

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-third Session
June 1, 2005**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 9:05 a.m. on Wednesday, June 1, 2005, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

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

GUEST LEGISLATORS PRESENT:

Assemblyman Morse Arberry Jr., Assembly District No. 7
Assemblywoman Barbara E. Buckley, Assembly District No. 8
Assemblywoman Sheila Leslie, Assembly District No. 27
Assemblywoman Bonnie Parnell, Assembly District No. 40

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Bob Guernsey, Principal Deputy Fiscal Analyst
Lora Nay, Committee Secretary

OTHERS PRESENT:

Dan Musgrove, Clark County
Diana Glomb-Rogan, League of Women Voters of Nevada, Nevada Women's Lobby; Nevada Youth Care Providers
Charles Duarte, Administrator, Division of Health Care Financing and Policy, Department of Human Resources
Chris Brooks, Nevada Partnership for Homeless Youth
Carol Lark, Assistant Region Superintendent, Southeast Region, Clark County School District
Ken Lange, Nevada State Education Association
Ron Titus, Court Administrator and Director of the Administrative Office of the Courts, Office of Court Administrator
Rick R. Loop, Eighth Judicial District Court; Nevada District Judges Association
Al Bellister, Nevada State Education Association

CHAIR RAGGIO:

We will open the hearing on Assembly Bill (A.B.) 35 (2nd Reprint).

ASSEMBLY BILL 35 (2nd Reprint): Makes various changes concerning instruction permits and driver's licenses of minors who are in legal custody of county. (BDR 43-667)

BARBARA BUCKLEY (Assembly District No. 8):

Assembly Bill 35 is a pretty straightforward bill. It merely adds the protections and rules regarding those who are under the age of 18 and in the custody of the State of Nevada. This bill expands protection to the counties if a foster child wishes to drive. Specific language was not detected earlier and fixed when we ended the bifurcated system and the counties of Clark and Washoe began taking front-end foster care services.

CHAIR RAGGIO:

Why is there a fiscal note, or was there a fiscal note on this bill?

ASSEMBLYWOMAN BUCKLEY:

The original bill gave room, board and additional services to children between the ages of 18 and 21. When the Assembly Committee on Ways and Means reviewed appropriations, they felt this bill would not get funded with our limited available funds.

CHAIR RAGGIO:

The second reprint before us does only what you have suggested and there is no fiscal impact on the bill.

ASSEMBLYWOMAN BUCKLEY:

Correct.

SENATOR COFFIN:

I want to make sure there is insurance provided or the foster child purchases insurance. Insurance is expensive at that age. How do we make sure the foster child has insurance?

DAN MUSGROVE (Clark County):

There is a representative from Washoe County present who might be able to answer your question. I do not have an answer. I am not sure if the State of Nevada or the counties have responsibility for providing insurance.

This bill is a way to allow a license to a child who is prepared and ready to take on that responsibility. We have no ability to give them that authority, under law, until they come of age at 18 and are emancipated.

ASSEMBLYWOMAN BUCKLEY:

For a foster child under the age of 18 who wishes to drive and needs insurance, the insurance is usually paid from one of three sources. One source is wages earned if the child is working. Another is the foster parents if they are able to provide insurance. A third source is independent-living funds. With these three sources, the counties and the state are not under any obligation to provide insurance.

CHAIR RAGGIO:

It is the Chair's understanding that State employees have the authority to do this for a minor. The State of Nevada can sign the application, but the county employees cannot. This bill would afford the same opportunity and the same

protection against liability that the State of Nevada employees have. That is essentially what we are talking about, is it not? Let the record reflect they are nodding their heads in the affirmative.

SENATOR BEERS:

Thank you, Mr. Chair. I will remind this Committee that insurance follows the vehicle and not the driver.

DIANA GLOMB-ROGAN (League of Women Voters of Nevada; Nevada Women's Lobby; Nevada Youth Care Providers):

I am here in support of A.B. 35 as well as A.B. 36 and A.B. 566. I am the legislative advocate for the League of Women Voters of Nevada, as well as the Nevada Youth Care Providers. I am also here speaking on behalf of the Nevada Women's Lobby and have provided additional written testimony, ([Exhibit C](#)).

ASSEMBLY BILL 36 (1st Reprint): Requires Director of Department of Human Resources to include in State Plan for Medicaid requirement that young adults who have "aged out" of foster care are eligible for Medicaid. (BDR 38-668)

ASSEMBLY BILL 566: Requires Legislative Commission to contract with consultant to carry out certain duties and prepare report concerning health, safety, welfare, and civil and other rights of children who are under care of certain governmental entities or private facilities. (BDR S-1472)

All three organizations are in support of A.B. 35 and A.B. 36. These measures will increase the quality of life for our foster children who are leaving State care and need help transitioning into adulthood. We feel these measures will help them in that important transition, especially A.B. 36, which will provide them with medical care. This measure has come before the Committee in past sessions and has not been approved. We are hopeful this Committee will approve this measure.

All three organizations are also in support of A.B. 566. This bill will begin an oversight process of the State institutions which care for children. Much research has shown that children are often victimized by the systems and institutions that are created to help them. As the State of Nevada, we have to do all we can to ensure our children are protected and do not fall prey to abuse or neglect because they are entrusted to us.

CHAIR RAGGIO:

We will close the hearing on A.B. 35. We will open the hearing at this time on A.B. 36. This Senate Committee on Finance has before it the first reprint of that measure.

ASSEMBLYWOMAN BUCKLEY:

Assembly Bill 36 comes to you as a unanimous recommendation from the Legislative Committee on Children, Youth and Families. This bill would authorize Medicaid until the age of 21 for children who are aging out of our foster care system. These children are in our care, sometimes for many years, and when they turn 18, we say good-bye without providing much of a life raft. I do not know how many of you have children who have turned 18 and think they are

ready to be completely on their own. Speaking for myself, and probably for most of this Committee, we know that is not the case.

The fiscal note is relatively minor compared to the good that it will do. It is going to cover those youths who do not yet have jobs with health insurance and those who have a medical condition. Mr. Thom Reilly, when he was with the University of Nevada, Las Vegas (UNLV) School of Social Work, before he took the Clark County Manager position, conducted a survey of children who had aged out of the system and how they were fairing. The results were appalling. For example, he had sent a letter to the last-known address of an aged-out foster child and received a call from a woman who wanted to let him know her brother had died. It turns out that he had aged out of our system and did not have health insurance when he left. He was rationing his insulin and died at the age of 19.

