position in the past. The acting drill instructors have had their other duties. This would be a full-time position. It would coordinate and, hopefully, expand this program.

SENATOR TITUS MOVED TO CLOSE B/A 101-3759 WITH THE GOVERNOR'S RECOMMENDATION TO ADD THE DRILL INSTRUCTOR POSITION AND TECHNICAL ADJUSTMENTS MADE BY STAFF.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Southern Desert Correctional Center – Budget Page CORRECTIONS-62
(Volume III)
Budget Account 101-3738

MS. JOHNSTONE:

The Joint Subcommittee concurred with the Governor's recommendation to add three new correctional officer positions to staff the segregation housing unit at SDCC. The facility has experienced a need to increase staffing in this area due to inmates/staff security concerns. The restoration of one maintenance worker position, eliminated during the previous session, was also approved by the Subcommittee as recommended by the Governor.

CHAIR RAGGIO:

Is this a high-risk security group? What is the population of the segregation-housing unit?

GREG COX (Assistant Director, Operations, Department of Corrections):
We have approximately 220 inmates in that unit.

CHAIR RAGGIO:

Are these considered high-security risks?

MR. COX:

That is correct. They are in a disciplinary-segregation unit.

CHAIR RAGGIO:

What would adding three positions accomplish for that unit?

MR. COX:

It would allow us to move inmates in the unit itself, ensuring they are restrained correctly, take them to showers, allow them recreation as required and move them throughout the facility with direct supervision.

CHAIR RAGGIO:

The note I see, on page 7 of [Exhibit C](#), indicates the staffing for this unit was increased during last session by two positions.

MS. JOHNSTONE:

That is correct. That was done internally. One post was eliminated and moved to this housing unit.

SENATOR COFFIN MOVED TO CLOSE B/A 101-3738 WITH STAFF RECOMMENDATIONS.

SENATOR RHOADS SECONDED THE MOTION.

SENATOR BEERS:

I guess I missed in the Subcommittee hearing that staffing had changed last session. Was that discussed?

Ms. JOHNSTONE:

I believe it was, Senator.

SENATOR BEERS:

Could you run through that briefly for me?

Ms. JOHNSTONE:

In the 2003 Legislative Session, there was a post designated for the canine unit that was eliminated, and those two positions were moved to this housing unit. That is reflected on page 46 of [Exhibit C](#), showing the current staffing in segregation unit 8 at 3 positions during the day and evening shifts and 2 at night, compared to the other general population-housing unit. You can see the segregation unit is currently one position higher on the day and evening shift.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Ms. JOHNSTONE:

The Subcommittee also reviewed all other remaining budgets for the Department, and, with technical adjustments, closed as recommended by the Governor. Those budgets are listed on page 8 of [Exhibit C](#). This would include the Warm Springs Correctional Center, B/A 101-3716; NNCC, B/A 101-3717; Nevada State Prison, B/A 101-3718; Stewart Conservation Camp, B/A 101-3722; Pioche Conservation Camp, B/A 101-3723; Northern Nevada Restitution Center, B/A 101-3724; Indian Springs Conservation Camp, B/A 101-3725; Wells Conversation Camp, B/A 101-3739; Humboldt Conservation Camp, B/A 101-3741; Ely Conversation Camp, B/A 101-3747; Jean Conservation Camp, B/A 101-3748; Silver Springs Conservation Camp, B/A 101-3749; Ely State Prison, B/A 101-3751; Carlin Conservation Camp, B/A 101-3752; Tonopah Conservation Camp, B/A 101-3754; the Offenders Store Fund, B/A 240-3708; the Inmate Welfare Account, B/A 240-3763; Prison Industry, B/A 525-3719; and Prison Dairy, B/A 525-3727.

CHAIR RAGGIO:

Did the Subcommittee look at all these budgets?

Ms. JOHNSTONE:

Yes.

CHAIR RAGGIO:

If there is no objection, the Chair would entertain a motion to close all the budgets as recommended by the Subcommittee.

SENATOR COFFIN MOVED TO CLOSE THE BUDGETS LISTED BY STAFF WITH RECOMMENDATIONS FROM THE SUBCOMMITTEE ON PUBLIC SAFETY/NATURAL RESOURCES/TRANSPORTATION.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

What adjustments need to be made on page 9 of [Exhibit C](#) since we added the other positions?

MS. JOHNSTONE:

My understanding is we made two basic changes. One was to remove the \$500,000 for the EVOLVE Program resulting in a reduction in General Funds of \$250,000 in each year of the biennium. The other is approval of the addition of 17 new correctional officers for unit management at High Desert. That results in an increase in General Fund costs in the first year of the biennium of approximately \$500,000 and \$1,630,000 in the second year of the biennium.

CHAIR RAGGIO:

We have two bill draft requests (BDRs) for Committee introduction. The first is [BDR S-1435](#), the contingent appropriations to the Reno Sparks Convention Visitors Authority to implement the Truckee River Recreational Master Plan authorized by the Committee.

BILL DRAFT REQUEST S-1435: Makes appropriation to Reno Sparks Convention and Visitors Authority. (Later introduced as [Senate Bill 513](#).)

SENATOR MATHEWS MOVED TO INTRODUCE [BDR S-1435](#) AS A SENATE COMMITTEE ON FINANCE BILL.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. GHIGGERI:

[Bill Draft Request S-1463](#) is a result of closing the budget for the Governor's Commission on Hospital Patients. The way the statute is currently written, it is mandated the hospitals be assessed an ever-increasing amount of money even though that amount of money is not being spent by that Commission. This attempts to alleviate that issue in statute.

