

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

**Seventy-Fourth Session
May 15, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 1:43 p.m., on Tuesday, May 15, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, 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
Assemblyman John W. Marvel
Assemblywoman Kathy McClain
Assemblyman David R. Parks
Assemblywoman Debbie Smith
Assemblywoman Valerie E. Weber

GUEST LEGISLATORS PRESENT:

Assemblyman Bernie Anderson, Assembly District No. 31
Assemblywoman Bonnie Parnell, Assembly District No. 40

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Larry Peri, Principal Deputy Fiscal Analyst
Jeff Ferguson, Program Analyst
Eric King, Program Analyst
Joi Davis, Program Analyst
Linda Blevins, Committee Secretary
Patti Adams, Committee Assistant

Chairman Arberry called the meeting to order and opened the hearing on Assembly Bill (A.B.) 161 (R1).



Assembly Bill 161 (1st Reprint): Revises various provisions governing insurance. (BDR 57-586)

Ms. Alice Molasky-Arman, Commissioner of Insurance, presented the following testimony in support of Assembly Bill (A.B.) 161 (R1):

There are three provisions in this bill that, I believe, suggest fiscal issues. We do not believe any have materially significant impact on any budget account in the State.

The first one is the provision that appears in Section 7 which is an amendment to *[Nevada Revised Statutes]* NRS 686C.240. This restores the annual administrative assessment by Nevada Life and Health Insurance Guaranty Association (NLHIGA) for each member to \$300 from \$150. This change was requested by the NLHIGA, and their reasons are very straight forward. Mr. Louis Roggensack, the Executive Director for NLHIGA, is available for testimony if requested.

In 1997, the Association requested an increase in the annual administrative fee from \$150 to \$300. This increase was approved by the Legislature at that time due to the rising administrative costs for the Association due to insolvencies of life and health insurers.

In 2002, the Association requested amendments to Chapter 687B, the chapter that is applicable to the Association, and the annual administrative fee was inadvertently changed back to \$150. The Association would like this annual administrative fee restored to \$300. According to the Association, assessments for the annual administrative fee in 2006 were \$114,000. Interest income approximated \$39,000; however, general administrative expenses, including rent, attorney fees, accounting fees, and other expenses, were \$239,000. By increasing the annual administrative fee which is paid by member insurers of the Guaranty Association, the continued effective operation of the Association will be much improved.

Let me reiterate that this request is on behalf of the Association.

The second provision in the bill which, I believe, suggests dollars is Section 26 which amends NRS 696A.185. This change would authorize the Commissioner to impose an administrative penalty similar to those imposed on all other licenses for motor clubs that fail to timely remit its annual \$500 renewal fee. The proposed penalty is the same as the penalty that is currently authorized for failure of the motor club to timely remit the required annual report or financial statement, \$100 per day, and not to exceed \$3,000.

We currently have 23 motor clubs registered in the State. Twenty-one clubs paid their fees timely this past year, one was late and one still has not paid. These numbers do not indicate a large problem, but they do indicate the need to provide motor clubs with incentives to timely remit fees and filings.

The only provision in here that does impact a budget account is in Section 31 of the bill. This would affect our budget request in

budget account 3818. This proposal would amend NRS 232.825 which limits the number of deputy commissioners the Commissioner may appoint to two, and it would increase that number to three.

Effectively, the amendment would reclassify the captive administrator position in the Division from classified grade 42 to an unclassified position as deputy commissioner. The cost of the reclassification, we believe, is minimal. It would be approximately \$10,000 per year for salary and benefits.

Strategically this change benefits the Division. The captive administrator would be better able to develop and preserve the captive program. This involves travel and the accumulation of variable time which must be taken during the same pay period. This frequently causes conflicts with other obligations for the position. This amendment provides much needed greater flexibility for the time, energy and effort required of this position. I would also like to state that in our brief history with captives, we have had an enormously difficult time recruiting someone who has the necessary expertise in insurance and, in fact, marketing skills as well. The significance of the title change from captive administrator to deputy commissioner is substantial in the world of captive insurers. Other states, primarily our two leading competitors Vermont and Hawaii, do designate their administrator of captive programs as a deputy commissioner. That change indicates the individual holding the title is uniquely competent and has the highest credentials, experience, knowledge, and acumen related to captive insurers.

Chairman Arberry was unclear about the fiscal note and whether the position requested was a new position.

Ms. Molasky-Arman explained that the position was not new but rather a reclassification of a current classified position. The request in the bill was for the Commissioner to appoint a third deputy commissioner and to reclassify the position as unclassified. The cost would be approximately \$10,000 per year.

Ms. Sally Elloyan, Deputy Commissioner, explained the fiscal impact for the bill was because the position would be unclassified. If the position was designated as a deputy commissioner, it would be funded at the full salary range. However, in the unclassified pay bill the position's salary would increase from a classified grade 42 and result in an increase of approximately \$10,000 per fiscal year for salary and fringe benefits.

There being no further questions or comments, Chairman Arberry closed the hearing for A.B. 161 (R1) and opened the hearing for A.B. 186 (R1).

Assembly Bill 186 (1st Reprint): Revises various provisions relating to economic and energy development. (BDR 58-784)

Mr. Danny Thompson, Nevada AFL-CIO representative, presented the Committee with testimony regarding Assembly Bill (A.B.) 186 (R1). According to Mr. Thompson, the bill created an Advisory Board for the Development of the Solar Energy Industry, which would seek new technologies for solar energy for Nevada. The second part of the bill required that a company locating in Nevada

and given tax abatements would be subjected to audits to ensure compliance with terms and conditions set forth to receive the abatements.

Mr. Thompson stated he had met with opponents to the bill, specifically Nevada Power, and had reached an agreement to remove sections of the bill objectionable to Nevada Power.

There was a provision in the bill, Section 8 subsection 3 (b), which stated ". . . a standard offer contract to any business which is willing to accept the challenge of manufacturing or installing solar energy systems that are able to generate electricity at that target price." In Mr. Thompson's opinion, the section meant that if an individual set up a Solar Energy Challenge Zone, the individual could develop a price to be presented to the utility company. Regardless of the price, the utility company would be required to pay. Mr. Thompson recommended an amendment to remove that section of the bill.

Chairman Arberry requested clarification on which section Mr. Thompson requested be removed from the bill.

Mr. Thompson asked for an amendment to remove all of sections 3 and 4. He stated that he was willing to work with the opponents to the bill to develop alternatives.

Ms. Judy Stokey, Sierra Pacific Power Company representative, stated that Mr. Thompson had been committed to working with them to develop a cooperative amendment.

Ms. Rebecca Wagner, Commissioner, Public Utilities Commission (PUC), stated that although the PUC was opposed to the bill, the PUC would reconsider their position with the addition of the amendment suggested by Mr. Thompson. The PUC was not clear why there was a need for another unfunded advisory board and what the advisory board would be able to accomplish.

Ms. Hatice Gecol, Ph.D., Director, Nevada State Office of Energy, voiced opposition to A.B. 186 (R1) stating she had not had the opportunity to work with the bill sponsors. Section 6 stated "The Office of Energy shall provide the Advisory Board with administrative and clerical support and with such other assistance as may be necessary for the Advisory Board to carry out its duties. Such support and assistance must include, without limitation, making arrangements for facilities, equipment and other services in preparation for and during meetings."

Dr. Gecol further stated that:

In plain English, they can ask us to do anything they request. Some of the responsibilities they probably will place on us are listed under Section 7, subsection 3, on Page 4. This will include the potential identification and studying photovoltaic technologies and other emerging solar energy technologies and any other action that the Advisory Board deems necessary to promote the development of solar energy. Studying the technicality of the business proposal to ensure they make sense, in other words, it is not a wild technology that will cost taxpayers dollars with little or no return.

Some technical person will be required to validate each of these proposed projects. If you are going to provide tax abatement, we

need to ensure that these projects are technically viable projects. Therefore it will be irresponsible of us if we do not validate technical feasibility of these projects before approving for the tax abatements. We all know what happened with the LEED [Leadership in Energy and Environmental Design] "green" buildings.

On the clerical and administrative side of this bill (Section 6, subsection 4, page 3), the proposal states that "The Advisory Board shall meet at least four times annually and may meet more frequently at the discretion of the Chairman." In plain English, they will probably meet a lot more than four times a year. This will put additional financial burden on the Energy Office.

The Energy Office has only a part-time administrative assistant. She is working on a 25 percent schedule funded by federal grants. Each of us in the Energy Office performs our own administrative and clerical responsibilities. For example, I keep my own schedule, make my own copies, and answer my own phones. So how can someone realistically expect us to provide administrative and clerical help.

I have with me our staff engineer, Mr. Pete Konesky. He will shortly explain how the Energy Office is funded and more. I have turned in a fiscal note [[Exhibit C](#)] for your consideration and strongly urge the Committee not to pass this unfunded mandate.

Mr. Peter Konesky, Staff Engineer, Nevada State Office of Energy, testified in opposition of A.B. 186 (R1). According to Mr. Konesky, the Office of Energy was basically funded by the United States Department of Energy to perform specific mandated tasks for the federal government. The basic funding came from the federal State Energy Program Formula Grant that was based on such factors as energy consumption of the state and the state's population.

Mr. Konesky noted that many proposed activities of the Advisory Board would be unfunded mandates to the Office of Energy. The Office of Energy worked within *Nevada Revised Statutes* (NRS) 701.181 which dealt with technical expertise in energy activities and NRS 701.191 which dealt with the comprehensive state energy plan. The addition of an advisory board would generate potential conflicts between the Office of Energy and the Board when policies were created. In the opinion of Mr. Konesky, the taxpayers would be paying for duplicated services by creating the advisory board proposed in A.B. 186 (R1).

Assemblywoman Smith asked whether the Governor had recently appointed a renewable energy task force.

Dr. Gecol explained the Governor had recently created three advisory committees. One was for a streamlined permitting process for renewable energy projects, the second one was a Climate Change Advisory Committee, and the third was the Renewable Energy Transmission Access Advisory Committee.

Responding to Mrs. Smith's question regarding staffing of the advisory committees, Dr. Gecol noted the committees were made up of volunteer members, and the Office of Energy did not provide administrative support.

Mr. Tim Rubald, Executive Director, Nevada Commission on Economic Development, stated there was one area of A.B. 186 (R1) which was disconcerting. Section 13 appeared to enact the provisions of Section 9 retroactively. Mr. Rubald believed this would be unfair to businesses that had previously signed agreements.

Chairman Arberry requested Mr. Rubald provide the Committee with a proposed amendment.

Mr. Rubald agreed to submit a proposed amendment immediately.

Assemblywoman Weber asked whether there was an amended fiscal note included with the first reprint of A.B. 186 (R1).

Dr. Gecol pointed out that Exhibit C was the updated fiscal note.

There being no further questions or comments, Chairman Arberry closed the hearing on A.B. 186 (R1) and opened the hearing on A.B. 354 (R1).

Assembly Bill 354 (1st Reprint): Revises provisions governing the health of pupils. (BDR 34-850)

Assemblywoman Bonnie Parnell, Carson City District 40, presented the Committee with an overview of Assembly Bill (A.B.) 354 (R1). Ms. Parnell noted the bill addressed concerns regarding childhood obesity, diabetes, and other health issues of children.

Section 1 of A.B. 354 (R1) stated that a school nurse would observe and examine each child regularly enrolled in school for height, weight, scoliosis, any visual or auditory problem, or any gross physical defect. According to Ms. Parnell, a portion of Section 1 had been merged with Assemblyman Garn Mabey's bill, A.B. 387, which required "physical examinations of all children before entering public schools." Rather than have Dr. Mabey's bill go forward with that language, a Section 1, subsection (a) was added which required examinations "Before the completion of the first year of initial enrollment in elementary school."

Ms. Parnell further noted the importance for children to have visual and auditory examinations early, pointing out that a child could sit in a classroom for several years with visual or hearing problems which could affect their performance in the classroom.

In Section 1, subsection 6 (a) stated that the board of trustees of a school district may collaborate with any qualified health care professional in their area in order to conduct the examinations. This would prevent the overburdening of the school nurses by the addition of these responsibilities.

Moving forward to subsection 8 of Section 1, which stated that school nurses shall report the results of the examinations to the state Health Officer, Ms. Parnell explained the provision would allow the Division of Health to apply for federal money available with regards to the health status of children.

Ms. Parnell stated that, in conclusion, Section 2 requested \$75,000 for the Health Division to set up statewide health conferences regarding the health and wellbeing of Nevada's children.

Mr. Larry Matheis, Executive Director, Nevada State Medical Association, provided supportive testimony for A.B. 354 (R1). According to Mr. Matheis, the first part of the bill was requested by the Nevada Health Care Reform Project, of which he was a member, because of the lack of available data. In Clark County several grant applications were not approved because of this void, and consequently, the county could not go forward with some intervention projects, research projects, and nutrition projects dealing with childhood obesity.

Mr. Matheis advised the Committee he was also on the board for the Nevada Public Health Foundation which had requested Section 2 of the bill. Mr. Matheis distributed Exhibit D, a proposed amendment prepared by the Nevada Public Health Foundation, to the Committee. The amendment replaced Section 2 of the bill and stated that "The Legislative Committee on Health Care will hold at least one hearing during the 2007-2008 interim to identify statewide public health concerns, issues, and needs by inviting comments from all county and local public health officials."

The Public Health Foundation would assist the Committee in organizing the hearing, thereby removing any financial burden to the State. In the opinion of Mr. Matheis, the areas of chronic disease among children caused by obesity would come to the forefront of the Legislature in future sessions. Interim hearings would promote necessary communication between legislators and local health officials.

Assemblywoman Leslie pointed out the language in the original bill appeared to focus on children, whereas Exhibit D was more generic. Ms. Leslie requested Mr. Matheis provide additional information regarding the scope of the proposed hearings.

Mr. Matheis clarified by stating the subject matter for the hearings would not change. The meetings would be to identify public health issues throughout the State from the perspective of the local health officials and would be partially focused on children as well as the sharing of disaster preparedness activities.