This bill provides a life raft for those young adults with medical conditions so they are able to get on their feet, get a job with health insurance, get through college or whatever they are doing. This is a good investment for the children who have been in State custody for many years. Mr. Charles Duarte is here to answer any questions on the fiscal note.

SENATOR CEGAVSKE:

During a previous session, we had discussed the age when foster children graduate from high school, as some of them are 19 or even older when they graduate. Did we ever come to language that did not have the age barrier?

MS. GLOMB-ROGAN:

Yes, foster children stay in the county's custody until they graduate from high school. During that time, they are covered by Medicaid.

SENATOR CEGAVSKE:

I have told you about my son befriending a young man, Tommy, who has shared his life's story with me. His family of six children were all separated and put into different homes. His success story, though not necessarily success through his foster-home placements and his family background, comes from having two jobs and going to college on the Millennium Scholarship. He is doing very well. He has his own insurance. I am looking at his success story and have heard some of your stories and I am looking at a happy medium or what else we can do. I do not want to be a crutch. I want foster children to know that they have responsibilities. They have to get jobs and all of those things that are needed. Is there a fiscal note?

CHAIR RAGGIO:

The bill has appropriations included in sections 3 and 4.

SENATOR CEGAVSKE:

Tommy is doing well and he is motivated even with everything he has gone through. His foster-care stories are not pretty. Despite all of the things that happened to him, he is still successful. He has car insurance and has done it all himself.

ASSEMBLYWOMAN BUCKLEY:

Yes, there are success stories coming out of our foster-care system. You will hear one in a minute from Mr. Chris Brooks who is here to support the bill. It

depends where people land. A child who is released from foster care and is a diabetic or has a medical condition may not be able to hold two jobs and go to college. They may not either be offered or be able to afford health insurance. This is not to imply that by being in foster care they get health insurance as a lifetime benefit. This is for a couple of years.

Believe me, a child released from the foster-care system who is working a full-time job and gets health insurance will not want to stay with the State system. They will not be eligible because Medicaid is the last resort and they want to cut their ties with the system. This bill is a life raft for youths who are going out on their own and do not have health insurance or they have a chronic medical condition with no other health care. Mr. Brooks will describe some of the foster children with whom he works. This bill will not be used as a crutch.

CHAIR RAGGIO:

Mr. Duarte, why was this program not recommended in the *Executive Budget*?

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

It was one of those proposals, among many, that had merit but did not make it to the priority list we had to establish in the Department of Human Resources in order to meet the budgetary goals the Governor had set. There were other priorities we had to establish.

CHAIR RAGGIO:

If I am correct in my addition, the cost of this would be part General Fund with the authority to match federal funding. Is there federal funding available for this program? Does it require state match?

MR. DUARTE:

Yes, there is federal match for this population. It is an optional Medicaid program and we will get federal matching funds to support this. The fiscal note was revised based on Dr. Thom Reilly's testimony about the number of children and the percentage of children who would participate. He was heard in the Assembly Committee on Health and Human Services on February 23, 2005. The result was a significant reduction in the General Fund requirements for this bill. Approximately \$537,000 is necessary for this proposal to be implemented during the upcoming fiscal biennium.

CHAIR RAGGIO:

How much is needed?

MR. DUARTE:

The total appropriation necessary is \$537,000 General Fund money. Federal funds would be about \$1,140,000.

CHAIR RAGGIO:

Why is the proposal in the bill for the \$537,000 allocated in the manner set forth in section 3?

MR. DUARTE:

The allocations in section 3 are devised that way because there are other divisions that are going to need some of these funds, including the Welfare Division, to implement this change. The eligibility changes necessary in Nevada

Operations of Multi-Automated Data Systems (NOMADS) and also in the Division of Child and Family Services (DCFS) are for changes in their information systems. There are allocations using both state, federal and title funds for the necessary changes in all those divisions.

CHAIR RAGGIO:

This, as I understand it, is not a onetime appropriation and would require continued funding in the future biennia, would it not?

MR. DUARTE:

Yes, Mr. Chair. The future biennia impact is estimated at about \$850,000 in General Funds.

CHRIS BROOKS (Nevada Partnership for Homeless Youth):

I am here representing youths who have aged out and are going to age out of the foster-care system. Today, I stand before you as a well-adjusted young man, but my life story is anything but that. At five-years old, I was severely abused and neglected by my mother and her boyfriend and was placed in the State of Nevada foster-care system. From there, at age ten, I was separated from my brother. He was adopted and I was never allowed to see him again until I was 21. From ages 5 to 19, I was placed in over 35 different foster homes. At 19, I had aged out of the foster-care system. At 20, I experienced homelessness for a couple of months. Last August, I finally got insurance for the first time since I aged out of the foster-care system. I support A.B. 566.

CHAIR RAGGIO:

How old are you now?

MR. BROOKS:

I am twenty-three. For about four to six years I never saw a doctor, a dentist and never had vision care. I could not even go to the University Medical Center (UMC) when I was sick because I owed them money from a previous visit. They made me pay a \$200 deposit just to see the doctor. I was working at the minimum wage so I could not afford to go to UMC. I had to go to the emergency room and that took all day for them to say I needed more money for treatment.

We need A.B. 36 because, as youths aging out, we have no one. We are orphans. We have ourselves and maybe, if we are lucky, a couple of people who support us. I understand that you do not want to be a crutch, but we need a crutch. We have no one; if you have children, you are their crutch. They can come back to you for advice. They can come back for your help. We have no one. We need something to help us become independent and self-sufficient.

CHAIR RAGGIO:

Thank you for being here; we appreciate it. Your testimony is helpful.

We will close the hearing on A.B. 36. We will open the hearing on A.B. 514. We are looking at the first reprint of this measure.

ASSEMBLY BILL 514 (1st Reprint): Authorizes Department of Education to provide grants to public schools for establishment of pilot programs providing alternative educational settings for disruptive pupils. (BDR S-937)

BONNIE PARNELL (Assembly District 40):

I am here today to introduce A.B. 514. Assembly Bill 514 authorizes the Department of Education to provide grants, to the extent that money is available, for distribution to schools to establish pilot programs for alternative educational settings for disruptive students. This duplicates Assembly Bill 521 from the 70th Session which passed after there was testimony from many school teachers and parents about the importance of finding alternative placement for our most disruptive students. That bill was passed and it did receive a \$1 million appropriation for the biennium.

With me today is Ms. Carol Lark who was the principal at one of the schools who applied for that pilot program money. She is here to tell you about the successes of her program. The importance and the passion regarding this area has not subsided since 1999 even though the funding has. As you can see from this bill, the Assembly Committee on Ways and Means removed the funding. We ask you to set the standards and criteria for any grant money available. Maybe, either through A.B. 525 or your S.B. 404, schools can create programs for our most disruptive students who can be taken out of the regular classroom and not be sent home. We do not achieve anything with at-home suspension. We would rather have students stay at a school site and be able to continue their studies and learn how to work within the system.