BILL DRAFT REQUEST S-1463: Revises provisions governing annual assessment of hospitals for the support of the Bureau for Hospital Patients. (Later introduced as [Senate Bill 514](#).)

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CHAIR RAGGIO:

I will distribute the bill to the Committee. Apparently this changes *Nevada Revised Statutes* (NRS) 223.575 dealing with the Bureau for Hospital Patients. The change is on page 3, section 1, subsection 6, that the total amount must not be more than \$100,000.

SENATOR BEERS MOVED TO INTRODUCE BDR S-1463 AS A SENATE COMMITTEE ON FINANCE BILL.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

Another BDR that was referenced during one of our recent meetings is BDR S-1467.

BILL DRAFT REQUEST S-1467: Makes supplemental appropriation for Medicaid and Check-Up Programs. (Later introduced as [Senate Bill 512](#).)

This is the supplemental appropriation for this fiscal year for \$22.7 million for Medicaid and \$773,000 for the Check-Up Program.

SENATOR RHOADS MOVED TO INTRODUCE BDR S-1467 AS A SENATE COMMITTEE ON FINANCE BILL.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

PUBLIC UTILITIES COMMISSION

Public Utilities Commission – Budget Page PUC-1 (Volume I)
Budget Account 224-3920

MICHAEL J. CHAPMAN (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Please refer to Senate Committee on Finance, Joint Subcommittee on General Government Closing Report, Public Utilities Commission ([Exhibit E](#)).

The Joint Subcommittee concurs with the Governor's recommendation to add three new gas pipeline safety engineer positions based upon increased workload and federal regulations promulgated by the Federal Office of Pipeline Safety (OPS) for operator qualifications and integrity management program inspections. Information provided by the Public Utilities Commission of Nevada (PUC) indicates the number of utility gas customers has increased from 282,000 in 1992 to over 525,000 in 2002, with a corresponding increase in gas pipeline miles from 4,300 miles to 7,200 miles in the same time period. Based upon these statistics, along with increased federal regulations, the PUC's workload calculations support a total of six full-time engineer positions. The three new

positions complement the existing three pipeline engineer positions to satisfy the agency's workload projections.

The Subcommittee supports the Governor's recommendation to utilize reserve funding of \$506,011 in FY 2005-2006 and \$887,655 in FY 2006-2007 for the PUC to establish a new electronic filing and records management system. The Subcommittee recommended reducing the number of desktop computers recommended from 97 to 62 in the 2005-2007 biennium based upon a revised replacement schedule.

The Subcommittee closed the remainder of the PUC's budget as recommended by the Governor with technical adjustments recommended by staff.

Further remarks on B/A 224-3920 are contained on pages 1 through 3 of [Exhibit E](#).

SENATOR COFFIN:

Do the gas pipeline safety personnel also control the petroleum lines?

MR. CHAPMAN:

No, they do not. They have authority over natural gas pipeline, intrastate and interstate, along with pipelines at mobile home parks and those types of venues. They do not have regulatory authority over fuel pipelines such as diesel or gasoline.

SENATOR COFFIN:

I know the PUC does not have rate-making authority over diesel and gasoline pipelines, but I thought the federal government delegated pipeline safety to the states. It is agreed that if any kind of pipe is intrastate, the state has authority.

MR. CHAPMAN:

My understanding is the PUC's authority is strictly associated with natural gas.

SENATOR COFFIN MOVED TO CLOSE B/A 224-3920 WITH RECOMMENDATION OF THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

ADMINISTRATION

LAURA FREED (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on General Government developed recommendations for the following budgets of the Department of Administration: Budget and Planning Division, Administrative Services Division, Information Technology Division, Information Technology Projects, Insurance and Loss Prevention, Motor Pool Division, Mail Services Division, Hearings and Appeals Division and the

Victims of Crime Program, as outlined in Senate Committee on Finance, Joint Subcommittee on General Government, Closing Report, Department of Administration ([Exhibit F](#), original is on file at the Research Library).

While many of the accounts of the Department of Administration are funded through fees or assessments, the Subcommittee's recommendations resulted in General Fund savings of \$1,891,480 in FY 2006 and \$1,341,732 in FY 2007 for the Department of Administration overall. Most of this savings came from the Information Technology Projects budget.

Budget and Planning – Budget Page ADMINISTRATION-1 (Volume I)
Budget Account 101-1340

The Subcommittee concurred with the Governor's recommendation to fund a new chief assistant for policy and training position. However, the Subcommittee recommended the position be placed in the classified service at a Grade 41 rather than in the unclassified service as recommended by the Governor. The cost of the Grade 41 position is essentially the same as was recommended for the unclassified position.

Additionally, the Subcommittee modified the Governor's Base Budget recommendation to allocate \$50,000 for gubernatorial-transition expenses between the time of an election and the time the Governor takes office. The Subcommittee approved the \$50,000, but allocated \$30,000 for the Governor-elect, and the other \$20,000 to be split equally among the other constitutional officers-elect.

The Subcommittee concurred with the Governor's recommendation to reinstate the public service intern position for the Division. This position was deleted by the 2003 Legislature at the recommendation of the Governor.

The Subcommittee also concurred with the Governor's recommendation that the Division have the services of a Department of Information Technology (DoIT) database administrator, contingent upon approval of the Nevada Executive Budget System Data Mart project in the Information Technology Projects budget, B/A 101-1325. That project has been recommended by the Subcommittee.

