

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Fourth Session
April 25, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 8:07 a.m., on Wednesday, April 25, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Morse Arberry Jr., Chair
Assemblywoman Sheila Leslie, Vice Chair
Assemblywoman Barbara E. Buckley
Assemblyman Mo Denis
Assemblywoman Heidi S. Gansert
Assemblyman Tom Grady
Assemblyman Joseph P. (Joe) Hardy
Assemblyman Joseph Hogan
Assemblywoman Ellen Koivisto
Assemblywoman Kathy McClain
Assemblyman David R. Parks
Assemblywoman Debbie Smith
Assemblywoman Valerie E. Weber

COMMITTEE MEMBERS EXCUSED:

Assemblyman John W. Marvel

GUEST LEGISLATORS PRESENT:

Assemblyman John C. Carpenter, Assembly District No. 33
Assemblyman John Ocegura, Assembly District No. 16

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Barron Brooks, Committee Secretary
Patricia Adams, Committee Assistant



Chairman Arberry opened the hearing on Assembly Bill (A.B.) 190.

Assembly Bill 190: Makes various changes to provisions governing criminal procedure. (BDR 14-655)

Robin Sweet, Deputy Director, Planning & Analysis/Court Services, Administrative Office of the Courts, stated that the bill had two sections. One section added "another piece" to a reporting requirement on bonding forfeitures, which would enhance the Office's tracking ability. The second section moved a reporting requirement for the Supreme Court on death penalty cases to the Attorney General's office. There was a fiscal note which was expected to be removed.

Mark Stevens, Assembly Fiscal Analyst, Legislative Counsel Bureau stated that he had received a telephone call from the Attorney General's office requesting that the fiscal note be removed.

Chairman Arberry closed the hearing on A.B. 190.

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 320.

Assembly Bill 320: Makes an appropriation to Three Square for the construction of a food production facility. (BDR S-799)

Assemblywoman Buckley introduced her intern Caprice Roberson.

Caprice Roberson, Assembly Intern, provided the following testimony:

Chairman Arberry, members of the Committee, for the record my name is Caprice Roberson. I am pleased to be before you today in sponsorship of A.B. 320, a bill to appropriate \$5 million dollars to the organization Three Square.

Three Square stands for "three square meals a day." Three Square was formed in late 2006 after a Conrad N. Hilton Foundation-funded study showed a growing need to address hunger in southern Nevada. The study revealed that, although nearly 150 nonprofit agencies in southern Nevada are providing approximately 4,000,000 meals for people who lack adequate nutritious food, they are not able to keep up with the demand, and that only 43 percent of the needy are receiving a daily meal. The research further indicated that the need will double in seven years.

The mission of Three Square is to eliminate hunger in the Las Vegas area by enhancing production and delivery of meals to those who lack sufficient food, especially needy children, families and seniors. Major Las Vegas gaming corporations, MGM Mirage, Station Casinos, Harrah's Entertainment, Boyd Gaming, the Venetian, UNLV, CCSD, the media, local governmental agencies, businesses, and nonprofit agencies have come together in a unique collaborative community effort to establish an innovative program designed to transform food production, collection, and delivery to the needy.

Julie Murray, CEO of Three Square, is spearheading the program, advised by General Mike Mulqueen, recently retired chief operating

officer of the standard-setting Greater Chicago Food Depository, a highly successful food facility. In 2006, the Depository provided 43 million pounds of food to people in Cook County for emergency and supplemental food through its member network of almost 600 food pantries, soup kitchens, and shelters throughout Cook County.

A research team consisting of leading academicians from UNLV, the Clark County Health District, and the University of Nevada Cooperative Extension will assist in meal planning, evaluation of the menu and delivery systems, and development of benchmarks for the central food facility.

In January of this year, the Hilton Foundation awarded a grant of \$2 million dollars to Three Square. The grant funds the planning that will lead to the construction of a central food production facility that will produce nutritious meals that will be distributed by southern Nevada food service organizations. This appropriation will fund the construction of the facility itself. Three Square will build the food facility, purchase fresh foods, and have executive chefs create wholesome, nutritious, and well-balanced meals for those in need. As a first step in the program and to address immediate needs, Three Square began producing 5,000 meals per week on March 5, 2007.

This appropriation will help children, seniors, working families, and the homeless.

The State and this Legislature should not turn its back on this collaborative, community effort to address the needs of the poor, particularly where the community is providing a substantial monetary investment, as well as in kind support, to make this program a success.

Punam Mathur, Chairman, Board of Trustees, Three Square, stated she would explain the history of Three Square. There had been a study funded by the Hilton Corporation in 2004 to determine whether there was a more efficient way to deploy recovered food to the needy. A year and a half of research painted a very bleak picture. It found that recovered food was a diminishing resource because of more efficient practices by the restaurant industry. Food banking would never be enough to meet the growing need. There were approximately 4 million meals provided in Southern Nevada per year, which represented approximately half of the need. Poverty rates in Clark County increased by double digits between 2000 and 2004. The cost of housing increased 37 percent during the same period. The Women, Infants, and Children USDA Special Supplemental Food Program (WIC) caseloads increased 18 percent and food stamp cases were up 72 percent. The largest entrance into poverty were children under the age of five. Approximately 117,000 of the 300,000 children attending school in Clark County were eligible for free or reduced-cost meals. The study's findings were reflective of the national data that the America's Second Harvest Organization monitored.

Ms. Mathur explained that Three Square arrived at some key conclusions from the study:

- The need for meals was going to increase dramatically.

- Food recovery and food banking would never represent an adequate solution.
- There had been a dramatic change in "the face" of the hunger. It was no longer just the indigent population.
- Nutritional balance in food must be a high priority for communities.
- Community support groups were spending large amounts of their resources to provide food to the needy which in turn prevented them from providing other support services.
- Hunger had far-reaching effects in the community. Many problems in the community were exacerbated by hunger. For example, children could not learn if they were hungry.

Ms. Mathur explained that Three Square had planned to build a food production facility on a 10-15 acre parcel. The food production facility would allow them to actively control the food supply in the community, and the contents of the meals could be planned to meet nutritional needs. The facility would also collaborate with food providers in the community for efficient food recovery. It would also serve as a food bank. The facility would be a "community food hub."

Ms. Mathur stated that Nevada was in a unique position to deal with the hunger issue. No other community in the country had attempted this plan. America's Second Harvest was excited and hoped that this could be a model for the rest of the country to adopt. Because of Nevada's culinary expertise and vendor relationships, Three Square's plan could be very successful.

Ms. Mathur explained that Three Square was founded September 1, 2006. Three Square was a 501(c)3 corporation. The Board of Trustees was diverse. Ms. Mathur explained that there was a builder who would build their facility at cost, and Three Square had other business and community support. Three Square had also partnered with the University of Nevada, Las Vegas, who would be helping with research. Three Square had already received over \$400,000 in local contributions to date. The Hilton foundation would be providing \$2 million over the next two years. Ms. Mathur explained that on April 1, Three Square unveiled a "proof of concept phase" which outlined the five agencies that it had been partnered with. Three Square had contracted with a kitchen to provide approximately 2,500 meals per week to the five nonprofit agencies.