ASSEMBLY BILL 525 (1st Reprint): Creates Account for Programs for Innovation and the Prevention of Remediation and makes appropriation. (BDR 34-1352)

SENATE BILL 404 (1st Reprint): Creates Commission on Educational Excellence. (BDR 34-1365)

This legislation was so important that you will see it in both the 2003 and this Session's legislation. The need and desire to have programs such as this are shared by parents, teachers, administrators, school boards, associations and superintendents. It runs the gamut of everyone involved in our education system. I would like to introduce Ms. Carol Lark who will describe her successes when money was granted for this program.

CAROL LARK (Assistant Region Superintendent, Southeast Region, Clark County School District):

I am the former principal of C. P. Squires Elementary School in Clark County. I was a recipient of the original grant.

CHAIR RAGGIO:

How much was the grant that your school received? You said you were a recipient of this grant.

MS. LARK:

There were four schools funded and we received one-fourth of that grant. The amount was \$50,000.

CHAIR RAGGIO:

Was the amount \$50,000 for four schools in Clark County?

MS. LARK:

Yes, sir. I left an affluent school in the suburbs to take on the challenge of this at-risk school. This school had 90-percent free and reduced lunches and was 86-percent Hispanic. We served all of the homeless shelters, except for one. I convinced 11 outstanding teachers to come with me on this great adventure. At the end of the first year, we found our discipline was not meeting the needs of our students. Those 11 outstanding teachers said they would not be able to continue teaching unless the discipline was under control. The school environment was too disruptive. I had spent that entire year with Required Parent Conferencing (RPC) and suspending students. I held parent conference after parent conference, but, as much as the parents loved their children, they too were at a loss. They could not control their children at home and their own problems were often more serious than the children's. It was at that point I applied for the grant.

We hired a behavioral specialist and paid him about \$4,000. We had one licensed position and one support-staff position. We paid \$4,000 for training in William Glasser's model of Choice Theory taught by a UNLV professor. We took two days and trained a team of 15 teachers. This team met every week and processed each child we considered on the edge, those who were pushing the limit. In the first year, we placed 66 students in a separate room. About 20 to 30 of those students were repeat offenders. When we put them back in the classroom, they would disrupt again, and I would remove them again. They thought they could outlast us, but they soon found out we have choices and it was our choice to make sure our classrooms were not disrupted. Children have a right to an appropriate education.

In the second year, we placed 35 students in that room with 10 to 12 repeat offenders. In the third year, we did not need the separate room. We badly needed the behavioral specialist. I did not need the support staff person any longer. We used support staff during the first year because we were developing a culture of trust and support.

Disruptive students were removed from the regular classroom and placed into the alternative classroom which had nothing but a clock. I made sure students had one bathroom break in the morning and one in the afternoon. They ate in isolation. For an elementary student, that is a long day. Students were always treated with dignity and respect. No one ever raised their voice. We used some of the Boys' Town social skills training. Students were taught alternative behaviors, choices and social skills.

CHAIR RAGGIO:

I am not quite sure what you are saying. You said you hired a behavioral specialist. What kind of a pilot program did he establish that somehow changed the attitude of these youngsters?

MS. LARK:

It is a model called Choice Theory. It was developed by Dr. William Glasser, founder of the William Glasser Institute in Chatsworth, California. Our team had two days of training from Dr. Patti L. Chance of UNLV. It is a powerful model. We are not penalizing or going after children in a punitive way. The children are still in control of their own behavior. They learn that every decision they make has a consequence. They understood that if they hit someone or disrupted their classroom, they were removed. We helped them learn to choose better

alternatives to classroom disruption and how to stay within their regular classroom.

CHAIR RAGGIO:

When you take students out of the classroom, where do you put them?

MS. LARK:

Students are taken to an alternative classroom with the behavioral specialist. They have paperwork to complete.

CHAIR RAGGIO:

What does he do differently?

MS. LARK:

He gives the students their schoolwork and he talks to them about what caused their behavior. As an example, Deshaun came to me on the playground and said I was going to be proud of him. Deshaun was a real challenge. When I asked him why, he told me that when Randy was talking about his mama, he did not hit Randy. Students are proud of themselves when they know they are making better choices. When they figure out they are in control of their own decisions, that is the turnaround. They are treated well. In many cases they have been abused and they do not need more of that. They need the support and nurturing we can provide with this program. But, most importantly, we moved from a needs-improvement school in three out of four categories to a nationally distinguished Title I school. Today, that school is still doing well and they are not on anyone's list.

We cannot be without the behavioral specialist. He took two weeks off one time and the program started falling apart. He meets the children at the bus. He has breakfast with them. He has lunch with them. He knows their friends. He knows their enemies. He knows their families and he knows their problems.

CHAIR RAGGIO:

This would apply to what grade levels?

MR. LARK:

The school contains kindergarten through fifth grades. In the last two years I was there, I suspended only four students; two during each year and the offense was for possessing knives. I do not tolerate weapons. Parents love the program because we are not calling them. If students wanted a day off, they just hit somebody. That is not a solution. This program is something that works. I am convinced it does. I have watched it work. The behavioral specialist is in and out of classrooms. He is supporting our good teachers who are doing great things. Teachers cannot do their job in an environment that is not conducive to learning. I urge you to find the money if you can.

CHAIR RAGGIO:

I know times have changed and things are a lot different from when I was in school. We had a behavioral specialist in sixth grade and it was a lady with a wooden paddle. She solved all these problems.

MS. LARK:

We have laws.

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CHAIR RAGGIO:

I understand that is not permitted today, but it worked almost 100 percent.

MS. LARK:

I would agree. I experienced that as well from my father.

SENATOR BEERS:

Dr. Lark, are the results of your experiment documented anywhere? Is there a document that describes how you accomplished what you did?

MS. LARK:

Actually, it is published in a recent book on best practices for principals. I have contributed one chapter on this particular program.

SENATOR BEERS:

Is this available on Amazon.com?

MS. LARK:

Yes sir, it is.

SENATOR BEERS:

Are you the author of the book?

MS. LARK:

No, I have one of about forty stories compiled by someone working on their doctorate. When I received the National Distinguished Principal Award, I was asked to contribute a chapter which I did.

SENATOR BEERS:

Would it be possible for me to impose upon you to e-mail your chapter to the members of this Committee?

MS. LARK:

I would be happy to.