All of these decision units were concurred by both sides of the Joint Subcommittee on General Government.

CHAIR RAGGIO:

Regarding the transition money, the recommendation was for \$50,000. Did the Subcommittee believe \$30,000 was enough for the Governor's Office in the transition?

SENATOR BEERS:

We received a report from the Research Division of the Legislative Counsel Bureau last week that listed a state-by-state transition fund amount. It was all over the place. This is six times the amount left in the budget for the previous gubernatorial transition, and previously the other office had no funds at all.

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CHAIR RAGGIO:

Mr. Comeaux, you have been through a couple of these. Is that a reasonable approach?

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

I believe it is a reasonable approach. It is definitely a step in the right direction. The \$5,000 we previously appropriated was not enough. We do not know exactly what the right amount is. I believe it is a good compromise.

SENATOR COFFIN MOVED TO CLOSE B/A 101-1340 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Admin – Administrative Services - Budget Page ADMINISTRATION-17
(Volume I)
Budget Account 716-1371

MS. FREED:

The Subcommittee concurred with the Governor's recommendation to add two new positions, an administrative services officer II and an accounting assistant II.

SENATOR BEERS MOVED TO CLOSE B/A 716-1371 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Information Technology Division - Budget Page ADMINISTRATION-26
(Volume I)
Budget Account 101-1320

TRACY RAXTER (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

As shown on page 2 of [Exhibit F](#), the Subcommittee concurred with the Governor's recommendation to fund a new information systems manager position to support the budgetary oversight and project management of information technology projects provided by the Division. The new position would accommodate the increase in the number of information technology projects recommended for funding in the 2005-2007 biennium. In addition, the

Subcommittee approved the Governor's budget recommendation for additional funding for database administration of the integrated financial system and Nevada *Executive Budget* system to ensure stability of the systems and to allow implementation of additional security initiatives as required.

SENATOR BEERS MOVED TO CLOSE B/A 101-1320 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

Information Technology Projects – Budget Page ADMINISTRATION-34
(Volume I)
Budget Account 101-1325

MR. RAXTER:

The Subcommittee approved funding of approximately \$18.5 million in FY 2006 and approximately \$5 million in FY 2007 for 17 information technology projects for state agencies. The recommended funding includes \$16.2 million from the General Fund and \$7.3 million from the Highway Fund. The Subcommittee approved funding for the 17 information technology projects in separate budget categories and approved pooling the contingency amounts from the various projects into a single, distinct category with a reduction in the total contingency amount of 20 percent.

The Subcommittee noted four information technology projects, recommended by the Governor for funding, did not have a clearly-defined-project scope or project cost estimate that addressed the needs of the applicable agency. These projects included the State Department of Agriculture licensing and payment system, Consumer Affairs Division tracking system, Office of Labor Commissioner wage claim system, and the Division of Water Resources video conferencing system. The Subcommittee recommended these four projects be funded only for a detailed requirements study, gap analysis and/or RFP, as appropriate, to determine the resources necessary to develop a viable solution that could be provided by the proposed information technology project. The Subcommittee recommended the balance of the funding recommended by the Governor for these four projects totaling \$947,116 be appropriated to the IFC. Upon submission of a detailed project plan and cost estimate, based on the results of the requirements study, gap analysis and/or RFP for each of the applicable projects, the funding could be allocated by IFC. There was concurrence from both the Senate and Assembly on this budget.

SENATOR BEERS MOVED TO CLOSE B/A 101-1325 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

Insurance & Loss Prevention – Budget Page ADMINISTRATION-45 (Volume I)
Budget Account 715-1352

MS. JOHNSTONE:

The Subcommittee concurred with the Governor's recommendation to continue all lines of insurance coverage as currently structured. This includes workers' compensation, property and contents, aviation, employee fidelity, and excess liability coverage. There was concurrence from both the Senate and Assembly on this budget.

SENATOR RHOADS MOVED TO CLOSE B/A 715-1352 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT.

SENATOR BEERS SECONDED THE MOTION.

SENATOR BEERS:

For the Committee's reference, this is an area on which we will hear more. The agency is having a difficult time acquiring a workers' compensation insurer due to some of the unique workers' compensation liabilities the state has compared to other employers in the state. The agency testified that, as a result, they pay an exorbitant commission to the broker who helps them find workers' compensation insurance. They are going to investigate ways to reduce that over the next biennium and report back to us in the 2007 Legislative Session.

CHAIR RAGGIO:

More and more companies are dropping workers' compensation coverage.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

Motor Pool – Budget Page ADMINISTRATION-59 (Volume I)
Budget Account 711-1354

MS. FREED:

The Subcommittee approved funding the State Motor Pool with increased rates necessary to fund current operations and relocation costs associated with the Las Vegas Motor Pool facility. Monthly rental rates are recommended to increase by \$13 a month in each vehicle category, plus 2 cents a mile surcharge increase from the current biennium's rates. Daily rental rates are recommended to increase by \$2 a day and 2 cents a mile surcharge from the current biennium's rates.

The Department of Administration is considering several sites for the new Las Vegas Motor Pool facility. However, at the time of budget closing, a recommendation had not been forwarded to the Subcommittee by the Department of Administration. The Subcommittee recommended the issuance of a Letter of Intent requiring the State Motor Pool to report to the IFC when an intended relocation site in Las Vegas is chosen, and to request any needed expenditure authority to pay for a move. This cost would be paid from the budget's reserve. The Subcommittee concurred with the Governor's recommendation to transfer depreciation and operating expenses to the Motor Pool vehicle purchase budget associated with the addition of 151 replacement vehicles, 42 additional vehicles, and 54 vehicles to be purchased on a onetime basis. The Subcommittee afforded staff the authority to make technical adjustments to the number and cost of vehicles, if necessary, as well as adjustments to related depreciation and operating expenses. There was concurrence from both the Senate and Assembly on this budget.