In conclusion, Ms. Mathur explained that there was strength, passion, and vitality behind Three Square and asked for the Committee's consideration of the bill.

Eric Hilton stated that through his traveling around the world, he had been able to see hunger and poverty in many places, but he had not expected to find hunger in Las Vegas, Nevada. He told of one agency that had closed down due to lack of funding which affected 300,000 meals for the Las Vegas area. His foundation's research showed there was a big problem that was only going to get worse if not addressed. Once the "proof of concept" was proved, the Hilton Foundation would be providing additional funding. He assured the Committee that support of the bill would greatly address the hunger problem.

Julie Murray, Chief Executive Officer, Three Square, stated that she had spent her entire life helping those in need but had just recently realized how big of an issue hunger was. Hunger was a silent problem that was not talked about enough. Hunger was at the core of so many issues and it affected the quality-of-life in the entire community. Eradicating hunger would dramatically

benefit education, youth, senior citizens, and healthcare. Three Square's primary mission was to eradicate hunger, but it was also an opportunity for all residents in Nevada to join together and focus on a community issue. There was an opportunity to lead the country in the fight against hunger. Three Square had everyone's support except the state's. She guaranteed that the state's support would have a major impact across the board.

Ms. Mathur pledged that Three Square would deliver on its promises.

Assemblyman Dennis questioned where the facility would be located.

Ms. Mathur responded that a location would be chosen within 45 days.

Assemblywoman Leslie stated that she was the first food bank director in Northern Nevada back in 1981. She agreed that Las Vegas was uniquely positioned to address the issue because of resources that other communities could not match. She asked how the state's funding would help leverage funding for the project.

Ms. Mathur explained that the state's support would allow Three Square to say that they had the fullest collaboration possible.

Assemblywoman Leslie expressed her support for the program.

Assemblyman Grady questioned city and county support.

Ms. Mathur responded that Three Square had been applying for grants.

Assemblywoman Smith questioned collaboration with the schools and suggested utilizing the Breakfast In Schools Program.

Ms. Murray replied that Three Square wanted the school district to be an important part of what they were doing. She would be meeting with a team from the school district in May and would discuss the Breakfast In Schools program.

Assemblywoman Weber questioned whether Three Square had collaborated with the Chef For Kids Program.

Ms. Mathur responded that Chef For Kids Program was a significant partner. There was a major fund-raising event on May 19. The current chairman of the board for the Chef For Kids Program was the chef who was leading the acquisition of all of Three Squares ingredient's for the proof of concept phase.

Chairman Arberry closed the hearing on A.B. 320.

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 349.

Assembly Bill 349: Revises provisions governing the Commission on Economic Development. (BDR 18-999)

Assemblyman John Carpenter, District 33, stated that Assembly Bill 349 would provide money to the Commission on Economic Development, which in turn would administer grants to entities for economic development. During the last session, Elko County was awarded \$1 million which had been matched with approximately \$4 million. The county had purchased property for a rail port, warehousing, and manufacturing. The county was now in the process of

planning the rail port. Mr. Carpenter said that 40 acres of the property would be used for a recycling facility. The money in the bill would be used for economic diversification in other rural counties whose economies were subject to the fluctuations in the mining industry. Assemblyman Carpenter introduced Elaine Barkdull Spencer, Executive Director, Elko County Economic Diversification Authority.

Ms. Barkdull Spencer stated that it was her job to transition Elko County's economy from mining and to find a new industry niche for the area. It was also her job to provide primary employment to a very large area of rural Nevada and to keep it sustained. Community sustainability was a major mission for the economic development authorities in rural Nevada, but the large mining companies were also teamed with the Diversification Authority to come up with solutions for the times when mining was slow. Smaller communities could lose up to two-thirds of their population when mining slowed. Mining was not the only answer for rural Nevada communities. There was a huge opportunity for new industry to locate off of Interstate 80. Ms. Barkdull Spencer explained that she had just attended a Nevada Commission on Economic Development (NCED) meeting with other economic development authorities, and she was amazed at what the small communities had been able to do. There was criteria that prevented mining towns from receiving federal economic development grants, because when mining was high, the medium-to-high-income levels prevented the towns from qualifying. When mining actively increased, there was an influx of new jobs and people; counties and cities had to scramble to keep up with the infrastructure needs but were not able to invest the growth money for the future. The Economic Diversification Authority would like to sustain and grow the communities, and contribute to the state of Nevada. The Elko area was experiencing considerable growth. The Authority partnered with mining companies in groups called the Northern Nevada Partnership. The groups met to discuss diversification and how to sustain communities during downtime in the mining industry.

In conclusion, Ms. Barkdull Spencer stated that the bill was very important and was an investment in rural Nevada and its future growth areas. The criteria for the bill was "stiff" and did not provide easy access to grants. Recipients were required to be heavily affected by mining and not be eligible to receive Economic Development Administration Funds. Recipients must also provide a professional feasibility study, because a feasibility study showed whether a community's project was worthwhile. The 200 percent match was higher than any other economic development grant, because communities needed to show their commitment to the projects. Ms. Barkdull Spencer cited the success of the Port of Elko. A 45-acre parcel had been sold, and the rest of the industrial park would be sold to a major developer.

Vice Chairwoman Leslie questioned whether the money in the bill was "above and beyond what the State already funds with the rural development. This is for specific projects, correct?"

Ms. Barkdull Spencer replied that Vice Chairwoman Leslie's understanding was correct.

Vice Chairwoman Leslie explained that approximately \$1 million had already been put into rural economic development.

Ms. Barkdull Spencer stated that the money was for infrastructure.

Vice Chairwoman Leslie questioned the likelihood of having applicants for the grants under the new requirements.

Ms. Barkdull Spencer stated that there would be applicants, and the grants would get other communities thinking about new projects.

Assemblyman Carpenter cited the closure of a mine in Pershing County that could have an impact on approximately 150 jobs, and the bill could potentially assist that community. If a community was not willing to provide the match, then the State should not be involved.

Vice Chairwoman Leslie closed the hearing on A.B. 349.

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 374.

Assembly Bill 374: Requires the Department of Transportation to construct and operate permanent port of entry inspection stations. (BDR 35-930)

Assemblyman Ocegüera stated that the proposed amendments would allow the Nevada Department of Transportation (NDOT) to accept port of entry proposals submitted for the operation of four ports of entry. Mr. Ocegüera explained that NDOT would work with private companies in the building of inspection sites and would adopt regulations necessary for port operation. Also, the costs of inspection would include all costs involved in the development, construction, maintenance, management and operation of the four ports of entry. The amendment would "take out the cost on this bill and allow for private partnerships to come into place."