CHAIR RAGGIO:

Why would not some manual be sufficient, rather than having to establish a pilot program, if the information is already available? Do you have to hire a behavioral specialist?

MS. LARK:

You absolutely must because the administrators and the teachers do not have time to stay on top of these high-maintenance students.

SENATOR BEERS:

About two or three years ago, you walked me through all of your classrooms and I was impressed. I believe both Houses are going to process a significantly funded, essentially innovative educational appropriation that schools will be able to apply to for whatever innovative ideas they can develop. I will be asking the Department of Education to include your chapter in the materials they make available.

MS. LARK:

Thank you.

CHAIR RAGGIO:

Ms. Parnell, this bill removed the money so, as a practical matter, what is the need for the bill? The money is not included in the reprint before us.

ASSEMBLYWOMAN PARNELL:

What is important about this bill is that it clearly specifies guidelines for the application for funds. We want to make sure academics are being covered and disruptive students are separated from the regular student population. The criteria and the standards for the program are found on page 2 of the bill. The evaluation piece is also important as is the required-reporting piece so we know what state dollars are being used for these programs. We want to make sure they are being successful and we want to know the results.

SENATOR RAGGIO:

If we approve this bill in this form, should there be a requirement for the districts to match the funds?

ASSEMBLYWOMAN PARNELL:

We could make that requirement. I do not know if that would eliminate the potential for some of the smaller school districts to receive it. The potential is in S.B. 404 and A.B. 525. If there was a pot of money that was used for innovation and schools could apply, all the school would have to provide is a place for those students to meet.

CHAIR RAGGIO:

The issue is whether this would fit within the definition of S.B. 404 which is likely to be processed. We could double-check to determine if this would fall within the criteria.

ASSEMBLYWOMAN PARNELL:

If not, we could take the language from S.B. 525 where we included alternative settings for disruptive students as one of the choices in that innovative pot of money. If it is not in A.B. 404, maybe we could at least make sure it is referenced in that bill.

KEN LANGE (Nevada State Education Association):

I would like to go on the record echoing the Assemblywoman's comments in reinforcing Ms. Lark's fine work with the program as it is exemplary and was exactly what we intended when we supported A.B. 521 of the 72nd Session. We concur with the Assemblywoman's comments that this bill gives us a more concrete and specific set of guidelines than a general statement about alternative settings for disruptive pupils. We would like to see this carried forward so that we can continue to give teachers control over their classrooms and get these children into appropriate settings.

CHAIR RAGGIO:

With no testimony in opposition, we will close the hearing on A.B. 514. We will open the hearing on Assembly Concurrent Resolution (A.C.R.) 10.

ASSEMBLY CONCURRENT RESOLUTION 10: Directs Legislative Commission to conduct interim study on adequacy of school finance in Nevada. (BDR R-1199)

MR. LANGE:

We learned during our attempt to pass the National Average Initiative Petition that while people may intuitively understand our children are left behind, regardless of what number we use, whether we are 47th or 29th, that many wanted specific information about why additional funding is needed and for what. Assembly Concurrent Resolution 10 will give us those answers. It has been quite some time since the Nevada plan, our plan of school funding, was studied. We have had a lot of innovation. We have increased achievement standards. We have raised the bar and we have had the same struggle each Session to increase per-pupil funding since the plan was enacted. It never seems to go away. Even though we may slightly improve per-pupil spending in this Session, we have yet to determine whether or not that is sufficient to help us get to the performance-based system of accountability we have established.

The demographics of the state and the school-age population have changed substantially. Our challenges, as educators, have exploded. While educators have risen to that task, many feel we are not going to be able to keep up with the resources we have today. We need a thorough and impartial study conducted by experts with the input of education professionals. We would appreciate your support of A.C.R. 10 and encourage your positive reaction to this proposal.

CHAIR RAGGIO:

I am not sure why this resolution is before this Committee. Generally we agree on the number of studies that can be staffed during the interim. Each House is given a certain number that it may approve. Is this on the list of the ones that the Assembly wants to do a study on or not?

MR. LANGE:

That is our hope and understanding.

CHAIR RAGGIO:

We usually do not send study bills over until each House has agreed on which studies it wants. Senator Cegavske, has the number been determined as to the studies that are going to be accommodated?

SENATOR CEGAVSKE:

We are looking at no more than three studies in each House. I have not heard from my counterpart as to which studies they have. We have narrowed ours down.

CHAIR RAGGIO:

Unless this is something additional; is that what we are looking at here?

MR. LANGE:

No, and I can only surmise that the reason it made it over to this Committee is because it has a potential fiscal note, the amount of which is still under discussion.

CHAIR RAGGIO:

We do not have a fiscal note. What is the cost?

MR. LANGE:

The cost of the study runs between \$250,000 and \$350,000.

CHAIR RAGGIO:

Every study costs something. What is the \$250,000 or more for?

MR. LANGE:

The funds will be used to hire a supervising consultant, convene our participants in panels, have them travel, pay for a buy-out if required by the school districts and cover the cost of writing and disseminating the report.

CHAIR RAGGIO:

I do not see the difference; am I missing something?

MR. LANGE:

The resolution is not specifically relative to that item. It is well-crafted in terms of the scope of the study.

CHAIR RAGGIO:

Each of these studies submits a budget and then the Commission approves whatever is necessary. Is this something that the Legislative Committee on Education, which is ongoing during the interim, would be doing?

MR. LANGE:

The scope and detail of the study requires outside expertise. It could be supervised.

CHAIR RAGGIO:

Who are the outside experts? Is there a list of those?

MR. LANGE:

Yes, there is a body of qualified experts who have been conducting these studies in other states.

CHAIR RAGGIO:

Will you provide the Committee with this list?

MR. LANGE:

I will be happy to do that.

CHAIR RAGGIO:

We will open the hearing on A.B. 566.

SHEILA LESLIE (Assembly District No. 27):

This is a measure that grew out of the interim Subcommittee to study the Juvenile Justice System in Nevada that I chaired last interim. We spent quite a bit of time hearing about the problems at our youth training centers. All of you who were here last session remember the investigation from the U.S. Department of Justice and the ongoing problems in our state institutions.

One of the recommendations that came out of the interim study was that we find a way to create an ombudsman to overview complaints, grievance procedures and issues associated with court-ordered placements. The Nevada District Judges Association has people here to testify about the judicial resolution that was passed in support of this measure. Part of this bill was originally in A.B. 54 which asks for an ongoing study of juvenile justice.