SENATOR COFFIN MOVED TO CLOSE B/A 711-1354 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT.

SENATOR BEERS SECONDED THE MOTION.

SENATOR BEERS:

Regarding the motor pool, once the dictum came down that the airport had to auction off all land and could not exchange land like they wanted to, their ardor cooled considerably. Apparently, we now have no deadline.

MS. FREED:

Yes, the Airport Authority sent the State Motor Pool a letter recently that does not give them a final date that they need to be out of the facility, nor does it specify, as per the lease, whether they have to demolish the building. We are working on the assumption that, at some point, Clark County Aviation will make them demolish the building, and we have left the funds to do that in the budget. At this point, it is not a rush. There are several sites, and if none of those sites pan out, the Division plans to move to East Sahara Avenue.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Mail Services – Budget Page ADMINISTRATION-93 (Volume I)
Budget Account 713-1346

MS. FREED:

The Subcommittee did not concur with the Governor's recommendation to upgrade a student worker position to a mail service clerk II position because the overtime expense in the Division did not support adding another mail service clerk II. The Subcommittee voted to eliminate the student worker position from the budget since it had been vacant since August 2002 and the Division had a difficult time finding someone to fill the position. There was concurrence on this budget between the Senate and the Assembly.

SENATOR BEERS MOVED TO CLOSE B/A 713-1346 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

Dept of Administration - Hearings Division – Budget Page
ADMINISTRATION-125 (Volume I)
Budget Account 101-1015

MS. FREED:

The Subcommittee concurred with the Governor's recommendation to add a legal secretary II position. However, the Subcommittee did not concur with the Governor's recommendation to add one administrative assistant I position because the Subcommittee felt that the 11 administrative assistants in the Division were sufficient to meet the needs of the Division.

The Subcommittee did not concur with the Governor's recommendation to provide funding to upgrade the doors into the Division's offices because they are currently Americans with Disabilities Act-compliant and the Division has offered to work with the property owner to pursue an upgrade to power-assisted doors in exchange for a lease extension. This expense was to have been shared with Victims of Crime program and Nevada Attorneys for Injured Workers and was not approved in those budgets.

The Subcommittee concurred with the Governor's recommendation to provide funding for a security guard for the building where the Division is located. The expense of this enhancement is to be shared with the Victims of Crime program and Nevada Attorneys for Injured Workers, both of whom are located in the same building. The budget was concurred by both the Senate and the Assembly.

SENATOR CEGAVSKE MOVED TO CLOSE B/A 101-1015 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

Victims of Crime – Budget Page ADMINISTRATION-132 (Volume I)
Budget Account 287-4895

MS. FREED:

The Subcommittee did not concur with the Governor's recommendation to provide funding for remodeling of the victim interview area since the bureau had moved into its space less than two years ago and had collaborated with the landlord's architect on its space design. The bureau has offered to modify its victim interview scheduling to afford victims the privacy they need. This budget had concurrence by both the Senate and the Assembly.

SENATOR CEGAVSKE MOVED TO CLOSE B/A 287-4895 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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MS. FREED:

The Subcommittee also reviewed the budgets for the following accounts: Judicial College/College of Juvenile and Family Justice, Deferred Compensation Committee, Merit Award Board, Indigent Supplemental account, Indigent Accident account, Internal Audit, Motor Pool Vehicle Purchase, Purchasing Division, Purchasing Equipment Purchase, Commodity Food Program, and Mail Services Equipment Purchase. The Subcommittee recommended these accounts close according to the Governor's recommendation with technical adjustments as recommended by staff on page 7 of [Exhibit F](#).

SENATOR COFFIN MOVED TO CLOSE THE BUDGETS LISTED BY STAFF WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT AND TECHNICAL ADJUSTMENTS RECOMMENDED BY STAFF.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will move to the Division of Buildings and Grounds and State Public Works Board. This is the Joint Subcommittee on Higher Education and CIPs.

MR. RAXTER:

Please refer to Senate Committee on Finance, Joint Subcommittee on Higher Education/CIP Closing Report, Division of Buildings and Grounds and State Public Works Board ([Exhibit G](#), original is on file at the Research Library). My remarks on the Higher Education/CIP budgets are contained in [Exhibit G](#). The first budget is Buildings and Grounds.

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Buildings & Grounds – Budget Page ADMINISTRATION-82 (Volume I)
Budget Account 710-1349

The Joint Subcommittee concurred with the Governor's recommendation to fund a new management analyst position to accommodate growth in the number of contracts and leases negotiated and administered by the Division. To accommodate growth in the number of facilities the Division is responsible for maintaining, the Subcommittee approved funding for the addition of three new grounds maintenance positions and one new building maintenance position as recommended by the Governor.

Further remarks on B/A 710-1349 are contained on pages 1 and 2 of [Exhibit G](#).

SENATOR BEERS:

Am I to understand we are spending General Funds on long-term repairs to buildings, essentially Capital Improvement Program projects? Is there a precedent for that as opposed to proceeds from bonds?