Responding to a comment from Ms. Leslie regarding the volume of information, Mr. Matheis advised that by bringing together officials who normally did not have input into these processes, the volume of information could be contained.

Ms. Leslie expressed concern with the broadness of the proposed amendment.

Ms. Parnell agreed it would be too cumbersome to deal with all of the health issues of the State and preferred to stay with the language of the first reprint of the bill.

Mr. Matheis was amenable to the suggestion.

In answer to a question from Assemblyman Hardy, Ms. Parnell noted Section 2 would be amended to include Exhibit D and merge existing language regarding what information would be presented to the interim committee.

Ms. Diana Glomb-Rogan, representing the League of Women Voters of Nevada, testified in support of A.B. 354 (R1). During her presentation, Ms. Glomb-Rogan submitted prepared testimony from Ms. Ruth Mills, president of Nevada Health Care Reform Project (Exhibit E) and Ms. Susan Meacham, University of Nevada, Las Vegas, School of Life Sciences (Exhibit F). In the opinion of Ms. Glomb-Rogan, Nevada was losing millions of dollars in available

grants because there was no legislation regarding the collection of information in the area of childhood obesity.

Mr. Craig Kadlub, Ed.D., Clark County School District, noted the passage of A.B. 354 (R1) imposed a significant work burden on the school districts. The chief nurses from every school district in Clark County met to develop a list of concerns. Many of the nurses had performed weighing, measuring, and data entry for students and estimated the time required was an additional five minutes for the screening of each child, or approximately 8,300 hours of labor. Although the school districts could seek volunteer labor as suggested in the bill, it was doubtful that enough volunteers would be available to gather the data on an annual basis.

Dr. Kadlub provided the Committee with a suggested amendment ([Exhibit G](#)) to require districts to provide a representative sampling of data, rather than collecting data for all of the 100,000 students in Clark County. This eliminated both the physical and financial burdens for the school districts.

Although she could not be present, Ms. Nicole Bungum, Southern Nevada Health District, submitted [Exhibit H](#) for inclusion in the record.

There being no further comments or questions, Chairman Arberry closed the hearing on A.B. 354 (R1) and opened the hearing on A.B. 255 (2nd Reprint).

Assembly Bill 255 (2nd Reprint): Revises certain provisions relating to accommodation. (BDR 25-140)

Mr. Ernest Nielsen, representing Washoe County Senior Law Project and the Nevada Housing Coalition, presented supportive testimony for Assembly Bill (A.B.) 255 (R2). The senior citizens Mr. Nielsen represented received benefits from both the "bricks and mortar portion" and the "emergency housing portion" of the housing trust fund. Mr. Nielsen addressed the fiscal issues of the bill which set aside \$175,000 from the housing trust fund for a statewide database for housing. The Housing Coalition supported the proposition that the database could be operated for \$175,000.

Ms. Debbie Parra, Grants and Projects Analyst Supervisor, Nevada Housing Division, noted that Section 8, subsection 2 (a) stated that 15 percent must be distributed to the Division of Welfare and Supportive Services of the Department of Health and Human Services. According to Ms. Parra, the Division of Welfare indicated they did not want the money.

Mr. Dan Musgrove, representing Clark County, noted that [Exhibit I](#) proposed an amendment to Section 19 which deleted "development" and inserted "development, acquisition, construction, improvement, expansion, maintenance and rehabilitation."

Mr. Nielsen proposed three amendments to the bill. The first amendment, [Exhibit J](#), referred to language previously discussed by Ms. Parra. The language in the amendment distributed 15 percent to the Division of Welfare. In Mr. Nielsen's opinion, the language was archaic and required improvement. The amendment had been agreed upon by the Housing Coalition and the Housing Division.

The next proposed amendment, [Exhibit K](#), addressed by Mr. Nielsen was for Section 8, subsection 2 (b). The amendment was for technical adjustments.

The third proposed amendment, [Exhibit L](#), amended Section 5 of the bill. Mr. Nielsen pointed out the amendment concerned the Nevada Housing Registry.

Assemblywoman Leslie expressed concerns regarding the 15 percent of the Welfare set-aside and was unclear of the relationship between [Exhibit I](#), submitted by Mr. Musgrove, and [Exhibit J](#), submitted by Mr. Nielsen.

Mr. Nielsen indicated the two exhibits addressed different areas of Section 8.

Mr. Musgrove added that Clark County did not want to deal with the 15 percent set aside.

Ms. Parra was in agreement with the amendments proposed by both Mr. Nielsen and Mr. Musgrove.

Assemblywoman Buckley asked who distributed the 15 percent. Ms. Parra explained the Nevada Housing Division had been distributing the money to the counties for the past 12 years and would continue. Every county received a portion of the money.

Mr. Michael Pennington, representing Reno-Sparks Chamber of Commerce and the Nevada Housing Coalition/Community Service Agency, was supportive of the \$175,000 set aside in [A.B. 255 \(R2\)](#) for the creation of the database.

Ms. Eileen Piekarz, representing Rural Community Assistance Corporation, supported the bill and the \$175,000 for the database and provided the Committee with [Exhibit M](#), a letter of support.

Mr. Dino DiCianno, Executive Director, Department of Taxation, advised the Committee that the fiscal note for [A.B. 255 \(R2\)](#) provided by the Department was based on the original version of the bill. According to Mr. DiCianno, the bill had undergone three variations. The first version included an amount to provide the state Demographer with funds to develop the housing database. The first reprint changed the amount to \$250,000 for the database. In the second reprint, the amount was reverted to \$175,000 for the database.

The Department believed that based on the scope of work performed by the demographer for the original fiscal note, considerable work was required. Therefore, the estimated cost would be \$286,400 for FY 2008 and \$241,500 for FY 2009 and approximately \$483,000 for each biennium thereafter. Mr. DiCianno emphasized to the Committee the importance of understanding that the Department was neutral with respect to the bill; however, the Demographer believed that creation of a database of such significance would require substantial effort.

Chairman Arberry confirmed the fiscal note was not included in the Department's base budget.

Ms. Buckley advised the Chairman she would meet with Assemblywoman Marilyn Kirkpatrick and Assemblyman Marcus Conklin to discuss the fiscal note. Ms. Buckley supported the database but believed the fiscal note proposed by the Department was inflated.

Ms. Terrie Stanfill, Executive Director, HELP of Southern Nevada, distributed prepared testimony ([Exhibit N](#)) supporting [A.B. 255 \(R2\)](#) to the Committee.

There being no further comments or questions, Chairman Arberry closed the hearing on A.B. 255 (R2) and opened the hearing on A.B. 610.

Assembly Bill 610: Makes an appropriation for use as matching money to reduce or retire the existing mortgage on the Veterans Guest House, Inc. (BDR S-1464)

Assemblyman Bernie Anderson, Washoe County District 31, presented an overview of Assembly Bill (A.B.) 610. Mr. Anderson explained the bill dealt with an appropriation for the Veterans Guest House, Inc. in Reno. The Guest House was created in 1990 to provide outpatient veterans and their families safe, overnight accommodations regardless of their ability to pay. The Guest House received no federal, State, or foundation support, depending entirely on private donations to cover expenses. Mr. Anderson further stated the legislation provided \$300,000 matching money to reduce or retire the existing mortgage on the Guest House.

Mr. Anderson introduced Ms. Elaine McNeill, past president and board member of the Guest House, and Ms. Noreen Leary, Executive Director, to further explain the mission of the Guest House and why the appropriation was necessary.

On a separate issue, Chairman Arberry inquired whether the reprint of A.B. 460 removed the fiscal note.

Mr. Anderson stated he was under the impression the fiscal note for A.B. 460 had been removed. In the new version from the Senate, no money was necessary to drive the program. Although there could be a minimal cost to the school districts, there was no cost to the State for the program.

Ms. Elaine McNeill, past president and board member of the Veterans Guest House, Inc., submitted prepared testimony ([Exhibit O](#)) in support of A.B. 610. The Guest House provided overnight accommodations for veterans and families of veterans when they received medical treatment at the Veterans Administration (VA) Hospital. Ms. McNeill stated that the requested appropriation was for matching money, and the Guest House would be holding fund raising events and requesting donations for the balance of the needed money.

Ms. Noreen Leary, Executive Director, Veterans Guest House, Inc., provided a brief statement supporting A.B. 610. The current Guest House had been in operation for three years and had recently reached the 5,000th guest night. In her opinion, the number of guests housed indicated the need for the Guest House in Reno.

There being no further comments or questions, Chairman Arberry closed the hearing on A.B. 610 and opened the hearing on A.B. 508 (R1).

Assembly Bill 508 (1st Reprint): Makes various changes to provisions concerning the Advisory Commission on Sentencing. (BDR 14-1378)

Assemblyman Parks, Clark County District 41, presented the Committee with an overview of Assembly Bill (A.B.) 508 (R1) which reestablished the Commission on Sentencing and revised its membership and duties. The appropriation requested from the General Fund was \$50,000 to allow the Commission to enter into a contract with a qualified, independent consultant to assist the Commission in carrying out its duties. There were also operating costs

associated with the administrative duties of the Commission. In the opinion of Mr. Parks, the bill was an important part of addressing the overall concerns regarding the prison population and the operation of the criminal justice system.

Assemblywoman Buckley agreed with the concept of the bill but believed it possible to perform the responsibilities for less than the \$50,000 requested.

Mr. Parks stated the Sentencing Commission could probably perform most of the functions required without the \$50,000; however, the Commission would be considerably more effective by hiring a consultant.

Responding to a concern voiced by Chairman Arberry, Ms. Buckley clarified that there would not be a conflict with the Parole Board as the duties of the Commission would be to evaluate sentencing structure for inequities, study recidivism concerns, and consider other relevant issues.

Mr. Parks envisioned a number of recommendations coming forth from the Sentencing Commission to the next legislative session.

Mr. Larry Struve, representing the Religious Alliance in Nevada (RAIN), supported A.B. 508 (R1) and commended the Select Committee on Corrections, Parole, and Probation for their work preparing this and other bills. Mr. Struve believed that reestablishment of the Advisory Commission on Sentencing focused on the critical problem of prison overcrowding. The RAIN was concerned about three main issues: (1) 97 percent of the prisoners would eventually be released; (2) there was a high recidivism rate; and (3) the projection of \$1.9 billion for new prison construction over the next ten years was unacceptable.

Ms. Pat Hines, private citizen, expressed support for A.B. 508 (R1). Ms. Hines believed a member of the Parole Board should be a member of the proposed Commission and that the Commission would be better served by the formation of subcommittees to study the issues.

There being no further questions or comments, Chairman Arberry closed the hearing on A.B. 508 (R1) and opened the hearing on A.B. 579 (R1).

Assembly Bill 579 (1st Reprint): Makes certain changes to provisions relating to sex offenders and certain offenders convicted of a crime against a child. (BDR 14-499)

Mr. John S. Michela, Deputy Attorney General, Gaming Division, presented the Committee with an overview of Assembly Bill (A.B.) 579 (R1). Mr. Michela submitted prepared testimony ([Exhibit P](#)) which he summarized for the Committee. Mr. Michela noted that the bill had been drafted by the Office of the Attorney General to bring Nevada into compliance with the Adam Walsh Child Protection and Safety Act (Adam Walsh Act), the first step toward a nationwide sex offender registry.

According to Mr. Michela, a state's failure to implement the Adam Walsh Act would result in a 10 percent reduction in funds received from the Edward Byrne Memorial Justice Assistance Grant (JAG). If Nevada was in compliance with the requirements of the Adam Walsh Act by 2008, it would be eligible for bonus federal funds created by the Adam Walsh Act.

Mr. Michela proposed an amendment ([Exhibit Q](#)) for A.B. 579 (R1). The original amendment as drafted did not contain language to close the loophole contained

in the original bill that would have allowed offenders convicted of the same crimes to be subject to different levels of community notification. Also, the original amendment as drafted inadvertently deleted a portion of Section 29 that should not have been deleted.

Responding to Chairman Arberry's question, Captain P. K. O'Neill, Department of Public Safety (DPS), Records and Technology Division, explained that although the fiscal note was attached, it was included in the Records and Technology Division budget which was passed earlier. Therefore, the fiscal note should be removed from the bill.

Mr. Frank Adams, Executive Director, Nevada Sheriff and Chief's Association, expressed support for A.B. 579 (R1) but acknowledged there were local minimal costs dealing with incarceration addressed in Section 10.5, and the Association was willing to accept those costs.

Ms. Pat Hines, private citizen, spoke in opposition to A.B. 579 (R1) because the bill repealed Sections 62F and 179D. Ms. Hines submitted prepared testimony ([Exhibit R](#)) to the Committee supporting her position.

Assemblywoman Buckley noticed Section 21 covered statutory sexual seduction pursuant to *Nevada Revised Statutes* (NRS) 200.368, but she was uncertain whether the protection was the same as under previous state law.

Mr. Michela noted that protection of statutory sexual seduction offenders who committed their offense against someone within four to five years of their age range and whether or not they would be put on the sexual offender registry website was addressed in the bill. He was not able to immediately quote the relevant section of the proposed legislation but stated he would research the issue and provide the information to Ms. Buckley.

There being no further comments or questions, Chairman Arberry closed the hearing on A.B. 579 (R1) and open the hearing on 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)

Ms. Victoria Thimmesch Oldenburg, Senior Deputy Attorney General, presented a brief overview of Assembly Bill (A.B.) 586 which had no fiscal note. A proposed amendment ([Exhibit S](#)) removed a provision requiring other tobacco products to be treated the same as cigarettes for purposes of age verification for internet sales. Ms. Oldenburg pointed out that Section 5 brought other tobacco products into the definition of contraband counterfeit products. The purpose of the bill was to allow the Department of Justice and its agents to seize contraband and counterfeit other tobacco products.

Ms. Oldenburg further noted Sections 6 and 7 of the bill criminalized the possession and sale of contraband and counterfeit other tobacco products. Section 8 regarded inspections and gave the Department and the Attorney General's Office the authority to inspect for believed violations regarding contraband and counterfeit other tobacco products. Section 9 expressly allowed for the seizure of such product and provided a mechanism for the seizure and disposition of the seized product.