ASSEMBLY BILL 54: Creates Legislative Committee on Juvenile Justice and requires performance audits of institutions and facilities that house juvenile offenders. (BDR 17-193)

We separated the two issues because one was a study. What remains before you today is the oversight mechanism. The committee felt strongly that this should not be contained within the administration. It is hard to have administration as the watchdog of the administrative programs. Our recommendation for oversight was to put it in the Legislative Counsel Bureau (LCB). It does not fit in the LCB or the LCB Audit Division. They were cooperative and we had quite a bit of discussion this Session in meetings with them. The final result is this bill. That is why it is so late coming before you. Money is to be appropriated through the Legislative Commission which would then establish a subcommittee and enter into a contract with an independent consultant to carry out the duties in the bill. The consultant would be asked to have an investigative authority when people, parents or children complain.

CHAIR RAGGIO:

Are these children in custody in juvenile facilities?

ASSEMBLYWOMAN LESLIE:

We define it as court-ordered placement which would cover our juvenile facilities and our psychiatric treatment facilities. There have been problems with those facilities as well. The focus is anyplace a court orders a child.

CHAIR RAGGIO:

Is this an ongoing position?

ASSEMBLYWOMAN LESLIE:

This only appropriates money for the next biennium. We wanted to see how this process worked. The Department of Justice has entered into a Memorandum of Understanding with the State of Nevada, but their investigation into the abuse that happened in Elko is still open. They suggest we still do not have an adequate oversight mechanism for possible abuse and neglect.

I get several calls or complaints a month, just through my legislative position, from parents or youth who are concerned about what is occurring. It is not appropriate for me to investigate. I pass the complaints on to the administration from the parents who allow me to do so. Some, since their children are still located in these facilities, are afraid and will not let me pass on their complaints. Instead of complaining to me, a Legislator, they would be able to complain to an ombudsman who would then investigate and advise to ensure we never get in a position like we did through the U.S. Department of Justice investigation. That is the intent.

CHAIR RAGGIO:

Are you indicating this is something that is required?

ASSEMBLYWOMAN LESLIE:

It is not required.

CHAIR RAGGIO:

You said they indicated that we did not have adequate oversight.

ASSEMBLYWOMAN LESLIE:

It is one of the recommendations, but it is not a requirement. We reduced the staffing ratio which was a recommendation but not a requirement. The interim study supported this concept.

RON TITUS (Court Administrator and Director of the Administrative Office of the Courts, Office of Court Administrator):

We are here in support of A.B. 566. The counsel passed a resolution requesting, or encouraging, the Governor's Office and Legislature to look at these issues. There was significant concern by district judges about the ongoing care of offenders in both the adult and juvenile system. The judges desire a permanent oversight procedure regarding governmental institutions where juveniles and adults are incarcerated. The judicial counsel supports this bill.

RICK R. LOOP (Eighth Judicial District Court; Nevada District Judges Association):
I am here to state that we support this legislation.

CHAIR RAGGIO:

We will close the hearing on A.B. 566 and open the hearing on A.B. 561.

ASSEMBLY BILL 561: Extends reversion date of appropriation made in previous session to Fighting Aids in Our Community Today organization. (BDR S-1466)

MORSE ARBERRY JR. (CLARK COUNTY ASSEMBLY DISTRICT NO. 7):

I am here to speak on behalf of A.B. 561 which is a continuation of the funding we approved during the 20th Special Session to assist the group Fighting Acquired Immunodeficiency Syndrome (AIDS) in Our Community Today (FACT) program. As was testified, FACT is a nonprofit organization trying to assist people who have tested positive for AIDS. They provide testing, counseling and information related to Human Immunodeficiency Virus (HIV). They are located in the community where the highest rate of AIDS has been found based on zip code and similar criteria. This bill is to continue the funding FACT has not yet received due to information they had to provide to the agency to get them started and make them a viable nonprofit entity. This organization has only received \$5,000. We are asking to continue the funding over the next two years so FACT can have a chance to provide the proposed services.

CHAIR RAGGIO:

I am not clear why this was approved? Why were they not able to go ahead with the program?

ASSEMBLYMAN ARBERRY:

There were stipulations placed on the funding. When the agency reviewed some of the stipulations, the organization had to change their board and do a few other things. In addition, the proposals that were to be submitted had to be changed. The agency did not want to release any of the funding until all these items were resolved. It has taken almost two years to get started and meet the requirements requested by the agency.

CHAIR RAGGIO:

We will close the hearing on A.B. 566. That completes the posted agenda on bills. Let us look at S.B. 103 we heard on March 21, 2005. This is the appropriation to the Department of Cultural Affairs for the development and

expansion of the Southern Nevada Railroad Museum which is in the Governor's budget and is a measure we could pass.

SENATE BILL 103: Makes appropriation to Department of Cultural Affairs for development, renovation and expansion of Southern Nevada Railroad Museum. (BDR S-1220)

SENATOR BEERS MOVED TO DO PASS S.B. 103.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

This morning we heard two measures on which this Committee can act. What is the Committee's pleasure on A.B. 35 (2nd Reprint)?

SENATOR CEGAVSKE MOVED TO DO PASS A.B. 35.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

We will consider A.B. 561, the appropriation for the FACT organization from last session that was not utilized. This bill would extend the appropriation for use during the next biennium.

SENATOR RHOADS MOVED TO DO PASS A.B. 561.

SENATOR MATHEWS SECONDED THE MOTION.

SENATOR BEERS:

I voted against this measure last Session. To be consistent, I will be voting against it this Session as well.

THE MOTION CARRIED. (SENATOR BEERS VOTED NO.)

CHAIR RAGGIO:

This Committee will now consider recommendations for budget closings. We have been given a sheet that shows the differences between the two committees on the budgets that are indicated (Exhibit D). As a result of meetings with leadership, these are the recommendations and we will address them in the order they appear on your list.

CULTURAL AFFAIRS

Nevada State Library — Budget Page CULTURAL-18 (Volume I)
Budget Account 101-2891

Based upon the recommendations that came out of the discussions held between leadership, the recommendation is that this budget account (B/A) would be closed as the Senate Committee on Finance had closed the budget and the \$1.2 million would be placed on a priority list. Any motions on these budgets are going to be accepted conditionally upon the Assembly Committee on Ways and Means closing them in the same manner.

SENATOR MATHEWS MOVED TO CLOSE B/A 101-2891 AS RECOMMENDED BY THE SENATE COMMITTEE ON FINANCE.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:
Next is the budget for economic development.