MR. GHIGGERI:

You are going to see a number of areas in the budget where the Governor has recommended either General Fund dollars, Highway Fund dollars, agency fees, or federal funds for what the Governor has defined as deferred maintenance costs. Historically, when the Legislature has had cash, they have funded maintenance projects in the Capital Improvement Program (CIP) with cash instead of bond dollars. In the last few biennia, there has not been sufficient cash available for the CIP Subcommittee, and they have funded some maintenance projects with 20-year bonds.

CHAIR RAGGIO:

We want to get away from using bond money, if we can, for repairs and deferred maintenance.

SENATOR RHOADS MOVED TO CLOSE B/A 710-1349 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON HIGHER EDUCATION/CIP.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Clear Creek Youth Center – Budget Page ADMINISTRATION-102 (Volume I)
Budget Account 101-1353

MR. RAXTER:

The Joint Subcommittee concurred with the Governor's budget recommendation to eliminate the one full-time maintenance repair specialist position in this account and to provide funding for two seasonal positions for maintenance of the facility. The Subcommittee also recommended an extension of two years in the reversion date of the funding for the Capital Improvement Program project (CIP 01-M05) to address deferred maintenance and general improvements at the

facility. The Subcommittee recommended the extension be contingent on the Division issuing an RFP for the long-term lease of the facility. In addition, the Subcommittee recommended that any decision regarding vendor responses to the RFP be contingent on approval by the Legislature or IFC.

CHAIR RAGGIO:

The Committees have spent an inordinate amount of time discussing the Clear Creek project. There is a staff person who rents the house on the Clear Creek property and lives there, so there is someone on the premises. The suggestion is that the Center submit an RFP to see if anyone is interested in a long-term lease. Another suggestion is to go back to the 2001 allocation for deferred maintenance. That may be contingent upon whoever operates the property.

SENATOR COFFIN MOVED TO CLOSE B/A 101-1353 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON HIGHER EDUCATION/CIP.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

Marlette Lake – Budget Page ADMINISTRATION-106 (Volume I)
Budget Account 712-1366

MR. RAXTER:

My remarks on B/A 712-1366 are contained on page 3 of [Exhibit G](#).

SENATOR RHOADS MOVED TO CLOSE B/A 712-1366 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON HIGHER EDUCATION/CIP.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

Public Works Administration – Budget Page ADMINISTRATION 112 (Volume I)
Budget Account 101-1560

MR. RAXTER:

Due to concerns regarding the lack of performance indicators to measure the effectiveness of the facility condition analysis program, the Joint Subcommittee approved issuing a Letter of Intent directing the agency to develop additional performance indicators for this program. As part of the recommended Letter of Intent, the Subcommittee recommended the agency report to the IFC on a semi annual basis regarding the progress in developing the additional performance indicators.

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Further remarks on B/A 101-1560 are contained on pages 3 and 4 of [Exhibit G](#).

SENATOR COFFIN MOVED TO CLOSE B/A 101-1560 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON HIGHER EDUCATION/CIP.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Public Works Inspection – Budget Page ADMINISTRATION-118 (Volume I)
Budget Account 401-1562

MR. RAXTER:

My remarks on B/A 401-1562 are found on page 4 of [Exhibit G](#). The chart at the bottom of page 4 summarizes the General Fund savings of the Subcommittee's actions.

CHAIR RAGGIO:

There was a lot of discussion regarding this budget, and, due to the desire to have more projects completed, the Subcommittee approved the positions, particularly the three project manager positions. The expectation is to reduce the number of projects that remain uncompleted and to obviate some of the problems that have occurred in some of the major projects. We have arbitration and litigation going on with things such as the Grant Sawyer State Office Building, the Veterans' Homes and so forth.

SENATOR COFFIN:

I supported this closure in the Subcommittee because these new inspectors are going to be necessary for not only the new buildings, but also the eventual reestablishment of a surface to the front of the Grant Sawyer building. I wanted to slow things down before re-tiling the front of the Grant Sawyer building. It appears there are other less expensive methods of resurfacing the building, stucco for one.

CHAIR RAGGIO:

I believe the analysis indicated stucco would be more costly.

SENATOR COFFIN:

The cost to maintain stucco, over time, is more expensive than tile. In the end, tile is better. If that project had been properly supervised from the beginning, we would not be having these problems. It will be ruled that it is sloppy construction work by the tile masons, and it will ultimately cost \$10 million.

SENATOR COFFIN MOVED TO CLOSE B/A 401-1562 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON HIGHER EDUCATION/CIP.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

VETERANS' SERVICES

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

Please refer to Senate Committee on Finance, Joint Subcommittee on Public Safety, Natural Resources and Transportation, Closing Report, Veterans' Services ([Exhibit H](#)). The Joint Subcommittee on Public Safety, Natural Resources and Transportation, co-chaired by Senator Rhoads and Assemblywoman McClain, has completed its review of the budgets for the commissioner for veterans' services and the veterans' home account and has made the following recommendations for the operation of veterans' services during the 2005-2007 biennium.

The Subcommittee's recommendations result in a total General Fund savings of \$56,056 in FY 2006 and \$118,488 in FY 2007.

Commissioner for Veterans' Affairs – Budget Page VETERANS-1 (Volume III)
Budget Account 101-2560

The Subcommittee agreed with the Governor's recommendation, contained in budget amendment No. 2, to add six new positions consisting of two veterans' service representatives, two administrative assistant I positions and two grounds equipment operators. The positions will provide direct assistance to the growing population of an estimated 270,000 veterans in Nevada, plus support the two veterans' cemeteries located in Boulder City and Fernley. The increased General Fund cost of budget amendment No. 2 is \$204,369 in FY 2006 and \$272,881 in FY 2007.