Mr. Ocegüera said A.B. 374 was part of Nevada's prevention-based strategy. The ports would serve as inspection facilities for unsafe trucks, contraband interdiction, and terrorist activity. Currently, 23 states had ports of entry. In 2005, Kentucky implemented the Integrated Safety and Security Enforcement System (ISSES), and it was the first system of its kind in the United States. Mr. Ocegüera introduced Exhibit C, which was an ISSES handout explaining the functions of the system. Also in the exhibit was a letter from David Jackson, the Deputy Commissioner and Chief of Staff of the Department of Regulation in Kentucky. Mr. Jackson was a strong advocate for the new technology and would like to see other states adopt similar initiatives.

Assembly Bill 374 would prevent unsafe trucks from entering Nevada's roads. Recent statistics showed that Nevadans were more likely to die in a truck-related crash than other Americans. Other states were using port of entry facilities in preventing unsafe trucks from driving onto their roads. The State should not risk leaving unsafe trucks unchecked. Las Vegas had been placed on the Department of Homeland Security's list of high-risk target for terrorist attacks for the second time. The Legislature needed to reduce Nevada's vulnerability to potential terrorist attacks for the safety of our citizens and our tourists. With unsafe trucks causing fatalities on roads, contraband entering communities, and possible terrorist attacks, Nevada must be on the offensive.

Assemblyman Ocegüera provided Exhibit D, Proposed Amendment 3800 to A.B. 374.

Assemblyman Grady wanted to confirm that there were current inspection points in various locations on the State's roads.

Assemblyman Ocegüera confirmed that there were current inspection points.

Assemblywoman Weber asked for additional information in regard to currently operating inspection points.

Assemblyman Ocegüera deferred the question to a representative of the Department of Transportation. The proposed technology would electronically scan vehicles, while the current inspections were only visual inspections performed by a Highway Patrol Officer. The new scan would take between six seconds and one minute. The scan would identify contraband, human trafficking, leaking fluids, and other items of concern.

Assemblyman Denis questioned whether the amendment established a private/public partnership for operation of the port.

Assemblyman Ocegüera replied that private companies would submit proposals to cover the cost of the ports.

Assemblyman Denis asked whether this type of arrangement was being done in other locations in the country.

Assemblyman Ocegüera responded that it was.

Brian O'Callaghan, Detective, Las Vegas Metropolitan Police Department, stated that the Police Department was in support of the bill for the safety of the tourist corridor. Mr. O'Callaghan said that there were many different entrance points in the State, but the bill would be "a start" to protecting the tourist area.

Assemblywoman Leslie questioned whether the ports would be able to interrupt methamphetamine transportation from Mexico.

Mr. O'Callaghan replied that the ports could help prevent a "myriad of things," including the transportation of methamphetamine.

Bill Bainter, Lieutenant, Nevada Highway Patrol (NHP), said that the NHP supported the bill from a public safety perspective. The NHP understood the fiscal impact. There were 60 officers assigned to inspection duties and the State did not have any fixed facilities, ports of entry, scale houses, or any other type of 24-hour facility. Current facilities in Las Vegas and Sloan were operated approximately once a week, four hours at a time. The remainder of NHP's resources were spent randomly selecting commercial vehicles for inspection. Any additional efforts funded by the State to inspect commercial vehicles was supported by the NHP.

Michael Lawson, Traffic Information Division Chief, Nevada Department of Transportation (NDOT), stated that the NDOT had previously opposed the bill but through negotiations with the director and the bill's sponsor, NDOT now took a neutral position on the bill. The amendment now addressed the Department's fiscal concerns.

Ronald Levine, Director of Government Affairs, Nevada Motor Transport Association (NMTA), stated that NMTA was opposed to the bill. Mr. Levine explained that he was a 25-year veteran of the Highway Patrol and was familiar with inspection operations. The ports would not work for homeland security purposes, because there were 37 ways to get into the State, and the bill would only take care of four on a 24-hour basis. Once individuals knew about inspections, they would simply choose to drive to another entry point. Only a small amount of criminals would be caught. Mr. Levine mentioned that the

inspection points could cause traffic to be diverted onto roads unfit for commercial travel. He estimated that it would take over 200 people to man the entry points provided in the bill and questioned how many vehicles would actually be inspected. Approximately 60-70 percent of commercial vehicle accidents were caused by vehicle operator error rather than mechanical deficiencies that would supposedly be found on vehicles at the inspection points. Of the remaining amount, only 10 percent could be attributed to mechanical problems. Mr. Levine stated that some of the entry points would be duplicating the efforts of neighboring states and would only contribute to slowing down traffic. Regardless of how quick the inspections were, the possibility of having the trucks back up onto the interstates was possible.

In regard to interstate commerce, Mr. Levine stated that NMTA felt it was illegal to only inspect and charge vehicles on the interstates.

In regard to the cost of the bill, Mr. Levine stated that the trucking industry would be most burdened. Without taking personnel into consideration, each of the sites would cost approximately \$75 million. He was not aware of any port of entry in the country that charged trucks to pass through. The industry operated on a small profit margin, and the bill was not going to encourage trucking companies to drive through the State. The bill was not good for the industry, and it was not good for the State.

Assemblywoman Buckley stated that the trucking industry was very important to Nevada. She said to "never assume the absence of stupid criminals" and believed that the ports would catch offenders. If individuals knew the ports existed, it might prevent them from considering entering the State in the first place.

Assemblyman Hardy questioned the possibility of being able to share port responsibilities with neighboring states.

Mr. Levine replied that there were other states that shared ports of entries. The NMTA supported ports of entries, but not how they would be set up by this bill.

In answer to Assemblywoman Buckley, Mr. Levine agreed that some individuals would be caught, but the larger criminal operations would avoid the ports. His biggest concern with the bill was how it was funded.

Assemblyman Ocegüera said that the bill allowed for cooperation between states. He added that trucks would probably not choose to drive 100 miles out of the way to avoid a five-dollar fee. The inspection of a truck would take six seconds.

Chairman Arberry closed the hearing on A.B. 374.

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 501 and A.B. 502.

Assembly Bill 501: Makes an appropriation to the Communities in Schools of Southern Nevada for the coordination of services in certain counties. (BDR S-726)

Assembly Bill 502: Makes an appropriation to the Communities in Schools of Southern Nevada, Inc., for the coordination of services in Clark County. (BDR S-725)

Elaine Wynn, Wynn Resorts, provided the following testimony:

Chairman Arberry, Vice Chair Leslie, and members of the Committee. My name is Elaine Wynn, and I am here to testify on behalf of 3 bills; A.B. 502, A.B. 501, and A.B. 503. These bills address two organizations: Communities-In-Schools and After-School All-Stars. During the course of the testimony we will demonstrate how these bills are linked. I would like to explain my role: I know this is a money Committee, but I must speak from my heart to tug at your purse strings. My husband and I moved to Las Vegas when we were 25 years old. We have raised two daughters there and are helping to raise 7 grandchildren.