ECONOMIC DEVELOPMENT AND TOURISM

Commission on Economic Development — Budget Page ECON DEV &
TOURISM-1 (Volume II)
Budget Account 101-1526

The Assembly eliminated the increased travel and training funds of \$11,266 per year and did not approve the \$5 million per year for the regional development authorities. The Senate increased the training funds of \$800 per year but reduced the additional travel funds by 50 percent in each year. The recommendation coming from the leadership meeting was that we close the budget in the manner that the Senate closed it with the exception of allocating a portion of the additional funding to the regional development authorities. That recommendation is for the amount allocated to the Nevada Development Authority (NDA). Each year \$500,000 of that allocation would be available to the urban and Latin chambers of commerce to assist in economic development of the inner city and blighted areas. The funds would be available upon a detailed plan being submitted, reviewed and approved by the NDA. Then, and only then, would the funds become available to those organizations assisting in the economic development of the inner city. This requirement applies only to the NDA portion of the allocation.

SENATOR RHOADS MOVED TO ACCEPT THE RECOMMENDATION OF THE LEADERSHIP TO CLOSE B/A 101-1526, AS RECOMMENDED BY THE SENATE COMMITTEE ON FINANCE, WITH THE EXCEPTION OF ALLOCATING A PORTION OF THE ADDITIONAL FUNDING TO THE REGIONAL DEVELOPMENT AUTHORITIES.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

Let us look at the differences on the Nevada System of Higher Education (NSHE nee UCCSN) budget as shown on page 2 of [Exhibit D](#). The first item is funding the merit beyond the maximum salary scale. You can note the differences. The Assembly Committee on Ways and Means approved a full-merit exclusion on all salaries beyond the maximum salary scale. The recommendation from the leadership was that we implement the Assembly's action which would be a full exclusion on merit pay for all noninstructional-administrative salaries beyond the maximum-salary scale. That results in a General Fund savings of \$182,000 in FY 2006 and \$369,000 in FY 2007 for a total of \$552,276 over the biennium. For instructional faculty beyond the maximum salary scale level, the Committee approved continuation of partial limits as recommended by the Governor. This is conditional on the Assembly Committee on Ways and Means taking similar action.

SENATOR BEERS MOVED TO ACCEPT THE RECOMMENDATIONS OF THE ASSEMBLY COMMITTEE ON WAYS AND MEANS AND THE GOVERNOR TO CLOSE B/A 101-1526.

SENATOR CEGAVSKE SECONDED THE MOTION.

SENATOR COFFIN:

My wife works for the university system at UNLV. She has a one-year contract with no tenure. I will support this motion.

SENATOR TITUS:

I am a professor at UNLV. I want it to be clear that this merit is not automatic. The way it works is if you have three areas, service, research or excellence in teaching, you can apply to a committee within your department. They recommend to the chair, then they recommend to a committee within the college and then they recommend to the dean. The dean may then recommend to the provost. So you go through all these steps of being evaluated by your academic peers and you may or may not get merit. If you get merit, it does not mean a 2.5-percent raise, it can range from \$500 up to \$2,500.

SENATOR BEERS:

I plan on supporting the measure in the spirit of compromise, but I would like to put on the record my thoughts. Merit pay was designed to bring our university professors into parity with surrounding states. According to the latest round of statistics, it has done that. Both campuses indicate that about two-thirds of the faculty are meritorious enough to earn this merit increase. This is an area of inequity between public employees and we need to review that; but, in the spirit of compromise, I will be voting in favor of this.

THE MOTION CARRIED. (SENATOR TITUS ABSTAINED.)

CHAIR RAGGIO:

The second issue concerns dental-school enrollments. The recommendation of the leadership group was that we approve the dental-school-enrollment funding as recommended by the Governor.

SENATOR COFFIN MOVED TO ACCEPT THE RECOMMENDATION OF THE GOVERNOR FOR THE DENTAL-SCHOOL-ENROLLMENT FUNDING.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

On the issue of professional cost-of-living allowances (COLAs), the major differences concerned moving the COLA appropriations. The difference is what we termed 80 percent of 95 percent and moving it to the State Board of Examiners, similar to what occurs with the classified employees. The recommendation of the leadership group was to have the COLA appropriations moved from the NSHE account to the State Board of Examiners' COLA account, allowing the university system to access up to 100 percent of justified need.

SENATOR BEERS MOVED TO MOVE COLA APPROPRIATIONS FROM THE NSHE ACCOUNT TO THE BOARD OF EXAMINERS COLA ACCOUNT.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Raggio:

The No. 4 item on your list, page 3 of [Exhibit D](#), is the indirect-cost-recovery-revenue replacement. The recommendation was that we would approve the indirect-cost recovery to allow them to retain 100 percent of the funds.

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

In the Governor's budget there was a small amount of the indirect-cost recovery that was not provided back to the university. Both committees have agreed to adopt the Governor's recommendation which would mean the university would lose some of the indirect-cost recovery for this next biennium. However, when the Senate closes the budget, they are going to issue a Letter of Intent directing that 100 percent of the indirect cost recovery be returned to the university in the 2007-2009 biennium. That issue was not discussed with the Assembly.

CHAIR RAGGIO:

The recommended action was that the university system be allowed to retain the indirect-cost recovery consistent with the recommendation in the Governor's budget.

SENATOR COFFIN MOVED TO RETAIN THE INDIRECT-COST RECOVERY FOR NSHE AS RECOMMENDED BY THE GOVERNOR.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. GHIGGERI:

In an effort to align the salaries of the Community College of Southern Nevada (CCSN) with other community colleges, the Assembly Committee on Ways and Means added approximately \$9.8 million to provide catch-up for CCSN over the next two years. It is recommended that this be phased in over a six-year period, similar to what was done in the formula-funding study for UNLV to provide parity with UNLV and the University of Nevada, Reno (UNR).

CHAIR RAGGIO:

The leadership group recommended that instead of funding this, as was recommended by the Assembly Committee on Ways and Means, we would add General Fund appropriations of \$617,000 in FY 2006 and \$1,230,000 in FY 2007 to assist in bringing the instructional-faculty salaries to the weighted average of the other community colleges and phasing it in over a six-year period.

SENATOR RHOADS MOVED TO ADD GENERAL FUND APPROPRIATIONS OF \$617,000 IN FY 2006 AND \$1,230,000 IN FY 2007 TO BRING CCSN FACULTY SALARIES IN PARITY WITH THE OTHER COMMUNITY COLLEGES

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

On the issue of formula funding, there was no agreement to continue that in the Assembly. In the interest of getting things settled, the recommendation of the Assembly Committee on Ways and Means was not accepted. The final action is that both committees would fund reduced enrollments at the 84.09-percent formula level recommended by the Governor.