In addition, the Subcommittee added an additional veterans' service representative to provide outreach services and assistance to the women's veteran population. It is estimated there are over 30,000 women veterans in Nevada, and many of them are unaware of the veterans' services to which they are entitled. By including funding for the women's veterans service representative in the budget, there will no longer be a need to consider Senate Bill (S.B.) 505. The General Fund impact is \$51,181 in FY 2006 and \$64,411 in FY 2007.

SENATE BILL 505: Makes appropriation to Office of Veterans' Services for establishment of outreach program for Nevada's women veterans.
(BDR S-1421)

Adjustments were also made to remove the statewide cost allocation and the Attorney General's cost allocation, since the General Fund finances this budget. This results in a General Fund savings of \$78,804 in both FY 2006 and FY 2007.

The net General Fund increase in the budget for the commissioner for veterans' services is \$173,725 in FY 2006 and \$255,467 in FY 2007.

CHAIR RAGGIO:

Is the increase in the budget primarily for the position for outreach services for women veterans?

MR. GUERNSEY:

That is one of the items, and budget amendment No. 2 from the Governor's Office added six new positions. That results in the major increase in the budget. There are savings in the next budget which offset these increases.

SENATOR RHOADS MOVED TO CLOSE B/A 101-2561 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION.

SENATOR TITUS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Veterans' Home Account - Budget Page VETERANS-7 (Volume III)
Budget Account 101-2561

MR. GUERNSEY:

The Nevada State Veterans' Home, located in Boulder City, has an inpatient capacity of 180 residents. The budget was constructed anticipating the facility will operate at 90-percent capacity (162 beds) during both FY 2006 and FY 2007. The veterans' home has recently been operating with a resident population that has fluctuated between 149 and 155.

Overtime payments continue to be a significant factor in the ongoing operation of the facility. As of May 8, 2005, the agency has paid \$521,201 for overtime during the current fiscal year, with \$250,923 paid to nurses and \$226,833 paid to certified nursing assistants. At this time, the agency has 30 vacant positions out of 181 authorized positions, with 28 of the vacant positions being direct-care staff. The Subcommittee concurred with the recommendation to fund overtime of \$393,415 in FY 2006 and \$406,144 in FY 2007 (FY 2004 actual expenses were \$307,066). Funding of \$339,028 in FY 2006 and \$339,029 in FY 2007 was also recommended for contract nursing coverage (FY 2004 actual expenses were \$249,561). In order to provide adequate staffing, the facility has been using overtime and contract services.

The Subcommittee also concurred with the Governor's recommendation to provide a two-grade increase for all nurses resulting in additional General Fund appropriations of \$166,530 in FY 2006 and \$167,837 in FY 2007. The agency hopes that the two-grade increase, along with the recent decision to hire new staff on an accelerated pay scale, will improve the overtime situation. In order to monitor the ongoing overtime and staffing problems, the Subcommittee is recommending the agency provide quarterly reports to the IFC indicating its occupancy rate, staffing levels and overtime and contract staffing payments during the coming biennium.

The recommended budget reflected no increase in either Medicare or Medicaid revenue for FY 2007. Since the agency is reimbursed based upon its costs and the eligibility of its residents, the anticipated revenues can be increased in FY 2007 to reflect budget and salary increases in FY 2007. The Subcommittee, with the agreement of the agency, increased Medicare funding by \$37,272 and Medicaid funding by \$120,442 in FY 2007, with a corresponding decrease in the state General Fund.

The agency indicated to the Subcommittee it had sufficient funding, during the current fiscal year, to repair the two cooling towers as recommended by the Governor, rather than purchase two new towers, which results in a General Fund savings of \$86,000 in both FY 2006 and FY 2007. In addition, \$18,000 was removed in FY 2006 because the agency indicated it had sufficient funds during the current fiscal year to install concrete pads at the exits for the safety of the residents.

Additional adjustments were made to remove the statewide cost allocation and reduce contract services and travel costs to projected expenditure levels which resulted in a savings of \$122,433 in FY 2006 and \$122,100 in FY 2007.

The net General Fund savings in the veterans' home budget is \$229,781 in FY 2006 and \$373,955 in FY 2007.

SENATOR RHOADS MOVED TO CLOSE B/A 101-2561 WITH RECOMMENDATIONS FROM THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

The Committee will recall S.B. 310 dealt with the pedestrian traffic survey situation.

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

The agencies were asked to review their fiscal notes and return to the Committee.

MARK KRMPOTIC (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Staff reviewed the fiscal notes and the amendment to the bill with the affected agencies: the Nevada Highway Patrol, the Department of Public Safety and the Department of Transportation (NDOT). Staff has received confirmation which has been distributed to the Committee ([Exhibit I](#)) from the Highway Patrol. It indicates the amended version of the bill, the first reprint, results in no fiscal impact to the Highway Patrol.

With respect to NDOT, they suggested further amendments to the bill which would remove the fiscal impact on S.B. 310, as far as NDOT is concerned. The NDOT staff and Senator Denis Nolan have communicated to each other regarding some of the proposed amendments NDOT suggested. Senator Nolan has agreed to those amendments, and staff is prepared to discuss them.

I will be referring to the first reprint of S.B. 310. On page 2, line 27, NDOT suggests removing the reference "within 7 days after," and inserting "within 14 days after." The NDOT had indicated the period was unusually tight for them and problematic, in terms of being able to respond, and would require additional resources to respond within the seven-day period. Furthermore, NDOT recommended, beginning on line 31, page 2 of the bill, with the words "within a period of not more than 14 days," that wording be stricken from the amendment to the bill.

