

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

**Seventy-Fourth Session
May 19, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 9:02 a.m., on Saturday, May 19, 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 Hogan
Assemblywoman Ellen Koivisto
Assemblyman John W. Marvel
Assemblywoman Kathy McClain
Assemblyman David R. Parks
Assemblywoman Debbie Smith
Assemblywoman Valerie E. Weber

COMMITTEE MEMBERS ABSENT:

Assemblyman Joseph P. (Joe) Hardy

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Julie Diggins, Program Analyst
Jeffrey A. Ferguson, Program Analyst
Laura Freed, Program Analyst
Mindy Martini, Program Analyst
Anne Bowen, Committee Secretary
Patricia Adams, Committee Assistant

Chairman Arberry called the meeting to order.

Assemblywoman Kathy McClain, Assembly District No. 15, Chairwoman of the Joint Subcommittee on General Government read the following closing report for the Department of Business and Industry into the record:



THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT HAS REVIEWED THE BUDGETS FOR THE DEPARTMENT OF BUSINESS AND INDUSTRY FOR THE 2007-09 BIENNIUM. THE FOLLOWING SUBCOMMITTEE RECOMMENDATIONS RESULT IN GENERAL FUND INCREASES OF \$399,292 IN FY 2008 AND \$330,982 IN FY 2009, COMPARED TO THE GOVERNOR'S RECOMMENDATION.

DIRECTOR'S OFFICE (101-4681) B&I - 1

THE SUBCOMMITTEE CONCURRED WITH THE MODIFIED COST ALLOCATION PLAN RECOMMENDED BY THE GOVERNOR. HOWEVER, THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT, DIRECTING THE AGENCY TO REVIEW ITS COST ALLOCATION PLAN OVER THE INTERIM AND DEVELOP ANY RECOMMENDATIONS FOR REVISIONS TO THE PLAN WITH THE INTENT THE REVISIONS WOULD BE INCLUDED AS PART OF THE DEPARTMENT'S BUDGET BUILDING PROCESS FOR THE 2009-11 BIENNIUM. IN ADDITION, THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO TRANSFER A PC/LAN TECHNICIAN FROM THE DEPARTMENT OF INFORMATION TECHNOLOGY TO THE DIRECTOR'S OFFICE. THE SUBCOMMITTEE DID NOT SUPPORT THE GOVERNOR'S RECOMMENDATION TO TRANSFER A VACANT ACCOUNTANT II POSITION FROM THE HOUSING DIVISION TO THE DIRECTOR'S OFFICE.

INSURANCE REGULATION (101-3813) – B&I - 7

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO CONTINUE A MANAGEMENT ANALYST POSITION AND AN ADMINISTRATIVE ASSISTANT POSITION FOR THE CORPORATE AND FINANCIAL SECTION THAT WERE ADDED BY THE DIVISION IN FY 2006. THE POSITIONS WERE ADDED TO PROVIDE ASSISTANCE WITH FINANCIAL ANALYSIS AND EXAMINATIONS OF INSURERS IN AN EFFORT TO MAINTAIN THE DIVISION'S ACCREDITATION WITH THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION FOR TWO ADDITIONAL MANAGEMENT ANALYST POSITIONS FOR THE CORPORATE AND FINANCIAL SECTION TO ADDRESS THE ISSUES SET FORTH IN THE PRE-ACCREDITATION REVIEW AND LEGISLATIVE AUDIT.

INSURANCE EXAMINERS (223-3817) – B&I - 14

THE SUBCOMMITTEE RECOMMENDS REDUCING EXAMINATION AND ADMINISTRATIVE FEE REVENUES RECEIVED FROM INSURERS FOR THE COSTS OF CONDUCTING FINANCIAL EXAMINATIONS BY APPROXIMATELY \$400,000 IN FY 2008 AND \$120,000 IN FY 2009. THE SUBCOMMITTEE DETERMINED THAT THE REVENUES WERE OVERSTATED BASED ON THE FACT THAT THEY WERE FAR IN EXCESS OF THE EXAMINATION EXPENDITURES RECOMMENDED IN THE EXECUTIVE BUDGET. BASED IN PART ON THE IMPACT OF THE REVENUE REDUCTIONS ON THE RESERVE LEVEL FOR THE ACCOUNT, THE SUBCOMMITTEE RECOMMENDS THE ISSUANCE OF A LETTER OF INTENT DIRECTING THE DIVISION TO DETERMINE WHETHER THE ACCOUNT CAN CONTINUE TO SUPPORT SUCH A LARGE PERCENTAGE OF THE TOTAL FUNDS TRANSFERRED TO THE

REGULATION ACCOUNT FROM OTHER DIVISION ACCOUNTS. THE EXAMINERS ACCOUNT CURRENTLY FUNDS APPROXIMATELY 72 PERCENT OF THE TOTAL FUNDS TRANSFERRED TO THE REGULATION ACCOUNT TO OFFSET GENERAL FUND NEED IN THAT ACCOUNT.