MR. GHIGGERI:

That provides savings to the General Fund of approximately \$10 million in FY 2006 and approximately \$13 million in FY 2007. There would be an approximate savings of \$23 million over the biennium.

CHAIR RAGGIO:

The recommended action was to remain with the Assembly's proposal.

SENATOR CEGAVSKE MOVED TO ACCEPT THE RECOMMENDATION OF THE GOVERNOR TO FUND REDUCED ENROLLMENTS AT THE 84.09-PERCENT LEVEL.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR COFFIN VOTED NO.)

SENATOR RAGGIO:

Under the remaining issues termed special-consideration items, on page 4 of [Exhibit D](#), the Senate agreed to fund a number of special-consideration items. The leadership group recommended that the indicated items dealing with nursing initiatives, the University of Nevada School of Medicine enrollment increases and enhancement initiatives and a total of \$2.2 million for technology operating for system-enrollment growth should be funded. If that is agreeable, the Chair would accept a motion to that effect.

SENATOR MATHEWS MOVED TO APPROVE THE SPECIAL CONSIDERATION ITEMS ON PAGE 4 OF [EXHIBIT D](#) AS RECOMMENDED BY LEADERSHIP.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

All of the actions on this budget are conditioned upon similar action of all items by the Assembly Committee on Ways and Means. On the Distributive School Account (DSA), on page 5 of [Exhibit D](#), concerning the funding issue of group insurance, there were differences in the amounts and the method to be utilized for unanticipated need for group insured due to inflation. The recommendation of the leadership group was to adopt the Senate's proposal on group insurance and the amount of \$4 million would be placed with the Interim Finance Committee (IFC) and access would be afforded for that purpose.

SENATOR BEERS MOVED TO ACCEPT THE RECOMMENDATION OF THE SENATE COMMITTEE ON FINANCE CONCERNING THE DSA UNANTICIPATED INFLATION NEED FOR GROUP INSURED AND PLACE \$4 MILLION WITH THE IFC.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

On the issue of textbook inflation which is on your list, the Assembly Committee on Ways and Means had approved 4.66-percent inflation for textbooks. The amounts, indicated on page 5 of [Exhibit D](#), are \$1,416,685 for FY 2005-2006 and \$2,958,227 for FY 2006-2007. The leadership group recommended those amounts be included in the DSA.

SENATOR MATHEWS MOVED TO ACCEPT THE RECOMMENDATION OF THE ASSEMBLY COMMITTEE ON WAYS AND MEANS TO APPROVE 4.66-PERCENT INFLATION FOR TEXTBOOKS.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

We will close the DSA in that manner. As far as the salaries are concerned, the leadership group recommended that one step be added to the state salary schedule for state employees. In addition to the recommendation of the Governor for COLA increases of 2 percent the first year and 2 percent the second year, an additional 2 percent in the second year of the biennium would be appropriated. Not only would the DSA be covered but also university employees and state employees. If we concur with those recommendations, the addition to the DSA would require \$44.2 million of continued funding.

SENATOR BEERS:

The step increase is worth approximately 4 percent or 4.5 percent. Effectively, this is a 6-percent to 6.5-percent increase in pay for university and state employees and 2 percent for teachers in the first year of the biennium. Both groups would get 4 percent in the second year of the biennium.

MR. GHIGGERI:

That would be correct to an extent. The only state employees who would gain the extra step would be those who are topped out at this time. State of Nevada employees who are not topped out would not receive an extra step until they attain that extra step.

CHAIR RAGGIO:

It is the Chair's understanding that only those who are at a top step would be affected by adding an additional step.

SENATOR TITUS:

That is also for classified employees who are in steps. The nonclassified employees, including faculty, would not be getting that step. That distinction needs to be made for the record.

SENATOR BEERS:

As I understand what you just said, the 6-percent first-year increase is restricted to employees who have roughly ten years of service.

MR. GHIGGERI:

If employees are at the top of their step, they would receive the additional step plus the 2 percent.

SENATOR COFFIN:

Can I get a gist of the feeling for why people want to consider the professionals, the faculties, differently than other state professional people? Is that rooted in the old belief, which I think is mistaken, that everyone gets merit? Is that why we are doing that; do we have a reason?

CHAIR RAGGIO:

I do not understand the question; why are they being treated differently?

SENATOR COFFIN:

Apparently the professors are not getting that extra step. What if professors are topped out? Professors would not get the step increase. If the professor is not topped out, are they treated the same as any other state employee who has not topped out? Will they get the 2 percent? Have I misstated this?

SENATOR RAGGIO:

I do not have the answer to your question.

MR. GHIGGERI:

The classified employees of the university system would receive the additional step as is provided to all classified employees. The step is not being provided to unclassified employees or anyone else.

SENATOR COFFIN:

I could amplify on that concept, as this is not the first time it has happened. Is it a matter of dollars and cents, which I can understand, or is it was a matter of people thinking that somehow these professors are getting money in ways that are mysterious?

SENATOR RAGGIO:

They do get merit pay. I am not the one to provide the information.

SENATOR COFFIN:

Some professors do get merit pay. I am trying to determine how much everyone thinks professors receive. My wife makes about \$60,000 as an assistant professor so each percent would be \$600. She received \$1,000 in merit pay last year which would be a little more than 1 percent. This increase is a lot less than what is being given to other state employees.

SENATOR MATHEWS:

I was wondering about that entire group. The classified employees get longevity and the professionals do not. Do the classified employees get longevity?

MR. GHIGGERI:

Yes, they do.

SENATOR MATHEWS:

So longevity would be figured into their increase, whatever they are getting, and no one has mentioned this before.

SENATOR CEGAVSKE:

The 6 percent is for state employees. Then a 2-percent and a 4-percent increase is for teachers. I want to make sure I have this concept right.

MR. GHIGGERI:

The Governor recommended a 2-percent pay raise in the DSA for both years of the biennium. This provides an additional 2 percent in FY 2007 in the DSA. Therefore, it would be a 2-percent and a 4-percent pay increase for everyone, classified employees and teachers.

SENATOR CEGAVSKE:

The State employees are different.

MR. GHIGGERI:

State employees receive the 2-percent pay increase in FY 2006 and the 2-percent increase in FY 2007 with a recommendation that an additional 2 percent be provided in FY 2007, for a 4-percent increase in FY 2007, similar to the DSA. There are State employees that have not reached the maximum pay level in their job classification which is a nine-step job series for progression. On an employee's annual evaluation, if they are rated standard or above, they will receive an approximate 4.5-percent step increase.

The recommendation is for employees who have topped out. I do not know the number of employees who are affected. They are at the top step of the nine-step salary scale. This recommendation would provide an additional step for those employees who are currently topped out.