Moving to page 3 of S.B. 310, on line 3, where it begins "Within 7 days after the collision or the receipt of credible," NDOT recommends removing "Within 7 days after the collision or," and substituting, "upon the receipt or."

The next change recommended to the bill is to add the word "initial" which would be inserted at the end of line 4, between the words "take" and the word "temporary" at the beginning of line 5, to read, "take initial temporary actions."

Lastly, on line 12, page 3 of the bill, NDOT recommends striking "Within 7 days," and the section would read, "Commence and carry out an evaluation of"

CHAIR RAGGIO:

The e-mail ([Exhibit I](#)) indicates that if those are stricken, the NDOT can support the bill without a fiscal note.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 310.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

Does the Committee wish to discuss S.B. 392? I asked Mr. Comeaux to see if he could collect information regarding the number of times the Nevada Tax Commission met. The issue was whether or not the bill should be amended with respect to the compensation for the tag members of the Tax Commission.

SENATE BILL 392 (1st Reprint): Makes various changes to state financial administration. (BDR 32-683)

MR. COMEAUX:

I distributed two pages, one is an e-mail and the other is a chart from the Department of Taxation ([Exhibit J](#)). This information was collected directly from the two individual departments. I asked them to provide for FY 2003, FY 2004 and FY 2005 to date, the number of days each month the two commissions

met. They provided that information, and in addition, the Nevada Gaming Commission provided FY 2002. You can see that the Taxation Commission met in FY 2003 for 13 days total, in FY 2004 for 14 days total and in FY 2005 for 15 days total. The numbers for the Gaming Commission are almost identical. In FY 2002, they met for 14 meetings and indicated in the narrative the meetings are normally one day in length. They met 12 days in FY 2003; 15 in FY 2004, and year-to-date, in FY 2005, they have had 5 meetings.

The Tax Commission members are currently paid \$80 a day. That means, for their service in FY 2003, they would have received \$1,040 each. I do not remember what the Gaming Commission's salary is, but it is more than that.

CHAIR RAGGIO:

The number of meetings is obviously only part of the situation. I know, personally, the Gaming Commission has a great deal of preparation time before a meeting. They receive stacks of information they must shift through to be prepared for their actual meeting. I did not participate otherwise in the Tax Commission, but I understand there is also a significant amount of preparation. I talked with the Chair of the Tax Commission and asked how much time it takes, over a month, to prepare for the Commission meetings. She indicated from 30 to 40 hours goes into preparation.

MR. COMEAUX:

In the Gaming Commission's e-mail, they indicated they were unable to talk to the individual commissioners to find out how much preparation time is necessary. I know there is a significant amount of reading involved. From my days with the Department of Taxation, things were simpler then, but there was a lot of preparation time necessary for those meetings as well. It would take at least twice the amount of time to prepare for the meeting than to sit through the meeting.

CHAIR RAGGIO:

What is the Committee's feeling on this? We had a somewhat long discussion on it last week, but we need to move the bill in some way.

SENATOR CEGAVSKE:

We are currently paying board members \$80. What is the amount of salary being requested?

CHAIR RAGGIO:

They have not requested anything.

SENATOR CEGAVSKE:

What would the amount be?

MR. GHIGGERI:

The chairman for the Gaming Commission makes \$55,000 a year. Each member of the Gaming Commission receives \$40,000 per year. The Legislative Committee on Taxation, Public Revenue and Tax Policy interim study recommended the Tax Commission be paid the same as the Gaming Commission, and that is what is reflected in S.B. 392.

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SENATOR CEGAVSKE:

Does the Tax Commission meet the same number of days as the Gaming Commission?

MR. GHIGGERI:

As indicated by Mr. Comeaux, the Gaming Commission has actually met fewer days this year than the Tax Commission.

SENATOR CEGAVSKE:

That is for this year.

MR. GHIGGERI:

He has provided historical information that shows, in FY 2002, the Gaming Commission met 14 times; in FY 2003, they met 12 times; in FY 2004, they met 15 times. That compares to the information provided by the Tax Commission for FY 2003, 13 times; FY 2004, 14 times and through May 2005, the Tax Commission has met 15 times.

SENATOR BEERS:

On page 3, lines 18, 19 and 25, the amendment to S.B. 392 spells out the Tax Commission annual salary of \$40,000. Also, section 7 is pertinent, on lines 15, 16 and 17. Did the Legislative Committee on Taxation, Public Revenue and Tax Policy identify a problem?

MR. GHIGGERI:

I do not believe the Legislative Committee on Taxation, Public Revenue and Tax Policy identified a problem. It was one of the recommendations that came from that Committee. They were aware of the amount of time the Tax Commission spent on implementing the tax package approved by the 20th Special Session. There was not a lot of testimony and/or discussion on the issue as I recall.

SENATOR BEERS:

That glut in work should be a onetime event.

SENATOR COFFIN:

I served on the Legislative Committee on Taxation, Public Revenue and Tax Policy, and I serve on the Senate Committee on Taxation and have been through these last two sessions with all of the problems. I do not believe it is going to be a onetime blip in workload because I am familiar with the fact that they were working hard before the 2003 Legislative Session made some radical changes. What has happened is the Gaming Commission has a relatively select group of people who are its audience. The Tax Commission has a broader range of statutes to interpret or hear the appeals because of differences in the statutes. When you look back at the last two sessions, particularly this session, the general public has discovered the Tax Commission and the Taxpayers' Bill of Rights. I do not believe they will have a slackening of their workload.