Assemblywoman McClain questioned whether delivery persons were removed from the bill.

Ms. Oldenburg explained that there was a provision that required the person selling the product on the internet ensure they were not selling to a minor and to require the persons delivering the product ensure they were not delivering to a minor. The original proposal brought other tobacco products such as cigars, little cigars, and pipe tobacco into that provision.

Mr. Peter D. Krueger, Cigar Association of America, expressed support for the amendment presented by Ms. Oldenburg.

There being no further questions or comments, Chairman Arberry closed the hearing on A.B. 586 and opened the hearing on Senate Bill (S.B.) 163.

Senate Bill 163: Revises provisions governing improvements constructed, altered, repaired or remodeled pursuant to lease-purchase or installment-purchase agreement. (BDR 31-430)

Mr. James Keenan, Nevada Public Purchasing Study Commission, testified in support of Senate Bill (S.B.) 163. Mr. Keenan advised the Committee of his participation in an interim study committee to analyze lease-purchase and installment-purchase agreements in statute and identify those which should be in statute. The interim study committee discussed many purchasing techniques and, as a result, fully supported the passage of S.B. 163.

Executive Vice Chancellor Daniel J. Klaich representing the Nevada System of Higher Education (NSHE) expressed support for S.B. 163 and S.B. 520 which would be heard later.

There being no further questions or comments, Chairman Arberry closed the hearing on S.B. 163 and opened the hearing on S.B. 520.

Senate Bill 520: Requires the approval of certain changes in the scope of installment-purchase and lease-purchase agreements. (BDR 31-230)

Mr. James Keenan, Nevada Public Purchasing Study Commission, testified in support of Senate Bill (S.B.) 520 indicating that his comments supporting S.B. 163 also applied to S.B. 520. The bill was unanimously voted out by the interim study committee which strongly encouraged the passage of this legislation.

There being no further questions or comments, Chairman Arberry closed the hearing on S.B. 520 and opened the hearing on S.B. 345 (R1).

Senate Bill 345 (1st Reprint): Makes an appropriation to the Office of the Attorney General to replenish the balance in the tort claim fund. (BDR S-1204)

Ms. Terry Sully, Chief Financial Officer, Office of the Attorney General, presented a brief overview of Senate Bill (S.B.) 345 (R1) which provided an appropriation to the Office of the Attorney General to replenish the balance in the tort claim fund. The bill had been amended from \$9,483,407 to \$4,255,865 and would address the \$2,979,282 payback to General Fund agencies as well as replenishing \$1.2 million of the tort claims.

There being no further questions or comments, Chairman Arberry closed the hearing on S.B. 345 (R1) and opened the hearing on S.B. 517 (R1).

Senate Bill 517 (1st Reprint): Requires that certain payments to the State of Nevada be made electronically. (BDR 31-633)

Mr. Grant Reynolds, Department of Administration, Information Technology Division, provided the Committee with a brief overview of Senate Bill (S.B.) 517 (R1) which required all payments of money owed to the State in the amount of \$10,000 or more be made by electronic transfer. Benefits of passing this legislation were the avoidance of returned checks and incurring of large costs for processing of credit cards.

In response to a question from Assemblyman Grady, Mr. Reynolds explained that each agency would handle incoming payments based on their internal procedures. Each agency would be responsible for matching payments with the electronic transfer received.

Assemblyman Denis inquired whether all state agencies had the capability of receiving electronic transfers.

Mr. Reynolds responded that all agencies had that capability.

Mr. Dennis Colling, Chief of Administration, Department of Motor Vehicles (DMV), was supportive of Senate Bill (S.B.) 517 (R1) and testified that the costs associated with payments for licenses and registration would be greatly reduced by the passage of the bill. Large payments by credit card carried significant fees for DMV.

Assemblywoman McClain requested clarification regarding the use of credit card services by DMV.

Mr. Colling explained the fees were variable and were unknown until after processing the payment. Generally the charges were 2 percent.

Mr. Denis asked Mr. Colling the estimated amount of savings if the electronic transfer was approved.

Mr. Colling noted the savings for November through February 2007 would have been \$60,000.

Mr. Christopher MacKenzie, representing American Express, submitted a proposed amendment ([Exhibit T](#)) suggesting the insertion of subsection (2)(b)(3) of Section 1, stating "Payments made to a state agency by credit card or debit card, provided the state agency requires the cardholder to pay the fee authorized by *[Nevada Revised Statutes]* NRS 353.1465(3)." With the amendment, if an agency elected to accept credit cards and collect fees, there would not be a cost to the State.

Assemblywoman Leslie was unclear whether credit card usage would still be allowed if renewing registration on-line.

Mr. Colling pointed out that the electronic transfers were only for payments over \$10,000.

Mr. William Uffelman, Nevada Bankers Association, expressed support of Senate Bill (S.B.) 517 (R1) and the proposed amendment.

Mr. Dino DiCianno, Executive Director, Department of Taxation, supported the passage of Senate Bill (S.B.) 517 (R1) and the proposed amendment. Mr. DiCianno addressed the earlier question from Mr. Grady regarding the tracking of electronic transfers, stating that tracking would be accomplished through the use of "coupon" numbers issued for every transfer.

Ms. Crystal Jackson, Public Utilities Commission, supported Senate Bill (S.B.) 517 (R1) and the proposed amendment. In the opinion of Ms. Jackson, internal procedures for check receipt and processing could be greatly reduced or eliminated.

There being no further comments or questions, Chairman Arberry closed the hearing on Senate Bill (S.B.) 517 (R1) and requested the Committee consider A.B. 203.

Assembly Bill 203: Makes an appropriation to the Grants Management Unit of the Department of Health and Human Services for the benefit of Family Resource Centers. (BDR S-1212)

Mr. Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), provided the Committee with a review of Assembly Bill (A.B.) 203. The bill was a one-shot appropriation for \$380,000 to be used to expand the capacity of Family Resource Centers throughout the State. The appropriation was included in The Executive Budget. The request was to provide vehicles for 20 Family Resource Centers which assisted child welfare agencies. Mr. Stevens advised the Committee that he had discussed an amendment to the bill with Mr. Michael Willden, Director, Department of Health and Human Services. If the proposed amendment was accepted by the Committee, 13 Family Resource Centers would be included in the bill. Each Family Resource Center would receive \$20,000 for a total of \$260,000. The remaining Family Resource Centers could be provided the funding but would not be assisting child welfare agencies until 2010. All of the Family Resource Centers would be phased in over the biennium. Mr. Willden suggested that not all of the Family Resource Centers wanted to purchase vehicles with the \$20,000. The agency requested and staff approved of amending lines 4 and 5 to include language similar to "provide for vehicle purchase or improvements to information technology or facilities."

Assemblywoman Leslie supported the amendment because not all Family Resource Centers would be required to purchase vehicles with the \$20,000 they would receive.

ASSEMBLYWOMAN LESLIE MOVED TO AMEND AND DO PASS
AS AMENDED ASSEMBLY BILL (A.B.) 203.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Koivisto and
Assemblyman Marvel were not present for the vote.)

Chairman Arberry requested the Committee consider A.B. 206.

Assembly Bill 206: Makes an appropriation to the Department of Administration to fund certain information technology projects. (BDR S-1207)

Mr. Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), provided the Committee with a review of Assembly Bill (A.B.) 206. The bill appropriated from the State General Fund to the Department of Administration the sum of \$4,728,740 to pay the costs of information technology projects, including a state lands management system, enhancements to the Nevada Employee Action and Timekeeping System and the Nevada Executive Budget System, an electronic birth registration system, a study on the replacement of the EMS radio system, a medical and health records storage data warehouse, and disaster recovery storage.

Mr. Stevens provided [Exhibit U](#), a list of projects requested to be included in the bill. The projects had been reviewed by the General Government Subcommittee. One project was recommended to be deleted by the Subcommittee, one project was recommended to be deleted by the Assembly but was recommended to be funded by the Senate, and one project was recommended to be deleted by the Senate but was recommended to be funded by the Assembly. Mr. Stevens reminded the Committee they needed to determine how the bill should be processed. There were conflicting recommendations from the Subcommittee.

Assemblywoman Leslie recommended that items in categories 13 and 15 on [Exhibit U](#) be funded. Although she did not sit on the Subcommittee, she had reviewed the issues with the Health Division.

Assemblywoman Buckley was interested in funding the prescription drug website.

Assemblywoman McClain recalled that in discussions during the Joint Subcommittee on General Government meeting, the Electronic Birth Registration System, category 15 of [Exhibit U](#), testimony was disconcerting as the system with tied to the Department of Motor Vehicles (DMV) Real ID Act but was not authorized federal funding.

Ms. Leslie further commented that there was a need for the infrastructure of the data warehouse to generate information for a state website such as the one proposed in A.B. 146 (R1). It was Ms. Leslie's opinion that since Nevada no longer had an Office of Health Planning, perhaps A.B. 206 would help get "back on track" with restoration of that Office.

The Chairman inquired what the Committee wanted to do with this bill.

Responding to a question from Ms. Leslie, Mr. Stevens suggested the Committee might consider requesting the Legal Division to add an amendment to the bill stating that each project be identified in the accounting system separately by category.

ASSEMBLYWOMAN LESLIE MOVED TO GIVE STAFF AUTHORITY
TO WORK WITH THE LEGAL DIVISION CREATING LANGUAGE TO
TRACK EACH PROJECT BY CATEGORY AND AMEND AND DO
PASS AS AMENDED ASSEMBLY BILL (A.B.) 206.

In response to a question from Chairman Arberry, Mr. Stevens explained that, for the most part, the requests were for Information Technology projects.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

Assemblywoman McClain was unclear what the process was for the categories the Senate had not approved and whether the Assembly decision would override the Senate decision.

Assemblywoman Leslie noted she had spoken with Senators who would agree with the Assembly decisions on the bill.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblywoman Koivisto and Assemblyman Marvel were not present for the vote.)

There being no further questions or comments, Chairman Arberry requested the Committee consider A.B. 275.

Assembly Bill 275: Makes appropriations to restore the balances in the Stale Claims Account, Emergency Account and Reserve for Statutory Contingency Account. (BDR S-1267)

Mr. Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), provided the Committee with a review of Assembly Bill (A.B.) 275 noting it was a one-shot appropriation to restore the balances in the Stale Claims Account, Emergency Account and reserve for Statutory Contingency Account. This was a traditional bill to restore the balances in these accounts. Exhibit V, distributed to the Committee, was a projection in the Statutory Contingency Account compiled by the Budget Division and indicated that \$6.6 million was anticipated to be expended in the next biennium in the Statutory Contingency Account. The Governor recommended in the revised budget recommendations to increase the reserve for Statutory Contingency Account by \$1.5 million from \$5 million to \$6.5 million. The remaining amounts would remain at the same levels. Staff advised that the Committee must decide whether to fund the reserve for Statutory Contingency Account at \$5 million or \$6.5 million for the next biennium unless the Committee did not want the funds to continue.

In response to Chairman Arberry's comments, Mr. Stevens noted the Stale Claims Account would be funded at \$4.5 million. All of the amounts indicated on the exhibit, except the additional \$1.5 million for the reserve for Statutory Contingency Account, were in the budget. The budgeted amounts were \$4.5 million for stale claims, \$154,000 for the emergency fund, and \$5 million for the Statutory Contingency Account, which, as itemized on the exhibit, the Governor recommended be increased to \$6.5 million. The additional \$1.5 million was being carried in both the Governor's revised numbers and what the Senate Finance Committee and the Ways and Means Committee were carrying as a cost.

The Statutory Contingency Account cannot be accessed by an agency when meeting specific statutory authority requirements, and must be approved by the Board of Examiners. Exhibit V listed the anticipated expenditures for the next biennium.

After reviewing the list of expenditures, Chairman Arberry asked for comments from the Committee.

With regards to the additional costs in the Statutory Contingency Account, Assemblywoman Buckley inquired whether staff had completed a thorough review of the anticipated expenditures.

Mr. Stevens replied that traditionally the account had been funded at approximately \$5 million. The account had to be replenished on two occasions by the Interim Finance Committee because the funds were exhausted during the current biennium. The proposed budget was an effort to assure that the Interim Finance Committee did not have to replenish the account. Staff had not exhaustively reviewed the proposed expenditures. One area staff was interested in reviewing was the special legal counsel costs pursuant to *Nevada Revised Statutes* (NRS) 41.03435, 41.0347, 41.0349. The costs had increased but the Budget Director believed the projected costs were included by the Attorney General through fiscal year (FY) 2007-08. If requested by the Committee, staff would conduct a thorough review and provide a listing of the costs.

Assemblyman Hogan suggested holding the additional \$1.5 million in the Interim Finance Committee until such time as it was needed by the Statutory Contingency Account.

Mr. Stevens noted that was an option the Committee could consider. The \$1.5 million could be added to the Contingency Fund.

Chairman Arberry stated the Committee would revisit A.B. 275 but asked to move forward and consider A.B. 291 (R1) at this time.

Assembly Bill 291 (1st Reprint): Revises provisions governing the use of money deposited in a fund established to stabilize the operation of a school district. (BDR 31-189)

Mr. Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), provided the Committee with a brief overview of Assembly Bill (A.B.) 291 (R1), noting the bill addressed the net proceeds of mine receipts in small rural counties, particularly within the school fund. A proposed amendment, Exhibit W, was distributed to the Committee. Mr. Stevens suggested that Assemblywoman Smith could provide additional information to the Committee.

Assemblywoman Smith advised the Committee she had worked with the bill sponsor and representatives from the districts to clarify the language of the bill. Noting that in Exhibit W, Section 1, subsection 2 (a), "Use money from the fund to retire or defease bonds and other debt incurred," was an amendment. Further, subsection 2 (b), line 25 had been amended. The amendment clarified the intent of the language and ensured the districts could not set money aside to use for any purpose, but rather only to support instructional programs that would be eliminated if not for this legislation.

Chairman Arberry asked the Committee for comments or questions.