SENATOR CEGAVSKE:

We do not know the total cost of the recommendation.

MR. GHIGGERI:

I can give you a ballpark-cost estimate. At 80 percent from the General Fund portion only, not Highway Fund or any other funding source, the cost is about \$8.5 million in FY 2006 and approximately \$9.9 million in FY 2007.

CHAIR RAGGIO:

The leadership group is also trying to respond to the fact that when we compare state employee salaries to some of the local government salaries, there has been an ongoing disparity. This does not address it altogether, but at least it was a recognition of that issue.

SENATOR BEERS:

Is this a proposal to permanently add step ten to the system?

MR. GHIGGERI:

This would be a permanent increase.

SENATOR BEERS:

I will rephrase my question. For someone who begins employment today, in 10 years will their top salary be at step 9 or step 10?

MR. GHIGGERI:

It would go to a step 10, if the top salary is still a step 10 at that time, it could be step 11, 12 or more steps.

SENATOR BEERS:

This is a change to the step system and not a onetime increase in pay. Since the step system does not apply to teachers, in ten years will a teacher not see this increase?

MR. GHIGGERI:

That would probably be different and I cannot address how the salary levels for teachers are calculated.

CHAIR RAGGIO:

Remember that teachers, through their associations, have the ability to go to collective bargaining in each of the school districts.

SENATOR MATHEWS:

When you are talking about going to that ten step with classified employees, what percentage would they get in longevity in addition to that step?

MR. GHIGGERI:

It depends upon how long an employee is employed; it fluctuates.

SENATOR MATHEWS:

If employees are at the top step, have they been there awhile?

MR. GHIGGERI:

They get a longevity check.

SENATOR MATHEWS:

The longevity bonus does not go into the base?

MR. GHIGGERI:

It does not go into the base.

CHAIR RAGGIO:

We have a motion to approve the recommended salary increases for inclusion in the DSA, and, as indicated, it will be applicable as well to the university system and also to state employees.

SENATOR CEGAVSKE:

Are we going to approve both the DSA and the state increases together?

CHAIR RAGGIO:

We are trying to close the DSA, but we need to be mindful that the action we take is also going to be reflected when we deal with State employees, and it will be applicable to the university system as well.

SENATOR CEGAVSKE:

Are we just approving the DSA at this moment?

CHAIR RAGGIO:

Yes, that is why we had to bring that up because it has to be in the DSA if we close it.

THE MOTION CARRIED. (SENATOR TITUS ABSTAINED.)

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CHAIR RAGGIO:

As I understand from staff, that will close the DSA and our action is dependant upon a similar action being taken by the Assembly Committee on Ways and Means.

SENATOR COFFIN:

I want to make sure I am informed on the retirement credits for the librarians. Is their ability to purchase credits considered part of the DSA? I know there is a bill floating around that will do this for them. On the other hand, things get lost in the shuffle. Did the group discuss that? It does not have a dollar amount beside it.

CHAIR RAGGIO:

It did not. I think that is in a bill proposal.

SENATOR COFFIN:

Do we know where that proposal is? I keep raising this issue just because I do not want it to die. I will check it out. May I ask for someone, on the record, to come in so I can find out where this bill is or what it is, because it is a DSA matter?

AL BELLISTER (Nevada State Education Association):

I believe you are referring to A.B. 461, a bill sponsored by Assemblywoman Chris Giunchigliani. It is in the Assembly. It is out of the Assembly Committee on Ways and Means and I think they are waiting to vote on it on the Assembly Floor.

ASSEMBLY BILL 461: Makes appropriation to Department of Education for programs of performance pay and enhanced compensation for recruitment, retention and mentoring of licensed personnel. (BDR S-1391)

SENATOR CEGAVSKE:

Based on Senator Titus's comment, I would like to clarify and make sure that I realize what I voted on. I was voting on the DSA, a 2-percent and a 4-percent increase. I understand you gave us information about the state raises, but I am still wondering.

CHAIR RAGGIO:

Senator Titus was indicating that if the proposal included the university, she wanted to be on record as abstaining on that vote.

SENATOR CEGAVSKE:

But it was the DSA we were voting on; that is my understanding.

CHAIR RAGGIO:

Staff, do you have information on the allocation of the Tourism funding?

MR. GHIGGERI:

Yes, based upon the actions that have been taken by the Senate Committee on Finance, this would resolve all outstanding issues in the budget if the Assembly

Committee on Ways and Means concurs with these actions. Based on the joint closure of the Commission on Tourism budgets, there was approximately \$2.9 million in room-tax money freed up in FY 2006 and approximately \$1.2 million freed up in FY 2007.

There are pieces of legislation currently in the Senate Committee on Finance that can utilize some of that funding. The Assembly Committee on Ways and Means does not have any legislation for the use of that funding other than A.B. 289 which was heard by this Committee on Monday concerning the stewardship program. There is \$62,000, almost \$63,000, in FY 2006 and \$77,000 in FY 2007.

ASSEMBLY BILL 289: Requires Administrator of Office of Historic Preservation of Department of Cultural Affairs to establish stewardship program for protection of cultural resources. (BDR 33-554)

Staff is recommending the additional excess-room-tax money that the Assembly has no identified legislation for at this time be placed in deferred maintenance for the Division of State Parks of approximately \$1.1 million in FY 2006 and \$451,000 in FY 2007. Additionally, there is a recommendation that approximately \$609,000 be placed in the Railroad Museum budget utilizing Tourism funding and an additional \$49,000 be placed in the Division of State Parks budget for operating funding. This proposal would free up General Fund dollars that are in those budgets for other use.

CHAIR RAGGIO:

For your information, we may be considering some of the bills relating to Tourism activities that could be utilized out of room-tax money.

Staff is asking for authority to make that substitution in the budget so I would accept a motion to that effect.

SENATOR TITUS MOVED TO AUTHORIZE STAFF TO REALLOCATE THE EXCESS ROOM TAX MONEY THAT HAS NO IDENTIFIED LEGISLATION BE PLACED IN DEFERRED MAINTENANCE FOR THE DIVISION OF STATE PARKS. IN ADDITION, APPROXIMATELY \$609,000 BE PLACED IN THE RAILROAD MUSEUM BUDGET AND \$49,000 PLACED IN THE STATE PARKS BUDGET FOR OPERATING FUNDS.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY

Senate Committee on Finance
June 1, 2005
Page 28

CHAIR RAGGIO:
This Committee on Finance is adjourned at 11:17 a.m.

RESPECTFULLY SUBMITTED:

Lora Nay,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE:_____