CAPTIVE INSURERS (101-3818) - B&I - 17

THE SUBCOMMITTEE RECOMMENDS INCREASING THE REVENUES FOR THIS ACCOUNT BASED ON REVISED PROJECTIONS PROVIDED BY THE DIVISION FOR THE 2007-09 BIENNIUM. ALTHOUGH THE RESERVE FOR THE ACCOUNT IN THE EXECUTIVE BUDGET WAS REFLECTED AS ONLY \$6,582 AT THE END OF THE 2007-09 BIENNIUM, THE ADDITIONAL REVENUES ADDED AND THE SUBCOMMITTEE'S RECOMMENDED REDUCTIONS IN EXPENDITURES ARE PROJECTED TO INCREASE THE RESERVE TO APPROXIMATELY \$291,000 AT THE END OF THE BIENNIUM. THE SUBCOMMITTEE VOTED TO APPROVE INCREASED TRAVEL AUTHORITY FOR THE CHIEF INSURANCE EXAMINER POSITION IN THIS ACCOUNT TO MARKET NEVADA AS AN ATTRACTIVE STATE FOR CAPTIVE INSURERS, BUT REDUCED THE ADDITIONAL TRAVEL AUTHORITY RECOMMENDED BY THE GOVERNOR FROM \$28,939 IN EACH FISCAL YEAR OF THE BIENNIUM TO \$15,664 IN FY 2008 AND \$11,693 IN FY 2009.

TRANSPORTATION SERVICES AUTHORITY (226-3922) - B&I - 47

THE SUBCOMMITTEE VOTED TO APPROVE TWO OF THE SIX NEW POSITIONS RECOMMENDED BY THE GOVERNOR: A FINANCIAL ANALYST AND A COMPLIANCE/AUDIT INVESTIGATOR. THE FINANCIAL ANALYST WOULD ASSIST THE AGENCY IN MEETING ITS FINANCIAL PERFORMANCE GOALS, WHILE THE COMPLIANCE/AUDIT INVESTIGATOR WOULD BE RESPONSIBLE FOR MOTOR CARRIER INVESTIGATIONS IN NORTHERN NEVADA, WHICH ARE CURRENTLY PERFORMED BY AN UNDER-FILLED COMPLIANCE ENFORCEMENT OFFICER. THE SUBCOMMITTEE RECOMMENDS INCREASING THE AGENCY'S REVENUE PROJECTIONS FOR LIMOUSINE LICENSING FEES BY \$12,000 IN EACH YEAR OF THE BIENNIUM, WITH CORRESPONDING REDUCTIONS TO HIGHWAY FUND. THE SUBCOMMITTEE ALSO RECOMMENDS APPROVAL OF A THREE-GRADE PAY INCREASE FOR NINE SWORN PEACE OFFICERS IN ORDER TO BRING THE AGENCY'S PEACE OFFICERS INTO PAY PARITY WITH THE SWORN OFFICERS IN THE DEPARTMENT OF PUBLIC SAFETY AND THE DEPARTMENT OF CORRECTIONS.

MANUFACTURED HOUSING DIVISION (271-3814) - B&I - 59

AFTER CLOSING ADJUSTMENTS, THE FY 2009 BUDGETED RESERVE IS APPROXIMATELY \$1.7 MILLION. THE DIVISION HAS STATED IT REQUIRES A RESERVE LEVEL APPROXIMATING 120 DAYS OF OPERATING EXPENSE, OR \$384,310. AS A RESULT OF THE LARGE RESERVE, THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT DIRECTING THE AGENCY TO REPORT SEMI-ANNUALLY TO THE INTERIM FINANCE COMMITTEE (IFC) ON REVENUE AND EXPENDITURE DATA WITH THE IMPACT ON RESERVES. THE REPORTS SHOULD INCLUDE ONGOING COST ANALYSES TO DETERMINE WHETHER

ADDITIONAL FEE ADJUSTMENTS CAN BE IMPLEMENTED OVER THE 2007-09 BIENNIUM. THE SUBCOMMITTEE RECOMMENDS APPROVAL OF THREE MANUFACTURED HOUSING INSPECTORS TO BE LOCATED IN ELKO, CARSON CITY AND LAS VEGAS, AS THE DIVISION HAS EXPERIENCED A SIGNIFICANT BACKLOG IN COMPLETING SUCH INSPECTIONS.