ASSEMBLYMAN GRADY MOVED TO AMEND AND DO PASS AS AMENDED A.B. 291 (R1) AS OUTLINED IN EXHIBIT W.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblywoman Koivisto and Assemblyman Marvel were not present for the vote.)

Chairman Arberry requested the Committee consider S.B. 330.

Senate Bill 330: Changes the name of the Southern Nevada Women's Correctional Facility. (BDR S-1306)

Mr. Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), provided the Committee with a brief review of Senate Bill (S.B.) 330 to change the name of the Southern Nevada Women's Correctional Facility to the Florence McClure Women's Correctional Center.

Chairman Arberry asked whether there was a cost for the name change.

According to Mr. Stevens, the Department of Corrections would absorb the small costs such as changing signs and stationery.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS S.B. 330.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblywoman Koivisto and Assemblyman Marvel were not present for the vote.)

Senate Bill 457 (1st Reprint): Provides for the creation, administration and investment of a trust fund for the management of certain retirement benefits provided by a local government. (BDR 23-736)

Mr. Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), provided the Committee with a brief review of Senate Bill (S.B.) 457 (R1). The bill allowed local governments to set up trust funds to contribute to costs of retiree health insurance subsidies and allowed the Public Employees Retirement System (PERS) to invest those funds on behalf of the local government. Mr. Stevens further advised there was a companion measure in the Senate Finance Committee to set up a trust fund at the state level. The Executive Budget currently had a recommendation to add \$25 million per year to the trust fund at the state level to address the Government Accounting Standards Board (GASB) 45 rules related to booking the liabilities of state employee health insurance subsidies.

Assemblywoman McClain noted that the Joint Subcommittee on General Government closed the Public Employees' Benefits Program (PEBP) budget giving PERS permission to make the investments. Ms. McClain was unsure whether PERS would be able to make investments for three retiree benefit accounts.

Mr. Stevens stated PERS would be investing for local government groups, for PEBP at the state level, and for their own funds. They would account for each separately, and fees would be appropriately charged.

ASSEMBLYMAN HARDY MOVED TO DO PASS S.B. 457 (R1).

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblywoman Koivisto and Assemblyman Marvel were not present for the vote.)

OFFICE OF THE ATTORNEY GENERAL

BUDGET CLOSINGS

ADMINISTRATION, BA 1030

Mr. Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1030. The Attorney General's Office (AG) had submitted correspondence to the Budget Division and the Fiscal Analysis Division requesting budgetary adjustments to several of the agency's accounts. Mr. Peri distributed [Exhibit X](#) which contained a brief comparison between the recommendation in The Executive Budget and the AG's requested budget adjustments.

Mr. Peri continued by describing the personnel-related adjustments. The documents submitted to staff by the AG's office suggested the requested adjustments were cost-neutral. Staff had reviewed those figures and concurred. In addition, the Budget Division had submitted several budget amendments supporting the requested adjustments.

Assemblywoman Leslie confirmed the adjustments were cost-neutral and only involved the movement of money as indicated on the exhibit.

Mr. Peri acknowledged that was accurate. Mr. Peri stated he would cover the requested changes in his overview.

Mr. Peri continued with a discussion of the first major closing issue, cost allocation revenue. The AG Administrative account was funded mainly from the General Fund and from cost allocation assessments paid by non-General Fund agencies that received legal services from the AG. During the initial budget hearing, the Committee questioned the proportion of General Fund and cost allocation revenue between the fiscal years in the 2007-09 biennium.

According to Mr. Peri, after the initial hearing the Budget Division submitted budget amendments numbers 40 and 67 that sought to correct an overstatement in the cost allocation revenue. The net effect of the amendments required the addition of General Fund support of \$2,266,553 in FY 2008 and \$1,802,779 in FY 2009, for a total of \$4,069,332, with corresponding reductions to cost allocation revenue. Additionally, there were other smaller adjustments that were approved during budget closings that needed to be implemented by staff in the final version of the legislatively approved AG budgets.

Mr. Peri noted the second major closing issue was the request for new full-time equivalent (FTE) positions. The Governor's original budget requested 15 new FTE positions over the 2007-09 biennium. Of the 15 new FTE positions, 6 were recommended to be transferred out to a new budget account, High Tech Crime (101-1044), leaving the account with 9 new positions. Additionally, 5.75 FTE existing positions were recommended to transfer out to other accounts within the agency, leaving this budget with a net gain of 3.25 FTE additional positions in the 2007-09 biennium.

In Mr. Peri's review of this budget account, he indicated that the Budget Division had submitted budget amendment number 49 which concurred with the requested adjustments. As noted earlier, staff had reviewed backup detail included with the requested adjustments and agreed that the adjustments were cost-neutral. If those adjustments were approved by the Committee, this budget would realize 11 new FTE positions for a net gain of 0.25 FTE positions.

Decision unit E328 recommended four new positions, including a Senior Deputy Attorney General, a Deputy Attorney General, a legal researcher, and a legal secretary 2 to assist with the increased volume and complexity of work required with boards and commissions.

Mr. Peri further noted the AG had requested to adjust decision unit E328 to change the new Deputy Attorney General position to an unclassified Chief Personnel Officer position. The recommendation was made after a review by the National Association of Attorneys General (NAAG) who conducted a management study of the Office of the Attorney General and submitted a March 2007 report.

In the opinion of staff, the proposed salary was inappropriate as it was similar in level to the increase requested for the chief financial officer (grade 44, step 10). Staff had reviewed similar classified positions (personnel officer 3, grade 41, step 10) at a salary of \$83,854, which staff believed was a more appropriate salary level classification.

Staff clarified decision unit E308 also recommended the salary of the new legal researcher position be combined with the salary of an existing chief deputy attorney general position to create a new unclassified solicitor general position at a proposed salary of \$139,097, which was commensurate with that of the existing assistant attorney general position.

Mr. Peri stated that the remaining new senior deputy attorney general and legal secretary 2 were proposed to address the increased volume and complexity of work required with growth in the civil division and with boards and commissions and were unchanged from the Governor's original recommendation.

Decision unit E327 recommended a new legal secretary 2 to reduce large caseloads in the Office's Special Prosecution Unit.

Decision unit E326 recommended \$540,185 in transfers from the Healthy Nevada Fund to add three new FTE positions to the Tobacco Enforcement Unit. The AG had requested an adjustment to the E326 decision unit. Mr. Peri advised the Committee that the adjustment requested that the three new recommended positions and the corresponding funding transfer from the Healthy Nevada Fund be eliminated; instead, one new investigator position recommended in E325 be moved to this decision unit and funded with a combination of General Fund and cost allocation revenue. The Office indicated the new investigator position was necessary to support anticipated growth related to the enforcement of counterfeit/contraband cigarette statutes through the passage of A.B. No. 464 of the 73rd Legislative Session.

Mr. Peri continued his overview with the expansion of the High Tech Crime Unit (E325). The decision unit initially requested six new FTE positions and associated costs including travel, operating, equipment purchases, information services and training, to expand the unit. The six new FTE positions included a program specialist, three computer forensic examiners, and two investigators.

In relation to this decision unit, the budget also recommended E924 to transfer out three existing FTE positions dedicated to the High Tech Crime Task Force to the new High Tech Crime budget account. Decision unit E925 recommended the transfer out to the new account of the six new FTE and associated costs. Decision unit E926 recommended the transfer out of additional costs for the recommended salary increases of the existing executive director of the High Tech Crime Force.

According to Mr. Peri, the AG had requested the following adjustments related to the proposed expansion of the High Tech Crime Unit:

- Retain one of the 2 new investigator positions in this account and move it to decision unit E326.
- Reduce the proposed increase in decision unit E806 for the executive director of the High Tech Crime Unit from the senior deputy attorney general level recommended in the budget to a mid-level deputy attorney general salary. The adjustment would result in an increase in salary from \$52,379 to \$81,818, a 56 percent increase.
- Use the savings from the requested adjustment to reclassify an existing chief deputy attorney general position to an unclassified chief of staff at a salary commensurate with the existing assistant attorney general and the proposed new solicitor general.

Mr. Peri further noted that decision unit E325 recommended for the expansion of the High Tech Crime Unit included the following associated costs:

- Out-of-State Travel—There was \$11,045 per year recommended, which provided for attendance at eight Out-of-State conferences per year. The Office had provided a priority list of the proposed conferences. Staff recommended that the Committee consider funding the priority 1 and priority 2 conferences, four total, at a cost of \$5,927 per year, a reduction of \$5,118 per year.
- In-State Travel—The Governor recommended \$28,916 per year. The Governor had recommended reductions to In-State Travel of \$14,939 per year, leaving \$13,977 per year. The reduction appeared reasonable to staff.
- Operating—The Governor originally recommended \$144,145 in FY 2008 and \$144,303 in FY 2009. The majority of those costs, \$121,350 per year, were for dues and registrations. The Governor recommended reductions to dues and registrations of \$75,610 each year, leaving \$45,740 available each year. The reductions appeared reasonable to staff. Additionally, staff had clarified the necessary costs for Police Officer Standards and Training (POST), which resulted in a reduction from the Governor's revised amount of \$14,000 per year to \$6,940 per year. The net recommendation for dues and registrations was \$38,680 per year.
- Equipment—The recommendation for FY 2008 was \$25,112.
- Information Services—There was \$80,177 recommended in FY 2008 and \$4,459 in FY 2009. Staff recommended the elimination of duplicate software totaling \$678 in FY 2009 and the removal of a personal computer and associated costs if the AG's request to eliminate a new investigator was approved.
- Training—The recommended amount of \$68,030 per year included \$64,530 a year in Out-of-State per diem to attend high tech crime training. The Governor had reduced the amount by \$38,718 per year, leaving \$29,312 per year. The reductions appeared reasonable to staff.

Mr. Peri continued the overview with the presentation of the other closing items in the AG administrative fund budget as follows:

- E806—The recommendation of \$160,671 over the biennium for unclassified position salary increases included a proposed increase for the Attorney General's chief financial officer to a salary level comparable with fiscal positions in other agencies.
- E807—The decision unit recommended a total of \$122,932 for the reclassification of six unclassified positions.
- E902—The decision unit recommended the transfer out of 2.75 FTE existing Domestic Violence grant-funded positions to the Violence Against Women Grants budget account. The positions were funded in this account through a transfer from the Violence Against Women budget account.

According to Mr. Peri, technical adjustments for the budget account included statewide cost allocation plan adjustments and, in response to the Governor's request for budget reductions, decision unit E817 was eliminated. The decision unit recommended \$13,461 each year of the biennium payable to the Department of Transportation for 800 MHz radio usage. The Office indicated the expense could be absorbed in the base budget.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE
CLOSE BA 1030 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert,
Assemblywoman Koivisto, Assemblyman Hardy, and Assemblyman
Marvel were not present for the vote.)

BUDGET CLOSED.

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HIGH TECH CRIME, BA 1044

Mr. Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1044. The High Tech Crime budget was a new account recommended for the 2007-09 biennium. Staff requested approval to perform actions associated with actions taken by the Committee for BA 1030.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE
GRANT STAFF APPROVAL TO IMPLEMENT THE ACTION TAKEN
BY THE COMMITTEE IN THE ATTORNEY GENERAL
ADMINISTRATIVE ACCOUNT BA 1030 FOR BA 1044.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert,
Assemblywoman Koivisto, Assemblyman Hardy, and Assemblyman
Marvel were not present for the vote.)

BUDGET CLOSED.

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SPECIAL FUND, BA 1031

Mr. Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1031. The first major closing issue for BA 1031 was the Governor's recommendation for increased funds for nuclear waste litigation.

Mr. Peri explained decision unit E325 originally recommended \$909,919 in General Fund appropriations in fiscal year (FY) 2008 for legal costs associated with the efforts to prevent the location of a federal nuclear waste repository at Yucca Mountain. The \$909,919 together with the continuation of base expenditures provided for a total of \$2,090,081 over the biennium for litigation activities. The Governor recommended a reduction in this decision unit of \$477,885 in FY 2008. The reduction resulted in a total of \$1,612,196 for the biennium or \$806,098 per year.

Mr. Peri continued with the second major closing issue for BA 1031, a new attorney for the Public Works Board, budget amendment number 46. The Governor's original budget submittal recommended \$200,000 in each year of the biennium in the State Public Works Board (SPWB) Inspection budget to hire a contract attorney for assistance with construction-related matters and claims. Through discussions with the Attorney General's Office (AG), the SPWB and Budget Division had agreed that the AG's Office could provide those services. The AG requested that the new position, construction law counsel, be added to this account, which currently had no positions, and be funded at the same level and salary as the existing assistant attorney general (\$139,097 per year).

Chairman Arberry inquired whether the nuclear waste litigation was effective or whether the money was wasted.

Mr. Peri stated that in his discussions with the Nuclear Waste Office, the Office felt confident that with the support of U.S. Senator Harry Reid and failures with requirements by the U. S. Department of Energy, the Yucca Mountain repository would not happen. The Office was preparing for an application in June 2008 by the U. S. Department of Energy for the Nuclear Regulatory Commission on licensing for the Yucca Mountain facility. The Office had suggested this litigation was the final "push" that needed to occur.

Mr. Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), advised the Chairman that the money would revert.

Assemblywoman Buckley stated that the Yucca Mountain repository litigation was an important area where funds should not be cut.

Mr. Stevens pointed out that when the nuclear waste budget was closed, there was a recommendation to reduce the amount of funding available for litigation expenses, and the recommendation was not endorsed by the Committee. In the case of this E325, the Governor had recommended a reduction of \$477,885 in FY 2008, which resulted in a total of \$1.6 million for the biennium. If the Committee chose not to accept the Governor's recommendation, those funds would be retained in this account.

Assemblywoman McClain advised the Committee that the Joint Subcommittee on General Government had also disagreed with the budget reduction.

ASSEMBLYWOMAN LESLIE MOVED TO NOT ACCEPT THE GOVERNOR'S REDUCTION IN E325 AND RETAIN THE FUNDS IN THE NUCLEAR WASTE LITIGATION ACCOUNT.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblyman Hardy, and Assemblyman Marvel were not present for the vote.)