As we built our companies, it was also important to us to help build our community. We have been involved in many things but in the over 40 years here, our deepest concern and main focus has centered on the plight of hundreds of thousands of children who do not have the opportunity to realize their full potential. For a variety of reasons, these children come to school deficient in the positive conditions which create an ideal learning environment. If they have the best teachers, or the best curricula, it is no positive guarantee for success if they come to school hungry, or sick, or lacking the kind of support that their families can't provide. I began research on this topic of what I call "at hope" children many years ago.

I discovered many things but mainly that there must be a caring adult in their lives committed to see that they succeed. As we all know, their best hope for that is to stay in school, to graduate, not to drop-out and become a burden to themselves, their families, and their communities.

I am proud to tell you that these children in Nevada do have a voice. I am here with others representing these two organizations that have been engaged in serious work on their behalf for many years. This is a hearing in every sense of the word. We desperately need you to hear what we have been doing in the hopes that you will validate these efforts and join us in what has become our passionate mission.

In order to set the stage for the following testimony, I will explain my official capacity: I am a member of the national board of communities-in-schools, the oldest most successful drop-out prevention program in America. You will be hearing from Daniel Cardinali, the president of the national organization. I am the founding chair of the CIS of southern Nevada. You will be hearing from Louise Helton the executive director of this chapter. You will also hear from Terri Clark, our colleague who will be heading up the program in the north. I have served as a member of the national board of After-School All-Stars. You will be hearing from Ben Paul, the executive director of the national program.

I currently am the co-chair of the greater Las Vegas After-School All-Stars. You will be hearing from Jackie Locks, the

executive director of that program. We are very mindful of the great challenges to our State and sensitive to the delicate balancing act you have when to fund the myriad of worthwhile programs. It is the hopes of the boards of trustees of these two organizations that the testimony will be compelling enough to garner your critical support. Seventy-five percent of the prison population is comprised of high school drop-outs. We are forced to build prisons. How enlightened would it be to invest in reducing the number of drop-outs. These programs support our current public investment in education by dramatically leveraging resources from the private sector. I would like to introduce Dan Cardinali.

Daniel Cardinali, President, Communities In Schools (CIS), stated that 1.2 to 1.4 million young people did not graduate on-time annually. It was out of this crisis that CIS was created more than 30 years ago. The obstacles of difficult home situations, poverty, and challenges in the community kept individuals from taking full advantage of a school system passionate about educating its young people. There was a national CIS network, working with 1.2 million individuals annually in 27 states. They worked with an additional 250,000 parents and guardians. The goal of the organization was to eradicate dropping out of schools. There were approximately 3,400 public schools that CIS worked with, and the majority of those schools were in states that had state offices for the organization. The role of a state office was to work closely with the Legislature, the Department of Education, and the governor to align with the overall school improvement plan. Mr. Cardinali said, "You could have the best highly qualified teachers and the best curriculum, but if you aren't removing the obstacles that hold about 30 percent of our young people captive, those investments were really lost."

Mr. Cardinali explained that CIS was able to identify the existing community resources and link students most in need to the resources. The two bills asked for approximately \$1.8 million. Nationally, for every dollar that was invested, an additional \$0.87 was leveraged in the community. Nationally, the cost per public student was \$189 per student per year. He explained that CIS had a high success rate at graduating at-risk individuals. Eighty-seven percent of targeted individuals went on to graduate. Approximately 4,000 individuals worked for CIS, and the organization leveraged approximately 50,000 volunteers, 16,000 community agencies, and an additional \$52 million for the communities. They had a cost-effective strategy to address one of the most difficult social problems in the United States.

Assemblyman Hardy asked Mr. Cardinali to contrast the difference between the former Cities in Schools organization and Communities in Schools, and what grades were most affected by its programs.

Mr. Cardinali replied that CIS was founded in 1977 as Cities in Schools. They were primarily working in urban school systems and over the period of 30 years had moved into rural school systems. There were 200 affiliates throughout the United States, and half of those were in rural areas. In regard to family services, CIS worked with existing community resources to provide tutoring, mentoring, parent classes for teen pregnancies, and other services to aid in graduation.

Mr. Cardinali explained that there were 14 State offices, 12 of which received state funding ranging from \$2 million per year to \$30 million per in the state of Texas.

Assemblywoman Buckley questioned possible permanent funding for the programs, because the programs really made a difference in the communities. She would like to see the programs funded on a continual basis. Senate Bill No. 404 of the 73rd Legislative Session provided for innovations in schools, and these programs were examples of innovation.

Mr. Cardinali explained that CIS had developed a sustainability strategy built on community involvement. Public and private sectors worked closely together to stabilize funding and operations. Communities in Schools also worked with local and state governments to receive recurring funding. Ongoing funding was received in Georgia, Florida, North Carolina, and Texas. Despite educational funding cuts in Texas, CIS had actually received additional funding.

Mr. Cardinali clarified that CIS was in 3,400 schools throughout the United States; 40 percent were elementary schools; 20 percent were middle schools; 20 percent were high schools; and 20 percent were alternative environments.

Assemblywoman Buckley asked which services, such as dental services, had been brought into schools by CIS.

Louise Helton, Executive Director, Communities In Schools of Southern Nevada, provided the following testimony:

Good morning Mr. Chairman, Madame Vice Chairman and Members of the Ways and Means Committee. My name is Louise Helton and I am the Executive Director of Communities In Schools of Southern Nevada. To give you an idea of what Dan has related when applied to our State I can describe how our organization was started. Communities In Schools of Southern Nevada was organized in 2003 and began coordinating services in 2004. The pilot school selected by the Clark County School District was Martinez Elementary School, a school located in North Las Vegas along the homeless corridor where 100 percent of the children were living below the poverty line and 20 percent of the children were homeless. Seventy-four percent of the children were Hispanic, 25 percent were African-American and the remaining 1 percent was split between Native American and Caucasian students. The school had a crippling transiency rate of 75 percent students as well. Upon conducting a needs assessment of the children, it was obvious some of the highest needs revolved around health care. There was also a contingent of children who depended on the cafeteria for their food and had nothing to eat over weekends and holidays. A couple of unique needs were uncovered when we discovered that most of the children didn't know when their birthdays were, and many children didn't know how old they were. The principal had also been amazed that when asked what they wanted to be when they grew up the children looked blank as no one had ever asked them this question before. Without a context for learning that was attached to their own future then school was irrelevant in their lives.

Looking at this population of children and the crushing needs they showed up in class with everyday it was obvious how difficult it was for the children to learn. How could you concentrate on classwork if you hadn't eaten in two or three days? How could you learn if you couldn't see the blackboard or if you had a

mouthful of painful cavities? Why would you be dedicated as a student if you didn't see where this whole school thing was headed? Beyond that why should the students care if they didn't feel a strong connection to other adults or caring people in their world who let them understand the importance of an education? We even uncovered a case where two siblings had excessive absences since they were taking turns coming to school as they had to share one pair of shoes.