MOBILE HOME LOT RENT SUBSIDY (630-3842) – B&I - 66

THE GOVERNOR'S RECOMMENDED ENDING RESERVE BALANCE OF \$37,962 IN FY 2009 IS LESS THAN THE 60 DAYS OF OPERATING EXPENDITURES TYPICALLY TARGETED. IN CLOSING THIS BUDGET, THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT DIRECTING THE AGENCY TO REPORT SEMI-ANNUALLY TO THE INTERIM FINANCE COMMITTEE (IFC) ON THE STATUS OF RESERVES.

MOBILE HOME PARKS (271-3843) - B&I - 72

AS A RESULT OF THE LARGE ENDING RESERVE BALANCE RECOMMENDED BY THE GOVERNOR IN FY 2009, THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT DIRECTING THE AGENCY TO REPORT SEMI-ANNUALLY TO THE INTERIM FINANCE COMMITTEE (IFC) ON THE STATUS OF RESERVES.

REAL ESTATE DIVISION (101-3823) - B&I - 90

THE SUBCOMMITTEE RECOMMENDS INCREASING GENERAL FUND APPROPRIATIONS BY \$249,898 IN FY 2007-08 AND \$175,178 IN FY 2008-09 TO CORRECT GENERAL FUND SHORTFALLS DISPLAYED IN THE EXECUTIVE BUDGET. THE SUBCOMMITTEE VOTED TO APPROVE ONE NEW ADMINISTRATIVE ASSISTANT II POSITION FOR THE NEW CENTRAL SERVICE SECTION IN THE LAS VEGAS OFFICE. IN ADDITION, THE SUBCOMMITTEE RECOMMENDS RECLASSIFYING AN EXISTING PROGRAM/INFORMATION SPECIALIST, WHICH HAS BEEN VACANT FOR ELEVEN MONTHS, TO AN ADMINISTRATIVE ASSISTANT II FOR THE CENTRAL SERVICE SECTION. IN LIGHT OF THE GENERAL FUND SHORTFALLS DISPLAYED IN THE EXECUTIVE BUDGET, THE SUBCOMMITTEE DOES NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATIONS TO PROVIDE ADDITIONAL GENERAL FUND APPROPRIATIONS TO SUPPORT FIVE NEW POSITIONS: AN ADMINISTRATIVE ASSISTANT I, AN ADDITIONAL ADMINISTRATIVE ASSISTANT II, AN ADMINISTRATIVE ASSISTANT IV, A DEPUTY ADMINISTRATOR AND A PROGRAM OFFICER II. THE SUBCOMMITTEE VOTED TO CONTINUE FUNDING FOR TITLE XI ACTIVITIES RELATING TO THE FEDERAL FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989.

COMMON INTEREST COMMUNITIES (101-3820) - B&I - 107

THE SUBCOMMITTEE VOTED TO APPROVE ONE OF THE TWO COMPLIANCE INVESTIGATOR II POSITIONS RECOMMENDED BY THE GOVERNOR, TO BE LOCATED IN THE LAS VEGAS OFFICE IN ORDER TO REDUCE THE CASELOAD MAINTAINED BY THE AGENCY'S TWO EXISTING COMPLIANCE INVESTIGATORS. THE SUBCOMMITTEE ALSO RECOMMENDS APPROVAL TO FUND \$150,000 EACH YEAR OF THE BIENNIUM FOR THE ADMINISTRATIVE LAW JUDGE PROGRAM, AS RECOMMENDED BY THE GOVERNOR. THE PROGRAM PROVIDES A VENUE FOR

COMPLAINTS FILED WITH THE OMBUDSMAN THAT DO NOT RISE TO THE LEVEL OF THE STATE TAKING PROSECUTORIAL ACTION AGAINST AN INDIVIDUAL OR HOMEOWNERS' ASSOCIATION.

FINANCIAL INSTITUTIONS (101-3835) - B&I - 114

THE SUBCOMMITTEE RECOMMENDS APPROVAL TO INCREASE THE AGENCY'S REVENUE PROJECTIONS BY \$520,633 IN EACH YEAR OF THE 2007-09 BIENNIUM. IN ADDITION, THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO FUND A COMMERCIAL OFF-THE-SHELF LICENSING, CERTIFICATION AND ENFORCEMENT SYSTEM. HOWEVER, THE SUBCOMMITTEE RECOMMENDS PLACING THE FUNDING IN A SEPARATE RESERVE CATEGORY WITHIN THE AGENCY'S BUDGET AND ISSUING A LETTER OF INTENT DIRECTING THE AGENCY TO APPROACH THE INTERIM FINANCE COMMITTEE AFTER THE AGENCY IDENTIFIES THE DATABASE STRUCTURE AND CONTRACTING METHODOLOGY; DEVELOPS REVISED COST ESTIMATES BASED UPON THE SELECTED STRUCTURE; AND REVISES THE COST ALLOCATION METHODOLOGY, IF AN ENTERPRISE SOLUTION SYSTEM IS CHOSEN FOR THE DEPARTMENT OF BUSINESS AND INDUSTRY.