Chairman Arberry stated the next item for consideration was whether the Committee wanted to approve \$200,000 per year to add the new construction law counsel position to provide construction-related legal services to the SPWB.

Mr. Stevens advised the Committee that the funding was in the SPWB budget; therefore, this recommendation would bring the funding recommended in the SPWB budget into the AG's Office as outlined in budget amendment number 46. The SPWB initially requested a contract attorney for this purpose but the request was changed to have the AG to perform that function. The \$200,000 would come from the SPWB budget so no additional funds were required.

Assemblywoman Smith expressed concerns that this area of funding was growing.

ASSEMBLYWOMAN LESLIE MOVED TO ACCEPT BUDGET AMENDMENT NUMBER 46.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblyman Hardy, and Assemblyman Marvel were not present for the vote.)

BUDGET CLOSED.

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MEDICAID FRAUD, BA 1037

Mr. Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1037, stating there were no major closing issues in the budget account. Decision units E710 and E720 requested funds for software licensing costs and computer upgrades.

According to Mr. Peri, there were technical adjustments requested. The budget recommended a General Fund appropriation of \$1,000 each fiscal year to provide access to the Interim Finance Committee Contingency Fund if needed. Staff proposed that be reduced to \$100 each year which would allow access to the Contingency Fund.

The Budget Division had also recommended adjustments to the Statewide Cost Allocation Plan assessments in this budget.

ASSEMBLYWOMAN MCCLAIN MOVED TO ACCEPT STAFF RECOMMENDATIONS AND GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblyman Hardy, and Assemblyman Marvel were not present for the vote.)

BUDGET CLOSED.

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WORKERS' COMPENSATION FRAUD, BA 1033

Mr. Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1033. There were no major closing issues in the budget account; however, there was a correction to insurance fraud revenue. The proposed transfer of revenue from the Insurance Regulation budget (101-3813) was overstated by \$28,220 in fiscal year (FY) 2008 and by \$9,747 in FY 2009. Staff requested approval to make the necessary adjustments to match the \$1,008,525 approved for transfer each year in the Insurance Regulation budget.

Mr. Peri further stated that E710 recommended \$50,044 in FY 2008 and \$14,308 in FY 2009 for software licensing costs and computer upgrades.

Staff requested approval to make the necessary technical adjustments to the Statewide Cost Allocation Plan.

ASSEMBLYWOMAN MCCLAIN MOVED TO ACCEPT STAFF RECOMMENDATIONS AND GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

Chairman Arberry inquired whether the software could be purchased within the next year and that the purchases did not have to be approved by Department of Information Technology (DoIT).

Mr. Peri responded that the purchases did not have to pass through DoIT.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblyman Hardy, and Assemblyman Marvel were not present for the vote.)

BUDGET CLOSED.

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BUREAU OF CONSUMER PROTECTION, BA 1038

Mr. Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1038. There were two major closing issues within the budget account.

According to Mr. Peri, the first major closing issue was the overstatement of mill assessment revenue. The Governor's budget overstated the mill assessment revenue by \$367,390 over the 2007-09 biennium. The mill assessment revenue was estimated by the Public Utilities Commission (PUC) based on estimated gross operating revenue of Nevada's major utility companies. The Budget Division had submitted budget amendment number 60 to correct the error which required General Fund revenue be increased by \$145,598 in fiscal year (FY) 2008 and by \$207,461 in FY 2009, along with a reduction to the reserve category of \$14,331. Staff concurred with the recommended adjustment.

Mr. Peri continued his overview moving to decision unit E252, which recommended the elimination of an existing unclassified program specialist position that the Attorney General (AG) said was no longer needed. The AG had submitted a budget adjustment request for this decision unit. The AG requested that an existing unclassified administrative assistant also be eliminated, and the savings used to create a new unclassified administrative services officer 2 (ASO) at a salary equivalent to a classified ASO 2 (grade 39, step 10), which was \$76,504 per year.

Under other closing items, Mr. Peri noted the following:

- Decision unit E807 recommended position upgrades for two existing unclassified deputy attorney general positions to the senior deputy attorney general level.
- Decision unit E806 recommended salary increases for a senior engineer and a technical staff manager. The AG's Office had provided information to staff that indicated that the amounts in the budget were erroneous and requested that consideration be given to the original levels included in the agency request. Those levels were conveyed to the Committee at the initial budget hearing. The corrected senior engineer salary was \$96,416, a 12 percent increase, and the technical staff manager position would increase to \$91,331, a 6 percent increase. The requested salary increases would ultimately be reviewed and set as part of the finalization of the unclassified pay bill.
- Decision unit E710 recommended equipment funding of \$29,176 over the biennium for the replacement of small equipment items, software upgrades, computers, and printers.

Mr. Peri noted there was a technical adjustment recommended by the Budget Division to the Statewide Cost Allocation Plan.

ASSEMBLYWOMAN LESLIE MOVED TO APPROVE:

1. BUDGET AMENDMENT NUMBER 60.
2. THE ELIMINATION OF THE EXISTING UNCLASSIFIED PROGRAM SPECIALIST POSITION AND THE ADMINISTRATIVE ASSISTANT POSITION.
3. CREATION OF A NEW UNCLASSIFIED ADMINISTRATIVE SERVICES OFFICER POSITION.
4. DECISION UNIT E807 RECLASSIFICATIONS.
5. GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblyman Hardy, and Assemblyman Marvel were not present for the vote.)

BUDGET CLOSED.

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CRIME PREVENTION, BA 1036

Mr. Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1036. There were no closing issues in the budget account and staff had no recommendations.

ASSEMBLYWOMAN SMITH MOVED TO APPROVE WITH GOVERNOR RECOMMENDATIONS.

ASSEMBLYMAN MCCLAIN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblyman Hardy, and Assemblyman Marvel were not present for the vote.)

BUDGET CLOSED.

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TORT CLAIM FUND, BA 1348

Mr. Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1348. The major closing issue in the budget account was the restoration of the reserve level. The Executive Budget recommended a one-time General Fund appropriation of \$9,483,407 to replenish the Tort Claim Account following the binding arbitration award in favor of the plaintiffs in Addison v. State Public Works Board. In fiscal year (FY) 2007, the State entered into binding arbitration regarding disputes surrounding the construction of the Southern Nevada Veterans' Home.

Mr. Peri further explained that the requested appropriation was contained in Senate Bill (S.B.) 345 and was recommended to repay \$2,979,282 to General Fund agencies that were billed a special assessment in FY 2007 to assist in paying the award. The remaining \$6,504,125 was recommended to restore current FY 2007 Tort Claim expenditure authority and replenish reserve funding that was reduced to pay the award. The bill was amended by Senate Committee on Finance from the original amount of \$9,483,407 to \$4,255,865, which included the \$2,979,282 that would be refunded to state agencies in FY 2007 and \$1,276,583 to increase the total FY 2007 Tort Claim expenditure authority to \$4 million. The Senate Committee on Finance instructed staff to address the issue of replenishing the reserve in budget closings or in separate legislation. The remaining amount of \$5,227,542 (\$9,483,407 minus \$4,255,865) was available for consideration in replenishing the reserve.

According to Mr. Peri, staff had developed two options for consideration by the Committee:

- Option A—The Governor's recommended budget included an anticipated carry forward from FY 2007 to FY 2008 of \$4,774,945. The Committee could choose to add that amount in General Fund support and approve the remainder of the budget as recommended by the Governor. This option would result in a General Fund savings of \$452,597 (\$5,227,542 available minus \$4,774,945).
- Option B—The Committee could choose to reduce the recommended Tort Claim expenditure and reserve levels. As a point of comparison, the average Tort Claim expenditure for the last five fiscal years, from FY 2002 through FY 2006 was \$3,336,134, while the average reserve balance was \$3,048,939.

If the Committee considered adjusting the Tort Claim expenditure level to \$3.5 million in FY 2008 and \$3,949,000 in FY 2009 (compared to the Governor recommended figures of \$3,877,655 and \$4,326,675) and adjusting the reserve level in FY 2008 to \$4,404,695 (compared to \$4,782,370 as recommended in the budget for FY 2008 with the FY 2009 reserve level remaining as recommended by the Governor at \$3,725,548) would require General Fund support of \$3,979,663 in FY 2008, for a General Fund savings of \$1,247,879 (\$5,227,542 available minus \$3,979,663).

In Mr. Peri's opinion, Option B presented a greater risk, but there were avenues available if a large, unforeseen claim was to occur. The account could access the Contingency Fund if General Fund was put into the account. There was statutory access to the reserve for statutory contingency. The numbers were within historical trends.

Option A, according to Mr. Peri, was very clear. If the Governor's budget was implemented, but General Fund money was put into the FY 2008 account, there was \$452,597 available immediately.

Mr. Peri pointed out that the Committee should note that the addition of General Fund to this account would require language in the Appropriations Act that indicated any unexpended portion of the appropriation would not revert to the General Fund at the end of FY 2008 and that the funds may be carried forward to FY 2009 with Interim Finance Committee approval.

Mr. Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), advised the Committee that the account was complicated. Senate Bill (S.B.) 345 was recommended by the Assembly Committee on Ways and Means at \$9.4 million to pay back the amount assessed to state agencies in FY 2007. As a result, there would be sufficient funds to pay off the arbitration award on the Southern Nevada Veterans' Home and to replenish the reserve in the next biennium. This created a conflict with Education First. The Senate Committee on Finance reduced the amount to replenish the assessment paid by state agencies and to provide sufficient money to last through June 30, 2007.

Mr. Stevens continued, stating the problem was to provide funding through the next biennium. The options outlined by Mr. Peri were prepared by staff for the consideration of the Committee. Option A saved \$452,597 based on the amounts included in the Governor's budget. By using the five-year average of the expenditures and the reserve levels included in the account, the amount of money appropriated in the account would be lowered, saving \$1.2 million.

Mr. Stevens advised the Committee that there was another decision that also must be made. All of the \$9.5 million originally recommended was effective

upon passage and approval and was from surplus money. The choice was to either include the remaining amount on a bill as a one-shot amendment or put the money into FY 2008 in this on-going budget.

Chairman Arberry requested the Committee discuss the options.

Assemblywoman Leslie suggested the Committee approve the 5-year average with a General Fund savings of \$1.2 million and appropriate money from surplus funds, not on-going funds.

Mr. Stevens reviewed, noting that the remainder of the appropriation that needed to be made would be out of surplus funds. If that option was chosen, staff would locate a vehicle, such as an Attorney General one-shot appropriation bill, attach an amendment, and take the funds from surplus.

ASSEMBLYWOMAN LESLIE MOVED TO APPROVE ATTACHING A ONE-SHOT AMENDMENT TO APPROPRIATE FUNDS FROM THE SURPLUS AND AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblyman Hardy, and Assemblyman Marvel were not present for the vote.)

BUDGET CLOSED.

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EXTRADITION COORDINATOR, BA 1002

Mr. Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with a review of budget account (BA) 1002. There were no major closing issues in the budget account and staff had no recommended closing adjustments.

ASSEMBLYWOMAN LESLIE MOVED TO ACCEPT GOVERNOR RECOMMENDATIONS.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblyman Hardy, and Assemblyman Marvel were not present for the vote.)

BUDGET CLOSED.

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COUNCIL FOR PROSECUTING ATTORNEYS, BA 1041

Mr. Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1041. There were no major closing issues in the budget account. Decision unit E710 recommended \$2,437 over the biennium for the replacement of a network printer and software maintenance. Staff had received

the recommended adjustments to the Statewide Cost Allocation Plan assessments and had no other recommended closing adjustments.

ASSEMBLYWOMAN LESLIE MOVED TO ACCEPT GOVERNOR RECOMMENDATIONS AND GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblyman Hardy, and Assemblyman Marvel were not present for the vote.)

BUDGET CLOSED.

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VICTIMS OF DOMESTIC VIOLENCE, BA 1042

Mr. Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1042. There were no major closing issues in this account and staff had no closing adjustments.

ASSEMBLYWOMAN MCCLAIN MOVED TO ACCEPT GOVERNOR RECOMMENDATIONS AND GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblyman Hardy, and Assemblyman Marvel were not present for the vote.)

BUDGET CLOSED.

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VIOLENCE AGAINST WOMEN GRANTS, BA 1040

Mr. Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1040. There were no major closing issues in the budget account. Decision unit E902 recommended the transfer-in of 2.75 Full-time equivalent (FTE) positions from the Administrative Fund budget (101-1030).

ASSEMBLYMAN DENIS MOVED TO ACCEPT GOVERNOR RECOMMENDATIONS AND GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert, Assemblyman Hardy, and Assemblyman Marvel were not present for the vote.)

BUDGET CLOSED.

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OFFICE OF THE STATE TREASURER

BUDGET CLOSINGS

STATE TREASURER, BA 1080

Mr. Jeffrey Ferguson, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1080. Although there were no major closing issues in the budget, Mr. Ferguson touched upon other closing items. Staff worked with the agency to reproject check distribution costs based on historic costs and anticipated postage rate increases. Revised check distribution costs resulted in a savings of \$27,048 in fiscal year (FY) 2008 and \$22,061 in FY 2009, which were reflected in the closing sheets.

Staff worked with the Budget Division and the agency on decision unit M300 to determine the proper revenue sources to fund this module. The closing sheets reflected the corrections made by staff, which provided General Fund savings of \$9,209 in FY 2008 and \$13,804 in FY 2009.

Mr. Ferguson continued with decision unit E250. The Governor recommended \$4,574 over the biennium to allow the senior deputy treasurer in Las Vegas to attend training from the National Association of Treasurers (NAST) in FY 2007-08, and the management analyst 3 responsible for pooled collateral to meet with the state of Tennessee in FY 2007-08 and the state of Texas in FY 2008-09 to learn about these states' operating procedures and review their operating systems for pooled collateral applications. These recommendations, which would be funded with pooled collateral assessments, appeared reasonable to staff.

Mr. Ferguson explained that decision unit E251 recommended \$4,468 in each year of the biennium to allow the management analyst responsible for debt management to attend the NAST annual conference and the Government Finance Officers Association (GFOA) conference. Funding would be split evenly between General Funds and transfers from the Municipal Bond Bank. Based upon the information provided by the Office, this recommendation appeared reasonable to staff.