To address these needs we began assessing and coordinating our local community resources. It was obvious that health care issues would be our highest priority. The school building was insufficient to house additional medical staff other than the school nurse so we had to find additional space. It seemed to us that a construction trailer would fill the bill so we solicited local builders asking for a donation. I can't describe my amazement when a local builder, Brad Burns, then president of Centex Homes was approached and he told us that we wouldn't need a construction trailer, he would build us a building. We broke ground on the facility in December of 2003 and by June of 2004 we were open for business. The Martinez Academy of Health has three medical exam rooms and one fully equipped dental exam room. We contracted with a local medical provider and averaged providing free medical care to over 2,400 children per year from this facility. Dental services have been secured through the Miles for Smiles program so children don't suffer needlessly. The Junior League of Las Vegas stepped up to the plate and created a now nationally award-winning project they call the Birthday Closet whereby they put on a birthday party every month for all children who have a birthday in that month. Over 2,000 children have had, what in many cases is, their first birthday party ever. Volunteers were developed to help create and carryout a weekend backpack food program that sends home kid-friendly food to get food fragile children through the weekend without hunger. The Latin Chamber of Commerce was contacted and has taken the lead in providing career experiences for the children that allow them to learn about different careers they could aspire to in a fun and experiential way. IBM set up an e-mentoring program where IBM employees and City of Las Vegas Fire Department employees served as mentors through the Internet to all of the fifth graders in the school. Local businesses provided money and direct donations of new clothing to make sure each child had a winter coat, new shoes, and school uniforms.

What were the results of this work? In the first six months the school compared the number of RPC's (required parent conferences for bad behavior) to the same six-month period the year before. It showed the RPC's were down over 60 percent. When the children could behave there was significantly less distraction in the classroom. One hundred percent of the children knew when their birthdays were. At the end of the school year children were asked about their plans when they grew up, 20 percent of the fourth graders wanted to be scientists! Amazingly the five-year transiency rate of 75 percent student turnover was reduced to 65-percent and in our second year, reduced to 58 percent.

With the children's basic needs met and with the bonus of birthday parties and community leaders sharing valuable time with the children through mentoring and career exploration a wonderful thing happened. . . the teachers could actually teach and the children were then able to learn. Reading test scores went up, and math test scores rose by over 12 percent across the school.

We have continued our work and added additional schools to our coordination efforts. We serve three other elementary schools in the vicinity and have moved up the feeder alignment to two area middle schools, two prep academies, and two high schools. At one middle school the biggest problem was over-aged eighth-graders. Many were repeating eighth grade for the second or third time. Through a partnership with Nevada Partners and the Clark County School District, 42 of these students were moved up from middle school and placed in a prep academy environment where in the morning they worked on their math and English skills that were holding them back. In the afternoon they were transported to Nevada Partners where they had life skills and leadership training with opportunities for career exploration and internships. Seventy percent of these students were in gangs at the start of the program in early November. By January 19th, over 80 percent of these students moved on to high school, and 100 percent of the gang members had given up their gang affiliations.

And we haven't stopped there. When we dedicated our first clinic building, Brad Burns said, "Find another campus, I'm building you another one." I am happy to report that the second building will be completed next month. Located at Cunningham Elementary School behind Sam's Town, our second building will address the needs of the students along the homeless corridor of Boulder Highway. Already we are coordinating services to four additional elementary schools in the area with plans to replicate our work in North Las Vegas.

Thanks to support along the Colorado River Region in Laughlin, Nevada and Bullhead City we are reaching out with the food program to fifty elementary school children each week in that area as well.

The value of the progress and success that are created in the lives of these children is immeasurable. However, we can calculate the leveraged value of the services we have coordinated. As our support documentation presents, this year alone we will leverage over \$2,250,000 worth of services and donations for less than \$290,000.

We have proven that our model successfully serves Nevada children in urban, metropolitan, and rural areas. As Dan Cardinali's testimony demonstrates, our best strategic move at this point is replication through a coordinated statewide effort. To this end we are presenting the information you have in front of you, our Growth Strategy. Through your investment, we will implement this strategy. We have been fortunate to begin work in Northeastern Nevada through the efforts of Terri Clark. I would like to have you hear her comments now.

Assemblywoman Smith thanked the testifiers and stated that some much needed discussion had occurred in regard to lack of funding in K-12.

Terri Clark, Project Coordinator, Communities In Schools of Southern Nevada, stated she lived in Elko, and as a volunteer she had been contacting communities regarding the proposed programs. The response from the communities was positive. She had been approached by the school teachers and administrators asking for help providing students with a great number of basic services. Ms. Clark stated a person "could not consistently perform in a manner that's inconsistent with the way you see yourself." Support for the programs was coming from all ends of the communities. Ms. Clark concluded with a quote from Roger Merrill; "Leaders see the life within the seed." She hoped that the Committee could see the life within the program and urged the Committee's support of the bills.

Dan Musgrove, University Medical Center, introduced [Exhibit E](#), which outlined the teddy bear clinic put on by the University Medical Center. The clinic gave children an opportunity to get exposure to the medical careers and fields that were out in the community. The clinic was a fun and interactive way to show children that a medical career might be something that they were interested in. The program gave children a light at the end of the tunnel and was a grassroots example of one of the activities that CIS provided to the community.

Chairman Arberry closed the hearing on [A.B. 501](#) and [A.B. 502](#).

Chairmen Arberry opened the hearing on [Assembly Bill \(A.B.\) 503](#).

[Assembly Bill 503](#): Makes an appropriation to the Greater Las Vegas After-School All-Stars for certain after-school programs. (BDR S-724)

Elaine Wynn, Wynn Resorts, stated that one of the most vitally important services were after school programs. Ms. Wynn introduced Ben Paul, President/CEO, National Headquarters, The Arnold Schwarzenegger Youth Foundation.

Mr. Paul provided the following testimony:

Chairman Arberry, Vice Chairman Leslie, and Honorable Members of the Committee, thank you for the opportunity to testify today in support of [Assembly Bill 503](#). My name is Ben Paul, and I am the President & CEO of the national office of After-School All-Stars.

Founded in 1993 by then citizen, Arnold Schwarzenegger, After-School All-Stars operates in 13 major U.S. cities and has been involved in the after-school arena for 15 years. We know first hand the difference that quality after-school programs make in the lives of over 60,000 children nationwide. We provide programs in nearly 400 schools and have grown in quality and intensity since our founding. We have testified in the U.S. Congress for 21st Century Community Learning Centers funds, we have co-hosted the National After-School Summit, and we were the model for Proposition 49 in California, which has resulted in \$550 million in after-school funds. We have been in the trenches, witnessing the needs of our nation's children.

It has recently been said that education is the civil rights issue of our generation. The challenges we face in public education are many, and it takes a broad community effort in order to address them all. Education does not start and stop when the school bell rings; it starts when children wake up in the morning and ends when they go to bed at night.