The people who attend the Tax Commission meetings do not understand what the Tax Commission does, whereas the people who attend the Gaming Commission already know the language. There is something different about what happens in the two commissions, and the workload of the Tax Commission will continue to grow. I would encourage people to know what the Tax Commission does. For that reason, we should pay the commissioners a salary. The daily pay situation potentially increases conflicts of interest. I would

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rather people be paid a decent salary so they justify their work and not just take some lawyer or lobbyist at their word on how they ought to vote.

SENATOR CEGAVSKE:

What vote came out of the Legislative Committee on Taxation, Public Revenue and Tax Policy, and did they discuss this at all in our Senate Committee on Taxation?

CHAIR RAGGIO:

The first reprint came out of the Senate Committee on Taxation, and I assume the changes were added by that Committee.

SENATOR CEGAVSKE:

Was the vote unanimous?

SENATOR COFFIN:

We ended up with about eight or ten bills from the Department of Taxation. Some of them were refer, some were do pass and refer. Senate Bill 392 was a do pass and refer, unanimously, containing the higher amount.

CHAIR RAGGIO:

The Chair would indicate the Gaming Commission salaries have evolved over a long period of time. There is no question the Gaming Commission's workload has increased noticeably over the years as gaming has grown. We know it will continue. There is no question that the workload of the Tax Commission, over the last three years, has reached a higher level. There is an issue as to whether or not it will continue at that level. The Chair suggests we approve a salary that is somewhat less than the Gaming Commission, whether it is 50 percent or 60 percent, and if the workload does continue, that salary can be adjusted in the future. Certainly, some recognition of the extraordinary amount of time required should, at least, be acknowledged.

SENATOR TITUS:

I agree. I believe the Tax Commission deserves some type of salary, but it is harder to justify a salary of \$40,000 for someone who works 14 days a year. I know we talked about a lot of preparation time, but some members will prepare more than others, but you cannot measure that. I support the Chair's proposal.

SENATOR COFFIN:

I suggest that the Senate Committee amend the bill to provide salary for the Tax Commission members equivalent to 60 percent of the Gaming Commission's salary and proportionately for the chair of the Tax Commission.

SENATOR BEERS:

I was going to get that quantified in dollar terms.

CHAIR RAGGIO:

It would be two-thirds.

SENATOR RHOADS MOVED TO AMEND AND DO PASS S.B. 392 TO INCLUDE AN ANNUAL SALARY FOR THE CHAIR OF THE TAX COMMISSION OF \$27,500 AND \$20,000 FOR THE MEMBERS OF THE TAX COMMISSION.

SENATOR COFFIN SECONDED THE MOTION.

SENATOR MATHEWS:

I am always amazed that we discuss other boards and commissions, that meet less frequently than legislators, and we need to stop soft shoeing around what we make and compare it to what we want to give the commission. I think the commission deserves it, but we have this discussion about paying these individuals because they work so hard and have to prepare. We do the same thing yet we are afraid to say, "Hey folks, we need to be paid too."

CHAIR RAGGIO:

We have a bill that will now go onto the ballot that will pay legislators for 120 days. That has to be approved by the voters.

SENATOR MATHEWS:

I heard a lot of discussion saying we ought to lay low on that because voters will not vote for you. I say they are going to vote for you if you do the right thing for them. People want to pay you what you are worth.

CHAIR RAGGIO:

Would an appropriation be required if we add the amendment to S.B. 392?

MR. GHIGGERI:

Yes, it would. Also, there is a fiscal note that indicates the computer system would need to be revised at the Department of Taxation and funding may need to be added for printing the Taxpayers' Bill of Rights. Staff would like to net out whatever additional funding would be required for the Commission members and the chairman against what is currently included in the Department of Taxation's budget and be given the authority to verify the dollar amount required for the computer programming changes. Currently, the amount is shown at \$85,000. However, Taxation has contingency funding within the Unified Tax System project they may be able to utilize for this in lieu of providing them additional funding.

CHAIR RAGGIO:

Would that have to go into the amendment as well?

MR. GHIGGERI:

That is correct. We would have to put General Fund dollars in which I can calculate.

CHAIR RAGGIO:

Will the persons who made the motion and the second agree that those provisions be a part of the motion?

SENATOR COFFIN:

To ensure we understand, the issue on salaries was already in the fiscal note.

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CHAIR RAGGIO:

Are we clear on the motion before the Committee?

SENATOR BEERS:

Are any of the seats on the Tax Commission currently vacant?

MR. GHIGGERI:

I do not believe so. The last vacancy was filled by Mr. Bob Barengo approximately one year ago. They lost a number of members during the last interim.

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

* * * * *

SENATOR TITUS:

For the record, I would like to ask the "no" votes if they voted no because they think there should be no salary, or are they voting no because they think the salary is not high enough?

CHAIR RAGGIO:

I am not going to ask people to tell why they voted a certain way unless they wish to.

SENATOR BEERS:

The Tax Commission already has an existing salary.

CHAIR RAGGIO:

Staff is indicating that S.B. 505, the appropriation for the Office of Veterans' Services for the outreach program, is included in the budget we approved so we can indefinitely postpone S.B. 505.

SENATOR TITUS MOVED TO INDEFINITELY POSTPONE S.B. 505.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:
There being no further business to come before the Committee, the meeting is adjourned at 10:33 a.m.

RESPECTFULLY SUBMITTED:

Jo Greenslate,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE:_____