Decision unit E252, according to Mr. Ferguson, recommended General Funds of \$6,422 in FY 2008 and \$7,407 in FY 2009 for additional Out-of-State Travel to allow the Treasurer, chief of staff, and senior deputy treasurer in Las Vegas to attend conferences and receive training. Based upon the information provided by the Office, this recommendation appeared reasonable to staff.

There were a number of replacement equipment requests totaling \$24,789 in FY 2008 and \$22,938 in FY 2009. Mr. Ferguson focused the Committee's attention on decision unit E714. The Governor originally recommended \$4,696 in FY 2009 to replace the agency's pressure-seal unit; however, during the budget hearing the Office indicated it wanted to purchase a larger unit for an additional \$3,189. Based upon information provided to staff by the Office, the request appeared reasonable.

There were a number of new equipment and software requests totaling \$36,347 in FY 2008 and \$5,402 in FY 2009. Mr. Ferguson pointed out to the

Committee that decision unit E721 originally requested \$23,106 for backup software. The request had been decreased to \$21,925 as reflected in the closing sheets.

Staff made corrections to decision unit E813, General Fund salary adjustments, which resulted in savings reflected on the closing sheets.

ASSEMBLYWOMAN LESLIE MOVED TO ACCEPT STAFF RECOMMENDATIONS AND GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Hardy and Assemblyman Marvel were not present for the vote.)

BUDGET CLOSED.

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TREASURER HIGHER EDUCATION TUITION ADMINISTRATION, BA 1081

Mr. Jeffrey Ferguson, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1081. There were no major closing issues in the budget account; however, there was an issue with the General Fund payback. The Executive Budget recommended a General Fund payback amount of \$225,000 in fiscal year (FY) 2008 and \$275,000 in FY 2009. Mr. Ferguson pointed out that the Committee should note that the funds recommended for General Fund payback were transferred to this budget from the Nevada College Savings Trust account (BA 1092). Staff recommended accelerating the General Fund payback through increased transfers for the Nevada College Savings Trust budget. Accordingly, staff would make necessary changes to this budget account to accept larger transfer for repayment of the General Funds based upon the Committee's closing actions in BA 1092.

Assemblywoman Leslie suggested the Committee hold review of the Nevada College Savings Trust budget (BA 1092) until additional information was received from the auditors.

Mr. Ferguson stated that the Committee could close this budget account (BA 1081) and authorize staff to make adjustments based on the closing actions for BA 1092.

ASSEMBLYWOMAN LESLIE MOVED TO CLOSE BA 1081 AS RECOMMENDED BY THE GOVERNOR AND GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS BASED ON CLOSING ACTIONS FOR THE NEVADA COLLEGE SAVINGS TRUST BUDGET (BA 1092).

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Hardy and Assemblyman Marvel were not present for the vote.)

BUDGET CLOSED.

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MILLENNIUM SCHOLARSHIP ADMINISTRATION, BA 1088

Mr. Jeffrey Ferguson, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1088. There were no major closing issues in the budget account.

Mr. Ferguson reminded the Committee that the agency requested withdrawal of decision unit E807, a recommendation to upgrade the existing administrative assistant 2 position to an administrative assistant 3. The closing sheets reflected that removal.

There was discussion during the budget hearing regarding the sustainability of the Millennium Scholarship Program. According to Mr. Ferguson, the latest projections indicated that the Millennium Scholarship Trust Fund (Trust Fund) would be solvent through fiscal year (FY) 2017 without additional changes to the program.

The Governor recommended increasing the transfers from Unclaimed Property by \$2.8 million each year. If approved, the Trust Fund would be extended approximately 5 years to FY 2022.

Mr. Ferguson continued with the overview, noting there was a request for replacement equipment in decision unit E710 totaling \$5,562 over the biennium. The recommendation appeared reasonable to staff.

Staff recommended closing BA 1088 as recommended by the Governor with removal of decision unit E807 and technical adjustments as required.

Assemblywoman Leslie noted that Senate Bill (S.B.) 469, which increased the amount of the annual transfer of money from the Abandoned Property Trust Fund to the Millennium Scholarship Trust Fund, had not been approved. It was Ms. Leslie's understanding, however, that BA 1088 could be closed without approval of the bill.

Mr. Ferguson assured Ms. Leslie that the bill had no bearing on closing this budget.

ASSEMBLYWOMAN LESLIE MOVED TO CLOSE BA 1088 AS RECOMMENDED BY STAFF AND GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS ALTHOUGH NO DECISION HAD BEEN REACHED ON S.B. 469.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Marvel was not present for the vote.)

BUDGET CLOSED.

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UNCLAIMED PROPERTY, BA 3815

Mr. Jeffrey Ferguson, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 3815.

Mr. Ferguson began the presentation with the Millennium Scholarship closing issue. Senate Bill (S.B.) 469 addressed the Governor's recommendation to transfer \$2.8 million in each year of the biennium from the Abandoned Property Trust Fund to the Millennium Scholarship Trust Fund. There was also a recommendation by the Governor to transfer \$5 million in each year for economic development efforts; however, the Committee should note that recommendation was withdrawn as part of the Governor's budget reduction.

There were two new positions requested in BA 3815. In decision unit E250 there was \$108,625 over the biennium to finance a new program officer 2 position. The agency testified the position was crucial in the Office's efforts to aggressively return unclaimed property to claimants and to better educate the community about the requirements to turn over unclaimed property to the State. The Office indicated there was no existing position within the office responsible for these tasks, and if the position was not approved, it would hamper the Office's intentions to pursue additional unclaimed property reporting and to increase the return rate of unclaimed property to the rightful owners. Based on the information provided by the Office, this recommendation appeared reasonable to staff.

Mr. Ferguson noted the second position requested, a new program officer 1 position, required \$101,677 of unclaimed property receipts over the biennium. The Office requested to reduce this recommendation from a program officer 1 to an administrative assistant 2, thereby reducing the recommended funding by \$17,245 over the biennium. The closing sheets reflected this adjustment. The agency testified that this position would provide additional clerical assistance to address the increasing number of properties tracked and unclaimed property reports received, and to help administer the increasing number of properties available to be claimed. The agency indicated if this recommendation was not approved, the Office would not be able to meet its goal to review and approve claims within a two-week period. Based on the information provided by the Office, this recommendation appeared reasonable to staff.

According to Mr. Ferguson, decision unit E805 recommended a position reclassification to upgrade a current administrative assistant 3 position to a management analyst 2. During the budget hearing, the Office requested this decision module be withdrawn because the Office was considering reorganizing the program's operation. The closing sheets reflected the removal of this decision module.

Mr. Ferguson further noted that under other items, decision module E276 recommended unclaimed property receipts of \$18,000 in fiscal year (FY) 2008 and \$18,900 in FY 2009 to purchase a program called Xcitek, an online service that tracked the history of a stock to help determine its value. The Office used Xcitek on a free, 10-month trial basis in FY 2006 and found it very useful. The Office indicated that 16 other states used this program which was developed in conjunction with the state of New York's unclaimed property agency. Based on the information provided by the Office, this recommendation appeared reasonable to staff.

Mr. Ferguson continued with decision unit E252 which recommended unclaimed property receipts of \$5,160 in each year of the biennium to allow the senior deputy treasurer and deputy treasurer for unclaimed property to attend the National Association of Treasurers (NAST) annual conference and the National Association of Unclaimed Property Administrators meeting. The agency indicated they were unable to attend these meetings in the base year.

Mr. Ferguson stated there were recommendations for new and replacement equipment in BA 3815. The recommendations appeared reasonable to staff.

ASSEMBLYWOMAN MCCLAIN MOVED TO CLOSE BA 3815 AS RECOMMENDED BY STAFF AND GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Marvel was not present for the vote.)

BUDGET CLOSED.

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NEVADA COLLEGE SAVINGS TRUST, BA 1092

Mr. Jeffrey Ferguson, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), advised the Committee that although there was an audit pending for budget account (BA) 1092, he would review the budget account for the Committee. As discussed during the budget hearing, the Contract Service Charge revenues increased because of a recent amendment to the 30-year contract the Office had with Upromise Investments, Inc., which provided program management services for the state's college savings plans. The amendment, which was approved on December 28, 2006, replaced the previous asset-based fee structure with an annual fixed fee of \$1.5 million plus Consumer Price Index (CPI) increases. Prior to the amendment, Contract Service Charge revenues received in this budget account were expected to be approximately \$450,000 annually.

Mr. Ferguson pointed out that to gain a better understanding about the operation of the Nevada College Savings Trust budget, including its associated contracts, revenues, and expenditures, the Legislature requested that the LCB Audit Division conduct an audit of the program. The Audit Division indicated to staff that the audit would be released soon. Accordingly, fiscal staff was unable to comment on the appropriateness of the contracts or amendments and associated revenues and expenditures associated with the Nevada College Trust program. The Committee should note that the Office indicated the contract amendment would not affect Nevada College Savings Trust participants' future withdrawals or tuition payments.

Mr. Ferguson continued the review noting that as a result of the increased Contract Service charge revenue and other maintenance and enhancement items recommended by the Governor, the reserve balance was recommended to increase from \$656,427 in FY 2007 to \$3.82 million at the end of FY 2009. It was staff's opinion that the reserve balances as represented in The Executive Budget were supported by the recent amendment to the Upromise contract. Fiscal staff had worked with the agency to determine the appropriate reserve level that should be maintained in this budget, as well as the

best course of action for the reserves in excess of the appropriate reserve level. Fiscal staff and the agency agreed that the appropriate level of reserves in this budget should be seven months of budgeted expenditures because revenues from the Upromise contract were typically received sometime in January of each year, or approximately seven months after a fiscal year began. Based on the recommended expenditures in this account, reserves would be approximately \$280,000 at the end of FY 2008 and \$310,000 at the end of FY 2009.

According to Mr. Ferguson, the Fiscal Analysis Division and the agency were in agreement that reserves in excess of the minimum reserve should be utilized to accelerate General Fund payback of Prepaid Tuition program loans during the 2007-09 biennium. Accordingly, staff recommended increasing transfers to BA 1081 to repay the General Fund loan from \$225,000 to \$2,188,014 in FY 2008 and from \$275,000 to \$1,160,576 in FY 2009. This recommendation would fully repay the remaining General Fund loan balance of \$3,348,590 by the end of FY 2007-09 biennium while providing a reserve balance of \$280,000 in FY 2008 and \$939,515 in FY 2009. The repayment schedule for this General Fund loan was FY 2013. There was still a relatively large reserve for FY 2009. Staff had discussed this with the agency which stated there was uncertainty regarding the actual amount of revenue which would be received and whether there would be obligations not represented in The Executive Budget. Staff recommended the reserve level remain untouched and any unspent funds at the end of FY 2009 would be balanced forward to the next biennium and used for purposes to be determined by the 2009 Legislature.

Mr. Ferguson noted that decision unit E710 requested \$1,854 for the purchase of one replacement desktop computer. The request appeared reasonable to staff.

Chairman Arberry stated it was the intention of the Committee to hold BA 1092 until completion of the audit.

Assemblywoman Leslie voiced her agreement.

MUNICIPAL BOND BANK REVENUE, BA 1086

Mr. Jeffrey Ferguson, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed budget account (BA) 1086 for the Committee. The Governor did not recommend any decision modules beyond the base budget for this account. There were no closing issues and staff recommended closing the account as recommended by the Governor.

ASSEMBLYWOMAN LESLIE MOVED TO CLOSE BA 1086 AS
RECOMMENDED BY THE GOVERNOR AND GRANT STAFF
AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS IF REQUIRED.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Marvel was not present for
the vote.)

BUDGET CLOSED.

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MUNICIPAL BOND BANK DEBT SERVICE, BA 1087

Mr. Jeffrey Ferguson, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), provided the Committee with a review of budget account (BA) 1087. There were no major closing issues in the account and staff recommended the account be closed as recommended by the Governor.

ASSEMBLYWOMAN LESLIE MOVED TO CLOSE BA 1087 AS RECOMMENDED BY THE GOVERNOR AND GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS IF REQUIRED.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Marvel was not present for the vote.)

BUDGET CLOSED.

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Chairman Arberry thanked fiscal staff for their work in preparing the budget presentations for the Committee.

Chairman Arberry requested the presentation of the closing report for the Department of Administration budget.

Assemblywoman Kathy McClain, Clark District No. 15, Chairwoman of the Joint Subcommittee on General Government, read the Department of Administration closing report into the record:

THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT DEVELOPED RECOMMENDATIONS FOR THE FOLLOWING BUDGETS OF THE DEPARTMENT OF ADMINISTRATION: BUDGET AND PLANNING DIVISION, DEFERRED COMPENSATION COMMITTEE, INFORMATION TECHNOLOGY PROJECTS, INSURANCE AND LOSS PREVENTION, DIVISION OF INTERNAL AUDITS, MOTOR POOL DIVISION, STATE PURCHASING, AND THE VICTIMS OF CRIME PROGRAM.

WHILE MANY OF THE ACCOUNTS OF THE DEPARTMENT OF ADMINISTRATION ARE FUNDED THROUGH FEES OR ASSESSMENTS, THE SUBCOMMITTEE'S RECOMMENDATIONS RESULTED IN AN ADDITIONAL GENERAL FUND REQUIREMENT OF \$49,482 IN FY 2008 AND \$64,511 IN FY 2009 FOR THE DEPARTMENT OF ADMINISTRATION OVERALL.

BUDGET AND PLANNING DIVISION (101-1340)

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S PROPOSED BUDGET AMENDMENT TO INCREASE GENERAL FUND SUPPORT BY \$73,078 IN FY 2008 AND \$77,931 IN FY 2009 AND DECREASE COST ALLOCATION REIMBURSEMENTS IN LIKE AMOUNTS DUE TO AN ERROR IN THE CALCULATION OF THE DIRECTOR'S OFFICE COST ALLOCATION.