Current research indicates that over 75 percent of all juvenile crimes occur during the hours of 3 and 6, which are also referred to by law enforcement officials as the danger zone. It is during this time that our kids and our communities are at most risk. Kids themselves feel endangered and are looking for a way out. If we give them a positive alternative to the streets, if we give them an opportunity to do something constructive, and if we give them the chance to make the right choices, we will then help them say no to gangs, no to alcohol, no to violence, and say yes to hope, yes to learning, and yes to life.

The hours between 3 and 6 are not only a time to keep our kids off the streets, however; it is also the time of day when we have the greatest opportunity for positive impact on our children's lives. Many public schools, constrained by ever-tightening budgets, have been forced to cut their enrichment programs. In many cases, the only time children participate in extracurricular activities such as physical education, music, drama, computer classes, and service learning is in after-school programs. These programs are critical for leading successful lives; they provide children with the tools to become productive, well-rounded members of their communities. As many of you know, it is not only your grades that got you where you are today, it is also who you met along the way—a positive friend, a role model, a charismatic instructor. The paths that you did not take and the right experiences and choices that you did.

Statistics show that children participating in after-school programs like After-School All-Stars have better school attendance, stronger school performance, higher graduation rates, higher aspirations and greater self-esteem. All are critical for future success.

Recently, in San Jose, California at one of our after-school sites, a school went into lockdown because the gangs came onto campus to recruit our kids. The reality is that if we don't recruit the kids to attend after-school programs, in many cases, the gangs will recruit them. It is a question of who is going to get to them first, who is going to win the battle for our kids? Who has the stronger will to win?

Thanks to Governor Arnold Schwarzenegger and the California State government, \$550 million is now available for after-school programs. Governor Schwarzenegger has the will. Our Las Vegas chapter, under the exceptional leadership of Elaine Wynn, a shining light and the finest chapter in our network, has been a leader in the field, has invested 12 years of hard work, has raised millions of dollars in private funds, and, more importantly, has served over 100,000 children over the years; this fine chapter too, has the will.

Educators now agree that after-school programs are the right solution. The question that remains, is do we have the will to make after-school programs available to all the children who need them? As I stand here today, there are 15 million children with no access to after-school programs across the country and over 90,000 here in Nevada. There is no reason we shouldn't replicate our success in more schools across the state of Nevada and across the United States to reach every child that we can. The question is not "does this work?" The question is "do we have the will to make it a reality for all the children who need it?" Thank you.

Jackie Locks, Executive Director, After-School All-Stars, stated she had devoted the last 30 years of her life to the children in the state of Nevada. The Greater Las Vegas After-School All-Stars had a proven track record for success, and changes were being made in children's lives everyday. Ms. Locks introduced [Exhibit F](#), which was a comprehensive document on the Greater Las Vegas After-School All-Stars Program.

Ms. Locks explained how so many children had no place to go or things to do after school. It was at that time that the children were at risk. Places needed to be provided for the children to go to be safe, and after school programs met that need. The programs in the schools were making great academic and social changes within the children. Each one of the programs was designed specifically to meet the needs of each individual school.

Ms. Locks turned to Page 3 of [Exhibit F](#), which provided a graphical breakdown of After-School All-Stars enrollment within each school and the ethnic and gender breakdown of its participants. After-School All-Stars worked in collaboration with 10 at-risk schools in Clark County. Most of the programs operated Monday through Thursday throughout the school year and ran from 2 to 2 1/2 hours per day. Summer camp was also provided for middle school students. Enrollment rates exceeded national averages, and a high percentage of Hispanic children were served.

Ms. Locks turned to page 4 of [Exhibit F](#), which provided a graphical comparison of math and reading standardized test scores from children participating in After-School All-Stars to those who were not participating in the program. The graphs showed that students participating in After-School All-Stars consistently scored higher than those who were not participating.

Ms. Locks referenced [Exhibit G](#), letters of support for [A.B. 503](#) and quoted Misti Taton, Principal, James Cashman Middle School:

Cashman Middle School is an at risk, N-3 school located in Las Vegas. My school is comprised of approximately 1,100 students of which 90 percent are minority and 100 percent receive free lunch. Whereas many schools similar to mine have issues with discipline, attendance, and student participation, my school does not. Much of this can be attributed to our partnership with the After-School All-Stars. With their support we have been able to provide high-quality afterschool programs for our students. These programs have kept my kids safe, reduced crime and drug use in the neighborhood around my school, and helped my students improve their academic performance.

Page 6 of [Exhibit F](#) outlined the After-School All-Stars operating budget. Ms. Locks stated that approximately \$410,000 would be spent in the current

fiscal year on after-school programs. The programs were being funded through private donors, grants, and partnerships with schools receiving funding from the No Child Left Behind Act in the form of 21st Century Grants. Many schools would not be receiving grants after the first five-year granting period was over, and that left After-School All-Stars with a tremendous deficit in funding programs.

Page 8 of [Exhibit F](#) outlined the cost of a one-hour program. The cost for a program with a funding partner was approximately \$40,800 for an elementary school. If After-School All-Stars had to fund the entire program, the program would cost approximately \$76,000. For a middle-school the cost with a partner would be approximately \$51,000, and \$100,000 without a partner.

Ms. Locks explained that the remainder of [Exhibit F](#) showed the current budget and a look at proposed expansion. Total cost would be \$563,000 with partners or \$633,000 without partners for fiscal year 2007-08. Without additional funding, the After-School All-Stars Program would spend approximately \$1 million, versus \$650,000 with a partner for fiscal year 2008-09.

In conclusion, Ms. Locks stated that the programs were unbelievably successful. She urged Committee support of the [A.B. 503](#).

Ms. Wynn thanked the Committee for the opportunity to present her information.

Chairman Arberry closed the hearing on [A.B. 503](#).

Chairman Arberry opened the hearing on [Assembly Bill \(A.B.\) 586](#).

[Assembly Bill 586](#): Revises certain provisions governing the regulation and taxation of the sales and use of cigarettes and other tobacco products. (BDR 32-515)

Victoria Oldenburg, Senior Deputy Attorney General, Office of the Attorney General, stated that as a threshold matter, the bill did not have a fiscal impact or impact on the tax provisions. The bill was seeking to bring Other Tobacco Products, including standard cigars, little cigars, chew or snuff, and water pipe tobacco into conformity with the laws that the Legislature had already passed governing the illegal sale of cigarettes to minors through the Internet or other means of remote sales, and the illegal sale, possession, and distribution of contraband cigarettes.

Ms. Oldenburg explained that [A.B. 586](#) had five main components:

1. To criminalize the possession, distribution, and sale of contraband Other Tobacco Products and allow for the seizure of such products.
2. To bring Other Tobacco Products within existing laws in *Nevada Revised Statutes* (NRS) Chapter 370 prohibiting the remote sale of cigarettes, for example, sales via the Internet, to minors. Existing law set forth in NRS 202.2493 made it illegal to sell and distribute cigarettes and Other Tobacco Products to minors through the Internet. [Assembly Bill No. 464 of the 73rd Legislative Session](#), referred to as the "*Delivery Statute*," was enacted and subsequently codified at NRS 370.321 to NRS 370.329. However, the bill only governed the delivery sale of cigarettes. Several states, including the neighboring states of California, Arizona, Oregon, and Idaho, included Other Tobacco Products within their delivery statutes.

Nevada's Delivery Statute required that any seller, whether located in or outside the borders of the State, accepting an order for a delivery sale obtain a retail dealer's license. Pursuant to NRS 370.150 there is no fee required for a retail dealer's license. The Delivery Statute also required the seller to implement certain measures to verify that the purchaser was of legal age to purchase cigarettes and imputed similar obligations upon the person delivering the cigarettes.

3. To assist in the administration and enforcement of the Delivery Statute by requiring the production of any related documents for inspection by the Department of Taxation. Section 6 of Assembly Bill 586 expressly broadened the ability of the Department of Taxation to investigate the records of a person engaged in remote sales, for example, Internet sales of cigarettes or Other Tobacco Products.

4. To strengthen the authority to search for evidence of potential violations of Chapters 370 and 370A of the NRS. While current law gave the State authority to search for evidence of contraband cigarettes, it did not expressly grant the authority to search for evidence of contraband Other Tobacco Products. This provision would foreclose any ambiguity in that regard.

5. To make punishments for the possession and sale of counterfeit cigarettes consistent with the provisions in Chapter 193 of the NRS that governed crimes and punishments, and to bring the possession and sale of contraband cigarettes and Other Tobacco Products within those provisions.

Ms. Oldenburg said that the Attorney General's (AG) Office had been approached by the premium cigar industry requesting an exemption for premium cigars. They had also had discussions with shipping companies in regard to the delivery provisions. The office was seeking to enforce the law evenhandedly and believed that any exemptions were better decided by the Committee.

Chairman Arberry questioned whether there was a fiscal note.

Ms. Oldenburg replied that there had been an inadvertent error which placed a tobacco investigator in the bill, but the position was already in The Executive Budget. The fiscal note had been removed.

Mark Stevens, Assembly Fiscal Analyst, stated that the fiscal note for Assembly Bill No. 464 of the 73rd Legislative Session had been removed, but there were currently a number of positions in The Executive Budget to enforce the provisions of the bill. It was important for the Committee to make sure that additional positions would not be needed in the future to enforce the bill.

Ms. Oldenburg stated that the AG's office hoped that the one investigator position in the budget would suffice in the future, but there was no guarantee that the AG's Office would not ask for additional positions in the future.

Assemblyman Grady questioned how the existing position provided Internet enforcement.

Ms. Oldenburg responded that the AG's office was not doing any enforcement of Internet sales. They were developing a program in anticipation of having the requested position. The two current tobacco investigators performed underaged tobacco stings out in the field.

Assemblywoman Buckley questioned what could be done to prevent the

shipping companies from having to censor packages.

Ms. Oldenburg stated that A.B. 464 had not been brought to the Legislature by the AG's office. United Parcel Service and Federal Express did not ship cigarettes anymore.

Assemblywoman Buckley questioned whether there needed to be regulation on cigars.

Ms. Oldenburg replied that the existing law prohibited the sale of any tobacco products over the Internet. The bill brought the current law into the delivery statutes to enable the AG's office to have a better mechanism to enforce the law.

Assemblywoman Buckley questioned Sections 11, 12, 13, 14, and 16, which were changes to existing law. She questioned if those were necessary for other tobacco products.

Ms. Oldenburg responded that sections in question were necessary for the purpose of bringing the Other Tobacco Products into the delivery statutes. The bill took a portion of Chapter 370 of the NRS, which was dedicated to other tobacco products and brought its enforcement into the delivery statutes. It was the AG's opinion that the Committee should make decisions on exemptions. Part of the intention of the bill was to prevent shipping companies from delivering tobacco products to underage individuals.

Dino DiCianno, Executive Director, Department of Taxation, testified in support of the bill and apologized for the fiscal note that had been issued in error.

Chairman Arberry confirmed that there was no longer a fiscal note.

Mr. DiCianno responded that there was no longer any fiscal note.

Peter Krueger, Cigar Association of Nevada, provided the following testimony:

Chairman Arberry and members of the Committee, I am Peter Krueger representing the Cigar Association of American (CAA). CAA is a trade association representing cigar and pipe tobacco manufacturers worldwide.

Assembly Bill 586 is about three separate issues: 1) contraband, 2) licensing, and 3) delivery sales of "other tobacco products," known as OTP. The products represented by OTP are cigars, pipe tobacco, and moist and dry snuff, but not cigarettes.

This morning I am here to support the contraband provisions of the bill. These are Sections 2, 4, 9 and 25-28. As has been testified to this morning, these sections will enable law enforcement officials to seize and prosecute individuals who are in violation of the contraband provisions of this bill. CAA and its members strongly support this language as a standalone bill.

However, we cannot support the remainder of the bill that mandates licensing of all OTP dealers and delivery restrictions because there is no evidence that children purchase and or use premium cigars. An average box of 25 premium cigars retails for about two hundred and fifty dollars or more. So to the contrary,

"due to their higher price, minors are not smoking premium cigars" according to a report from the Office of the Inspector General of the Department of Health and Human Services.

We have attempted to negotiate our concerns in good faith with the Attorney General's Office; it seems we have reached an impasse. We cannot, in good service to our clients, support this bill in its original form and are proposing an amendment which removes the licensing requirement from the original bill. I have asked the Committee staff to distribute a copy of our amendment, and I will be happy to walk the Committee through the amendment if the Chairman would like.

Earlier you heard that the bill requires the Department of Taxation to license OTP manufacturers, wholesalers, and dealers. Please keep in mind that there are two channels of distribution of premium cigars and pipe tobacco.

The first channel is where the manufacturer sells to a wholesaler who in turn sells to a cigar and pipe tobacco retailer in Nevada. These sales are already taxed at the wholesale level and regulated under NRS 370.

The second channel of distribution is catalog and Internet sales directly to the end user. It is these sales that make the entire licensing scheme in this bill unenforceable.

The reason: there are hundreds of cigar manufacturers, wholesalers and dealers worldwide that would be required to license if they sell into Nevada. How will these businesses know about the need to become licensed in Nevada? There is no way the Nevada Department of Taxation can know and communicate the proposed requirements of this bill to the hundreds of potential businesses who may sell into our State.

If this bill were to pass as written, all the businesses who unknowingly were not licensed and sold cigars and pipe tobacco into Nevada would be guilty of selling contraband and subjected to a gross misdemeanor, Section 25(c), and if convicted more than once, a Category C felony. The licensing provisions in this bill set businesses up to violate our laws and not even know it.