THE SUBCOMMITTEE REVISED THE GOVERNOR'S RECOMMENDATION FOR THE UNIX SERVER PROJECT PROPOSING TO CONSOLIDATE ALL INTEGRATED FINANCIAL SERVICES FUNCTIONS FROM 16 SERVERS TO 2 SUPER SERVERS, BY ELIMINATING THE CONTROLLER'S OFFICE AS A PROJECT PARTICIPANT. THE COSTS OF THE PROJECT HAVE BEEN REVISED AND REALLOCATED AMONG THE REMAINING CORE USERS: NEVADA DEPARTMENT OF TRANSPORTATION, DEPARTMENT OF PERSONNEL, AND BUDGET AND PLANNING. THE REALLOCATION OF THE UNIX COSTS RESULT IN AN INCREASE IN GENERAL FUND SUPPORT IN THIS BUDGET OF \$55,475 IN FY 2008 AND \$61,201 IN FY 2009.

THE REMAINDER OF THE BUDGET WAS APPROVED AS RECOMMENDED BY THE GOVERNOR, WITH THE EXCEPTION OF \$10,191 IN FY 2008 FOR MICROSOFT PROJECT SERVER SOFTWARE WHICH WAS NOT APPROVED BY THE SUBCOMMITTEE.

DEFERRED COMPENSATION COMMITTEE (101-1017)

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ADD AN EXECUTIVE OFFICER POSITION TO PROVIDE ADMINISTRATIVE, FINANCIAL AND MANAGERIAL ASSISTANCE TO THE DEFERRED COMPENSATION PLAN. THE SUBCOMMITTEE ELIMINATED THE EXECUTIVE ASSISTANT POSITION AND RECOMMENDED FUNDING FOR CONTRACT ADMINISTRATIVE SUPPORT. THE REMAINDER OF THE BUDGET WAS APPROVED AS RECOMMENDED BY THE GOVERNOR, WITH TECHNICAL ADJUSTMENTS.

INFORMATION TECHNOLOGY PROJECTS (101-1325)

THE SUBCOMMITTEE APPROVED FUNDING FOR THE REPLACEMENT OF EDGE ROUTER HARDWARE FOR 13 DIFFERENT STATE AGENCIES, AT A COST OF \$64,869. THE SUBCOMMITTEE ALSO MADE RECOMMENDATIONS ON NINE OTHER PROJECTS THAT WERE INCLUDED IN THE GOVERNOR'S BUDGET TO BE FUNDED WITH ONE-SHOT APPROPRIATIONS AND RECOMMENDED TO BE OVERSEEN BY THE INFORMATION TECHNOLOGY DIVISION.

OF THESE PROJECTS, THE SUBCOMMITTEE RECOMMENDED APPROVAL OF AN 800 MHZ RADIO SYSTEM ENHANCEMENT PROJECT, AT A COST OF \$7.63 MILLION IN HIGHWAY FUND APPROPRIATIONS. FUNDING FOR THE PROJECT IS INCLUDED IN ASSEMBLY BILL 200 WHICH HAS BEEN HEARD BY THE ASSEMBLY COMMITTEE ON WAYS AND MEANS WITH NO ACTION TAKEN. THE SUBCOMMITTEE ALSO RECOMMENDED APPROVAL OF A WORK PROGRAM MODULE AND A DISTRIBUTIVE SCHOOL ACCOUNT MODULE FOR THE NEVADA EXECUTIVE BUDGET SYSTEM (NEBS), A STATE LAND MANAGEMENT SYSTEM FOR THE DIVISION OF STATE LANDS, AN ADDITIONAL TRAVEL TRACKING MODULE FOR THE NEVADA EMPLOYEE ACTION AND TIMEKEEPING SYSTEM (NEATS), AND A FINANCIAL AND CLINICAL SYSTEMS REPLACEMENT FOR THE NEVADA OFFICE OF VETERANS' SERVICES. THE COST OF THE PROJECTS RECOMMENDED TO BE FUNDED WITH GENERAL FUND APPROPRIATIONS IS \$1.25 MILLION.

THE SUBCOMMITTEE CLOSED THIS BUDGET WITH DIFFERENCES IN RECOMMENDATIONS BETWEEN THE ASSEMBLY AND SENATE ON TWO PROJECTS. THE ASSEMBLY SUBCOMMITTEE DID NOT RECOMMEND APPROVAL OF A REPLACEMENT STUDY OF THE EMERGENCY MEDICAL SERVICES RADIO SYSTEM. ADDITIONALLY, THE ASSEMBLY SUBCOMMITTEE RECOMMENDED APPROVAL OF A PUBLIC HEALTH DATA WAREHOUSE PROJECT, AT A COST OF \$2.2 MILLION.

THE SUBCOMMITTEE JOINTLY AGREED NOT TO RECOMMEND THE APPROVAL OF AN ELECTRONIC BIRTH REGISTRY SYSTEM PROJECT, AT A COST OF \$1.2 MILLION. FUNDING FOR THESE PROJECTS IS INCLUDED IN ASSEMBLY BILL 206 WHICH HAS BEEN HEARD BY THE ASSEMBLY COMMITTEE ON WAYS AND MEANS WITH NO ACTION TAKEN.

INSURANCE AND LOSS PREVENTION (715-1352)

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO CONTINUE ALL LINES OF INSURANCE COVERAGE SET FORTH IN THE EXECUTIVE BUDGET, WHICH INCLUDED INCREASES IN WORKERS' COMPENSATION, PROPERTY AND CONTENTS, AND OTHER MISCELLANEOUS LINES OF INSURANCE SUCH AS AVIATION, EMPLOYEE FIDELITY, AND EXCESS LIABILITY COVERAGE.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S PROPOSED BUDGET AMENDMENT TO ELIMINATE THE PURCHASE OF AN INSURANCE POLICY IN FY 2009 TO COVER NEVADA WORKERS FOR INSPECTIONS AND ONGOING MAINTENANCE OF THE HOOVER DAM BRIDGE DUE TO A DELAY IN THE COMPLETION OF THAT PROJECT. THE REMAINDER OF THE BUDGET WAS APPROVED AS RECOMMENDED BY THE GOVERNOR, WITH TECHNICAL ADJUSTMENTS.

DIVISION OF INTERNAL AUDITS (101-1342)

THE SUBCOMMITTEE ELIMINATED AN AUDITOR III POSITION THAT HAD BEEN VACANT FOR A PERIOD EXCEEDING TWO YEARS, AND CLOSED THE REMAINDER OF THE BUDGET AS RECOMMENDED BY THE GOVERNOR, WITH TECHNICAL ADJUSTMENTS.

MOTOR POOL (711-1354)

THE SUBCOMMITTEE APPROVED FUNDING THE MOTOR POOL WITH MODIFIED RATES TO SUPPORT THE CURRENT OPERATIONS AND THE INCREASED RENT AND UTILITIES FOR THE NEW LAS VEGAS MOTOR POOL FACILITY WHICH OPENED APRIL 23, 2007. THE MONTHLY VEHICLE RENTAL RATES ARE RECOMMENDED TO INCREASE FOR ALL VEHICLE CATEGORIES, RANGING FROM AN INCREASE OF \$67 MORE FOR A COMPACT VEHICLE TO \$184 MORE FOR A LUXURY VEHICLE. DAILY RENTAL RATES ARE RECOMMENDED TO INCREASE BY \$1 TO \$2 FOR THE VARIOUS VEHICLE CATEGORIES. THE PER-MILE SURCHARGE RATE HAS DECREASED FOR ALL VEHICLE CATEGORIES, FROM 19 TO 27 CENTS PER MILE, IN THE CURRENT BIENNIUM, TO 12 TO 16 CENTS PER MILE IN THE UPCOMING BIENNIUM.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO TRANSFER DEPRECIATION AND OPERATING EXPENSES TO THE MOTOR POOL VEHICLE PURCHASE BUDGET FOR THE ADDITION OF 164 REPLACEMENT VEHICLES, 56 NEW VEHICLES, AND 77 NEW ONE-SHOT VEHICLES REQUESTED BY AGENCIES. SINCE THE CLOSING OF THE MOTOR POOL BUDGET, A BUDGET AMENDMENT WAS SUBMITTED TO REDUCE THE ONE-SHOT APPROPRIATION PROPOSED IN ASSEMBLY BILL 205 BY 11 VEHICLES. THE AMENDMENT WILL REDUCE THE NUMBER OF NEW VEHICLES TO BE PURCHASED FROM 77 TO 66, FOR A SAVINGS OF \$164,541.

STATE PURCHASING (718-1358)

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO TRANSFER FOUR POSITIONS FROM THE DEPARTMENT OF INFORMATION TECHNOLOGY'S CONTRACT SERVICES UNIT TO STATE PURCHASING. HOWEVER, THE SUBCOMMITTEE DID NOT APPROVE \$5,040 IN EACH FISCAL YEAR OF THE UPCOMING BIENNIUM FOR ADDITIONAL TRAINING FOR THESE FOUR POSITIONS. THE SUBCOMMITTEE CONCURRED WITH STAFF ADJUSTMENTS TO REDUCE THE RENT CHARGES SINCE THE FOUR POSITIONS WILL BE HOUSED AT STATE PURCHASING.

VICTIMS OF CRIME (287-4895)

THE SUBCOMMITTEE CLOSED THIS BUDGET AS RECOMMENDED BY THE GOVERNOR, WITH THE EXCEPTION OF STAFF ADJUSTMENTS TO ELIMINATE FOUR DESKTOP COMPUTERS AND ONE ETHERNET PORT HUB. THE SUBCOMMITTEE ALSO PROVIDED STAFF AUTHORITY TO ADJUST THE COURT ASSESSMENT REVENUE IN THIS BUDGET FOR THE INCREASE IN PROJECTED ADMINISTRATIVE ASSESSMENTS, PENDING APPROVAL OF THE REVISED PROJECTIONS IN THE JUDICIAL BRANCH BUDGET CLOSINGS. THE INCREASE IN PROJECTED COURT ASSESSMENTS WAS APPROVED; RESULTING IN ADJUSTMENTS TO THIS BUDGET OF \$1,646,199 IN FY 2008 AND \$2,218,271 IN FY 2009 FOR ADDITIONAL PAYMENTS TO VICTIMS.

OTHER DEPARTMENT OF ADMINISTRATION BUDGET ACCOUNTS

THE SUBCOMMITTEE ALSO REVIEWED THE BUDGETS FOR THE FOLLOWING ACCOUNTS: JUDICIAL COLLEGE/COLLEGE OF JUVENILE AND FAMILY JUSTICE, ADMINISTRATIVE SERVICES DIVISION, MERIT AWARD BOARD, INFORMATION TECHNOLOGY DIVISION, MOTOR POOL VEHICLE PURCHASE, THE COMMODITY FOODS PROGRAM AND THE HEARINGS DIVISION. THE SUBCOMMITTEE RECOMMENDED THAT THESE ACCOUNTS CLOSE AS RECOMMENDED BY THE GOVERNOR, WITH TECHNICAL ADJUSTMENTS AUTHORIZED TO STAFF.

ATTACHMENT – 1 PAGE

ASSEMBLYWOMAN KOIVISTO MOVED TO ACCEPT THE CLOSING REPORT FOR THE DEPARTMENT OF ADMINISTRATION.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Marvel and Assemblywoman Buckley were not present for the vote.)

BUDGET CLOSED.

* * * * *

Assemblyman David Parks, Clark District No. 15, Chairman of the Joint Subcommittee on Public Safety, Natural Resources and Transportation, read the Department of Wildlife closing report into the record:

VOLUME III – WILDLIFE: THE JOINT SUBCOMMITTEE FOR PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION HAS COMPLETED ITS REVIEW OF THE DEPARTMENT OF WILDLIFE (NDOW) BUDGET AND HAS MADE THE FOLLOWING RECOMMENDATIONS FOR THE DEPARTMENT'S 2007-09 BIENNIUM BUDGET. THE SUBCOMMITTEE'S RECOMMENDATIONS FOR NDOW RESULT IN A GENERAL FUND SAVINGS OF \$574,067 IN FY 2008 AND \$6,557 IN FY 2009.

WILDLIFE ADMINISTRATION (101-4452) WILDLIFE-1: THE SUBCOMMITTEE APPROVED THE ESTABLISHMENT OF TWO BIOLOGIST IV POSITIONS FOR THE WILDLIFE DIVERSITY PROGRAM, ACCEPTED THE GOVERNOR'S PROPOSAL TO REDUCE GENERAL FUND EXPENDITURES BY \$174,067 IN FY 2008 AND \$6,557 IN FY 2009, AND POSTPONED STARTING ONE OF THE BIOLOGIST IV POSITIONS UNTIL FY 2009. THE SUBCOMMITTEE ALSO APPROVED THE RECLASSIFICATION OF AN ADMINISTRATIVE AID TO AN ADMINISTRATIVE SERVICES OFFICER III THEREBY CREATING A CHIEF FINANCIAL OFFICER FOR NDOW. IN ADDITION, THE SUBCOMMITTEE APPROVED THE ESTABLISHMENT OF AN ADMINISTRATIVE SERVICES OFFICER II TO AUGMENT EXISTING FINANCIAL STAFF. AN EXECUTIVE ASSISTANT TO THE DIRECTOR POSITION WAS APPROVED TO BE MOVED FROM THE CLASSIFIED TO THE UNCLASSIFIED SERVICE TO BE CONSISTENT WITH THE CLASSIFICATION OF SIMILAR POSITIONS IN STATE AGENCIES. THE SUBCOMMITTEE DENIED APPROVAL TO MOVE A CHIEF PILOT POSITION TO THE UNCLASSIFIED SERVICE, BUT APPROVED STAFF'S RECOMMENDATION TO INCREASE THE EXISTING CLASSIFIED CHIEF PILOT POSITION'S SALARY TO THE 41, STEP 10 LEVEL TO ADDRESS RECRUITMENT AND RETENTION ISSUES FOR THIS POSITION. THIS ADJUSTMENT INCREASED THE CHIEF PILOT POSITION'S ANNUAL SALARY AND BENEFITS TO \$106,504 FROM THE BUDGETED GRADE 41, STEP 1 AMOUNT OF \$76,429.

WITH THE EXCEPTION OF AN ADJUSTMENT TO REDUCE EMPLOYEE TRAINING FUNDS BY \$1,131, THE SUBCOMMITTEE CLOSED THE REMAINDER OF THE WILDLIFE ADMINISTRATION ACCOUNT AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS NOTED BY FISCAL STAFF.

WILDLIFE BOATING PROGRAM (101-4456) WILDLIFE-15: THE SUBCOMMITTEE APPROVED \$958,785 FOR THE PURCHASE OF NEW AND REPLACEMENT EQUIPMENT. IN ADDITION, THE SUBCOMMITTEE APPROVED INCREASED TRAINING FUNDS OF

\$49,176 FOR GAME WARDENS. THE SUBCOMMITTEE CLOSED THE REMAINDER OF THE BOATING PROGRAM ACCOUNT AS RECOMMEND BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS NOTED BY FISCAL STAFF.

WILDLIFE TROUT MANAGEMENT (101-4454) WILDLIFE-20: DUE TO THE IDENTIFICATION OF ALTERNATIVES THAT WOULD ELIMINATE THE NEED TO CONSTRUCT A POWER SUBSTATION FOR THE LAKE MEAD HATCHERY, THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR’S RECOMMENDATION TO USE \$400,000 OF GENERAL FUNDS FOR CONSTRUCTION OF A SUBSTATION. THE SUBCOMMITTEE APPROVED REPAIR AND MAINTENANCE PROJECTS FOR THE LAKE MEAD AND MASON VALLEY HATCHERIES TOTALING \$167,520.

WILDLIFE OBLIGATED RESERVE (101-4458) WILDLIFE-24: THE SUBCOMMITTEE APPROVED \$413,420 FOR THE 2007-09 BIENNIUM TO FUND WILDLIFE HABITAT ENHANCEMENT PROJECTS AND OPERATION GAME THIEF ACTIVITIES. THE SUBCOMMITTEE CLOSED THE REMAINDER OF THE BOATING PROGRAM ACCOUNT AS RECOMMEND BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS NOTED BY FISCAL STAFF.

THE FOLLOWING CHART SUMMARIZES THE GENERAL FUND SAVINGS OF THE SUBCOMMITTEE’S ACTIONS:

BUDGET ACCOUNT	BUDGET DESCRIPTION	FY 06	FY 07
4452	WILDLIFE ADMINISTRATION	\$174,067	\$6,557
4454	TROUT STAMP PROGRAM	\$400,000	\$0
TOTAL GENERAL FUND SAVINGS:		\$574,067	\$6,557

In response to an inquiry by Chairman Arberry, Mr. Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), explained that "game thief activity" was related to wildlife poaching and other activities which were unauthorized.

ASSEMBLYMAN HOGAN MOVED TO ACCEPT THE CLOSING REPORT FOR THE DEPARTMENT OF WILDLIFE.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Marvel and Assemblywoman Buckley were not present for the vote.)

BUDGET CLOSED.

Assemblywoman Kathy McClain, Clark District No. 15, Chairwoman of the Joint Subcommittee on General Government, read the Department of Personnel closing report into the record:

THE DEPARTMENT OF PERSONNEL’S BUDGET IS FUNDED THROUGH A PAYROLL AND A PERSONNEL ASSESSMENT CHARGED AS A PERCENT OF GROSS SALARIES FOR APPROVED POSITIONS. THE GOVERNOR’S RECOMMENDED BUDGET INCLUDES A PERSONNEL ASSESSMENT RATE OF 0.95 PERCENT

IN FY 2008 AND 0.89 IN FY 2009, AND A PAYROLL ASSESSMENT RATE OF 0.32 PERCENT IN FY 2008 AND 0.29 PERCENT IN FY 2009. WITH THE EXCEPTION OF THE PAYROLL ASSESSMENT FOR FY 2008 BEING 0.01 PERCENT HIGHER, THESE RATES ARE REDUCED FROM THE RATES IN THE CURRENT BIENNIUM.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO IMPLEMENT TWO ENHANCEMENTS TO THE NEVADA EMPLOYEE ACTION TIMEKEEPING SYSTEM (NEATS): THE FIRST ENHANCEMENT IS PHASE II OF THE STATE APPLICANT TRACKING SYSTEM AT A COST OF \$482,302 OVER THE BIENNIUM. THE 2005 LEGISLATURE FUNDED PHASE I OF THE PROJECT, WHICH ALLOWS APPLICANTS TO VIEW AND APPLY FOR STATE JOBS ONLINE. PHASE I WAS COMPLETED IN SEPTEMBER 2006. PHASE II WOULD FINALIZE THE PROJECT BY ADAPTING THE EXISTING PROCESS OF TEST DEVELOPMENT, RANKING AND CERTIFICATION, AND DETERMINING THE ELIGIBILITY OF APPLICANTS TO AN ONLINE PROCESS. THE SECOND ENHANCEMENT IS A DEVELOPMENT MODULE FOR THE ONLINE REGISTRATION FOR TRAINING CLASSES AND FOR CONSOLIDATING THE SCHEDULING OF MEETING FACILITIES THROUGH A MASTER CALENDAR SYSTEM AT A COST OF \$97,475 IN FY 2008.

THE SUBCOMMITTEE REVISED THE GOVERNOR'S RECOMMENDATION FOR THE UNIX SERVER PROJECT PROPOSING TO CONSOLIDATE ALL INTEGRATED FINANCIAL SERVICES (IFS) FUNCTIONS FROM 16 SERVERS TO 2 SUPER SERVERS, BY ELIMINATING THE CONTROLLER'S OFFICE AS A PROJECT PARTICIPANT. THE COSTS OF THE PROJECT HAVE BEEN REVISED AND REALLOCATED AMONG THE REMAINING CORE IFS USERS: NEVADA DEPARTMENT OF TRANSPORTATION, THE BUDGET AND PLANNING DIVISION, AND THE DEPARTMENT OF PERSONNEL. THE EXECUTIVE BUDGET INCLUDES FUNDING FOR THE PROJECT OF \$297,832 IN FY 2008 AND \$313,154 IN FY 2009. THE REALLOCATION OF THE UNIX COSTS RESULT IN AN INCREASE TO THIS BUDGET OF \$141,599 IN FY 2008 AND \$156,215 IN FY 2009, PAID THROUGH PERSONNEL AND PAYROLL ASSESSMENTS.

THE SUBCOMMITTEE DID NOT APPROVE THE RECOMMENDED ADDITION OF ONE MENTAL HEALTH COUNSELOR II POSITION FOR THE EMPLOYEE ASSISTANCE PROGRAM (EAP) FOR SERVICES IN ELKO AND ELY DUE TO THE UNDETERMINED NEED OF THESE SERVICES IN THIS REGION. HOWEVER, RECOGNIZING THAT ONLY TWO COUNSELORS SERVE APPROXIMATELY 16,000 EMPLOYEES THROUGHOUT THE STATE, THE SUBCOMMITTEE RECOMMENDED APPROVAL OF \$25,086 IN EACH YEAR OF THE UPCOMING BIENNIUM IN CONTRACT AUTHORITY TO PROVIDE THESE SERVICES TO EMPLOYEES IN ELKO AND ELY, AND TO HELP DETERMINE THE ACTUAL NEED OF THESE SERVICES IN THIS REGION FOR FUTURE BIENNIA.

THE SUBCOMMITTEE REDUCED THE GOVERNOR'S RECOMMENDATION FOR AN ADDITIONAL FULL-TIME COMPLIANCE INVESTIGATOR II POSITION FOR THE SEXUAL

HARASSMENT/DISCRIMINATION UNIT IN LAS VEGAS TO A HALF-TIME POSITION RECOGNIZING THAT ALTHOUGH THE CASELOAD DATA DID NOT JUSTIFY A FULL-TIME POSITION, A HALF-TIME POSITION WOULD ASSIST THE AGENCY IN COMPLETING INVESTIGATIONS IN A MORE TIMELY FASHION.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO TRANSFER A PC/LAN TECHNICIAN FROM THE DEPARTMENT OF INFORMATION TECHNOLOGY TO PERSONNEL.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ALLOW PERSONNEL STAFF AND AGENCY REPRESENTATIVES TO ATTEND CAREER FAIRS AT 13 UNIVERSITIES IN THE WESTERN STATES TO EXPAND RECRUITMENT EFFORTS FOR HARD-TO-RECRUIT POSITIONS SUCH AS NURSES AND SOCIAL WORKERS, AT A COST OF \$16,953 IN EACH YEAR OF THE UPCOMING BIENNIUM.

THE SUBCOMMITTEE RECOMMENDED APPROVAL OF THE EXPANSION OF THE CERTIFIED PUBLIC MANAGERS (CPM) PROGRAM BY FUNDING 100 PARTICIPANTS TO BECOME CERTIFIED IN SUPERVISORY MANAGEMENT BY ATTENDING THE FIRST THREE LEVELS OF THE SIX-LEVEL PROGRAM, BY ADDING SIX PARTICIPANTS TO THE EXISTING CPM PROGRAM, AND BY ADDING AN ADVANCED WRITING PROGRAM TO THE CPM PROGRAM. THE TOTAL COST FOR THE EXPANSION OF THE CPM PROGRAM IS \$170,012 OVER THE 2007-09 BIENNIUM.

THE EXECUTIVE BUDGET INCLUDED A RECOMMENDATION FOR PRE-EMPLOYMENT DRUG TESTING OF ALL STATE EMPLOYEES AT A COST OF \$48,402 IN FY 2008 AND \$96,804 IN FY 2009. HOWEVER, THE GOVERNOR PROPOSED A BUDGET AMENDMENT THAT ELIMINATED THE FUNDING AND EXPENDITURES FOR PRE-EMPLOYMENT DRUG TESTING OF ALL NEW STATE EMPLOYEES, AND THE SUBCOMMITTEE APPROVED THAT BUDGET AMENDMENT.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO EQUIP 2 TRAINING/TESTING ROOMS WITH 30 COMPUTERS EACH, FOR A TOTAL OF 60 COMPUTERS. THE SUBCOMMITTEE APPROVED THE DECREASE OF \$32,980 IN FY 2009 FOR THE ELIMINATION OF 20 DESKTOP COMPUTERS AND 15 MONITORS SINCE THE DEPARTMENT OF ADMINISTRATION IS DONATING 40 COMPUTERS AND THE DEPARTMENT OF PERSONNEL COULD USE 20 DESKTOP COMPUTERS FROM EQUIPMENT SCHEDULED TO BE REPLACED TO REACH THE 60 DESKTOP COMPUTERS NEEDED FOR THE TRAINING/TESTING ROOMS.

THE SUBCOMMITTEE ALSO APPROVED THE UNEMPLOYMENT COMPENSATION BUDGET AS RECOMMENDED BY THE GOVERNOR.

Chairman Arberry noted there would not be drug testing. Ms. Joi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), explained that the drug testing would be performed for positions with public

safety impact. The elimination of the drug testing program was for new employees only.

ASSEMBLYWOMAN KOIVISTO MOVED TO ACCEPT THE CLOSING REPORT FOR THE DEPARTMENT OF PERSONNEL.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Marvel and Assemblywoman Buckley were not present for the vote.)

BUDGET CLOSED.

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Chairman Arberry asked the Committee to consider Assembly Bill 460 (R1).

Assembly Bill 460 (R1): Revises provisions regarding public schools and educational personnel. (BDR 34-1279)

Assemblywoman Leslie pointed out the bill was Assemblyman Bernie Anderson's bill. Ms. Leslie suggested Section 5 of the bill be deleted. Assemblywoman Smith agreed and stated that Section 5 related to the pay-for-performance system in the original bill.

ASSEMBLYWOMAN LESLIE MOVED TO AMEND AND DO PASS AS AMENDED.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Marvel and Assemblywoman Buckley were not present for the vote.)

There being no further comments or questions, the Committee was adjourned at 5:49 p.m.

RESPECTFULLY SUBMITTED:

Linda Blevins
Committee Secretary

APPROVED BY:

Assemblyman Morse Arberry Jr., Chair

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>May 15, 2007</u>		Time of Meeting: <u>1:43 p.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A	-----	Agenda
	B	-----	Attendance Roster
AB 186	C	Hatice Gecol, PhD, Office of Energy	Fiscal Note
AB 354	D	Larry Matheis, Nevada Medical Association	Proposed Amendment
	E	Ruth Mills, Nevada Health Care Reform Project	Prepared Testimony
AB 354	F	Dianna Glomb, EdD, UNLV Life Sciences	Support Letter
AB 354	G	Craig Kadlub, EdD, Clark County School District	Amendment
AB 354	H	Nicole Bungum, S. Nevada Health District	Support Letter
AB 255	I	Dan Musgrove, Clark County	Proposed Amendment
AB 255	J	Ernest Nielson, Washoe Co. Senior Law Project	Proposed Amendment
AB 255	K	Ernest Nielson, Washoe Co. Senior Law Project	Proposed Amendment
AB 255	L	Ernest Nielson, Washoe Co. Senior Law Project	Proposed Amendment
AB 255	M	Eileen Piekarz, Rural Community Assistance Corp.	Letter
AB 255	N	Terrie Stanfill, Exec. Director, HELP	Letter
AB 255	O	Elaine McNeill, Veterans Guest House	Veterans Guest House Support Letter
AB 479	P	John Michela, Deputy AG	Support Letter
AB 579	Q	John Michela, Deputy AG	Proposed Amendment
AB 579	R	Patricia Hines, private citizen	Opposition Letter
AB 586	S	Victoria Oldenberg, Sr. Deputy AG	Proposed Amendment
SB 517	T	Chris MacKenzie, American Express	Proposed Amendment
AB 206	U	Mark Stevens, Fiscal Division	Proposed Projects
AB 275	V	Mark Stevens, Fiscal Division	Projections
AB 291	W	Mark Stevens, Fiscal Division	Proposed Amendment
	X	Larry Peri, Fiscal Division	BA 1030 Spreadsheet