We also oppose the delivery sales provisions of the bill contained in Sections 10 and 21-24 because of the obligations imposed upon delivery firms, such as UPS and Federal Express. Federal courts at the district and appellate levels overturned a Maine law imposing such obligations because they are preempted by Federal law. The appeals court ruled that the tobacco delivery law had a "forbidden" effect on UPS and other carriers because they "would have to adopt procedures that would alter delivery practices for certain packages." The fact is the commercial delivery firms have a simple business model: they pick up a package, ship it, and deliver it to a consumer. It would not be feasible for them to alter their delivery operations to provide new services. It disrupts their business model. This means that Nevada's proposed restrictions are likewise preempted by federal law.

Therefore, I respectfully request the Committee adopt the contraband provisions of the bill while rejecting the licensing and delivery sales provisions as unenforceable and not needed to keep premium cigars and pipe tobacco out of the hands of children.

Paul Enos, CEO, Nevada Motor Transport Association, testified against the bill and stated shipping companies would no longer deliver any tobacco products to the State upon passage of the bill because of the possibility of receiving a felony charge. He noted that the products would most likely just be diverted to the U.S. Postal Service. Mr. Enos added that shipping companies had been very cooperative with providing information on particular offenders within the community in the past.

Ms. Oldenburg stated that the AG did not foresee any situations where an unknowing driver or company would be prosecuted. All the elements of a typical criminal case would have to be proved to result in a conviction. It was not a strict liability statute.

Chairman Arberry closed the hearing on A.B. 586.

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 597.

Assembly Bill 597: Makes a supplemental appropriation to the State Treasurer for bonding costs. (BDR S-1244)

Renee Parker, Chief of Staff, Office of the Treasurer, testified in support of Assembly Bill 597, which covered the bonding costs for the State Treasurer as well as additional transition costs incurred. *Nevada Revised Statutes* 226.050 prohibited the State Treasurer from assuming the duties of office prior to posting a bond, which had cost \$9,350. The bond had been paid for out of the existing budget and had not been budgeted for in the last session. The office also absorbed another \$1,500 in transition costs related to changing the combination on the vault and changing letterhead.

Mr. Stevens questioned whether any of the transition funds had been accessed for executive branch elected officials.

Ms. Parker replied that transition funds through the Department of Administration had been used by the Treasurer to obtain copies of the budget, meet with staff, and travel to Las Vegas. The \$1,500 was the amount of that exceeded the transition funds. She stated that the office may be able to absorb the transition costs but not the bonding costs. The office had not been able to purchase any office supplies.

Chairman Arberry closed the hearing on A.B. 597.

Chairman Arberry stated the Committee would consider the following bills:

Assembly Bill 198: Makes a supplemental appropriation to the Department of Health and Human Services, Administration, to fund leased office space and tenant office improvements. (BDR S-1251)

Mark W. Stevens, Assembly Fiscal Analyst, stated that Assembly Bill 198 was a supplemental appropriation to the Director's Office of the Department of Health and Human Services. It involved tenant improvements and modular furniture for the new office location. Staff had worked with the Department on the proper funding amount and had amended the amount to \$603,418.

ASSEMBLYWOMAN LESLIE MOVED TO AMEND AND DO PASS
AS AMENDED A.B. 198.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYMAN MARVEL WAS NOT
PRESENT FOR THE VOTE.)

* * * * *

**Assembly Bill 504: Makes a supplemental appropriation to the Department of
Health and Human Services for expansion of mental health services.
(BDR S-1254)**

Mr. Stevens stated that Assembly Bill 504 was a supplemental appropriation to
the Lakes Crossing facility for operation of the 28-bed expansion. Staff have
worked with the Division to modify the amount to \$1,794,831.

ASSEMBLYWOMAN LESLIE MOVED TO AMEND AND DO PASS
AS AMENDED A.B. 504.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYMAN MARVEL WAS NOT
PRESENT FOR THE VOTE.)

* * * * *

**Assembly Bill 540: Makes a supplemental appropriation to the Department of
Health and Human Services for expenses relating to foster care. (BDR S-
1257)**

Mr. Stevens stated that Assembly Bill 540 was a supplemental appropriation to
the Division of Child and family services related to the Clark County integration
budget. Staff had worked to modify the amount, and there were new positions
recommended in the appropriation. The hiring date for the positions had been
changed to June 1, 2007. The positions were included in the budget to be
effective July 1 for the next biennium. The revised amount was \$3,389,364.

ASSEMBLYWOMAN LESLIE MOVED TO AMEND AND DO PASS
AS AMENDED A.B. 540.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYMAN MARVEL WAS NOT
PRESENT FOR THE VOTE.)

* * * * *

**Assembly Bill 548: Makes supplemental appropriations to the State Department
of Agriculture. (BDR S-1261)**

Mr. Stevens stated that Assembly Bill 548 was a supplemental appropriation to
the Department of Agriculture. Subsection 1 provided for \$10,202. The
second amount of \$13,189 had been reduced to \$8,566.

ASSEMBLYWOMAN SMITH MOVED TO AMEND AND DO PASS
AS AMENDED A.B. 548.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYMAN MARVEL WAS NOT
PRESENT FOR THE VOTE.)

* * * * *

**Assembly Bill 556: Makes supplemental appropriations to the Supreme Court of
Nevada for judicial selection and unforeseen expenditures. (BDR S-1245)**

Mr. Stevens stated that Assembly Bill 556 was a supplemental appropriation for
the Supreme Court. The Administrative Office of the Courts agreed that the
numbers could be amended to \$160,460 in subsection 1 of Section 1. In
subsection 2, the amount could be reduced to \$9,000.

ASSEMBLYWOMAN MCCLAIN MOVED TO AMEND AND DO PASS
AS AMENDED A.B. 556.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYMAN MARVEL WAS NOT
PRESENT FOR THE VOTE.)

* * * * *

**Assembly Bill 190: Makes various changes to provisions governing criminal
procedure. (BDR 14-655)**

Mr. Stevens stated that Assembly Bill 190 no longer carried a fiscal note.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS A.B. 190.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYMAN MARVEL WAS NOT
PRESENT FOR THE VOTE.)

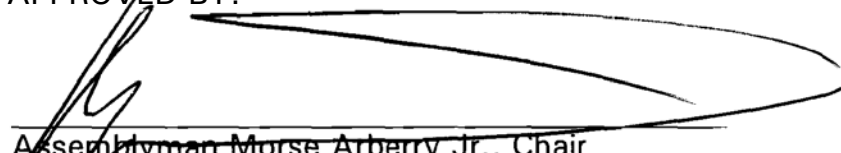
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Chairman Arberry adjourned the meeting at 10:49 a.m.

RESPECTFULLY SUBMITTED:

Barron Brooks
Committee Secretary

APPROVED BY:



Assemblyman Morse Arberry Jr., Chair
DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>April 25, 2007</u>		Time of Meeting: <u>8:00 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 374	C	Assemblyman Oceguera	ISSES info
A.B. 374	D	Assemblyman Oceguera	Amendment 3800
A.B. 502	E	Dan Musgrove	Career Club info
A.B. 503	F	Jackie Locks	After-School All-Stars info
A.B. 503	G	Jackie Locks	Letters of support