HOUSING DIVISION (503-3841) - B&I - 132

THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO TRANSFER ONE VACANT ACCOUNTANT II POSITION TO THE B&I DIRECTOR'S OFFICE.

MORTGAGE LENDING (101-3910) - B&I - 151

THE SUBCOMMITTEE VOTED TO APPROVE REVISED REVENUE PROJECTIONS FOR VARIOUS FEES, RESULTING IN A DECREASE IN REVENUE OF \$643,472 IN FY 2007-08 AND AN INCREASE IN REVENUE OF \$223,946 IN FY 2008-09. THE SUBCOMMITTEE APPROVED 17 OF THE 28 NEW POSITIONS RECOMMENDED BY THE GOVERNOR, WHICH CONSIST OF 11 FINANCIAL INSTITUTIONS EXAMINERS, 4 COMPLIANCE/AUDIT INVESTIGATORS AND 2 ADMINISTRATIVE ASSISTANTS. THESE POSITIONS ARE RECOMMENDED TO ASSIST THE AGENCY IN MEETING ITS STATUTORY REQUIREMENTS TO EXAMINE ALL MORTGAGE LENDING BRANCH OFFICES ANNUALLY. THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT DIRECTING THE DIVISION TO EVALUATE ITS FEE AND ASSOCIATED REVENUE STRUCTURE IN ORDER TO INSURE ADEQUATE RESERVE LEVELS AND DEVELOP A PROPER STAFFING PLAN TO MEET THE ANNUAL EXAMINATION REQUIREMENTS SPECIFIED IN NRS 645B.060.

THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO FUND A COMMERCIAL OFF-THE-SHELF LICENSING, CERTIFICATION AND ENFORCEMENT SYSTEM. HOWEVER, THE SUBCOMMITTEE RECOMMENDS PLACING THE FUNDING IN A SEPARATE RESERVE CATEGORY WITHIN THE AGENCY'S BUDGET AND ISSUING A LETTER OF INTENT DIRECTING THE AGENCY TO APPROACH THE INTERIM FINANCE COMMITTEE AFTER THE AGENCY IDENTIFIES THE DATABASE STRUCTURE AND CONTRACTING METHODOLOGY; DEVELOPS REVISED COST ESTIMATES BASED UPON THE SELECTED STRUCTURE; AND REVISES THE COST ALLOCATION

METHODOLOGY, IF AN ENTERPRISE SOLUTION SYSTEM IS CHOSEN FOR THE DEPARTMENT OF BUSINESS AND INDUSTRY.

THE SUBCOMMITTEE ALSO VOTED TO APPROVE THE IMPLEMENTATION OF A NEW MORTGAGE LENDING EDUCATION AND RESEARCH ACCOUNT (**BA 3913, PAGE B&I-163**) WITH ONE NEW EDUCATION AND INFORMATION OFFICER, CONTINGENT UPON THE PASSAGE OF SENATE BILL 546; HOWEVER, S.B. 546 FAILED IN SENATE COMMERCE AND LABOR. THEREFORE, THE PROGRAM AND THE POSITION ARE NO LONGER UNDER CONSIDERATION FOR APPROVAL.

DIVISION OF INDUSTRIAL RELATIONS (210-4680) - B&I - 166

THE SUBCOMMITTEE SUPPORTS THE GOVERNOR'S RECOMMENDATION OF \$69,915 IN FY 2008 AND \$90,415 IN FY 2009 OF WORKERS' COMPENSATION ASSESSMENT FUNDING TO ADD TWO POSITIONS TO THE WORKER'S COMPENSATION SECTION AND ONE NEW POSITION TO THE ADMINISTRATIVE SERVICES UNIT TO ASSIST AND SUPPORT INCREASED ADMINISTRATIVE WORKLOAD. THE SUBCOMMITTEE RECOMMENDS APPROVAL OF \$270,015 IN FY 2008 AND \$25,000 IN FY 2009 FOR A WORKERS' COMPENSATION DATA SYSTEM. THE SUBCOMMITTEE RECOMMENDS PLACING THE FUNDING IN A SEPARATE RESERVE CATEGORY WITHIN THE AGENCY'S BUDGET, WITH THE PROVISION THAT THE AGENCY NOT PROCEED UNTIL ADDITIONAL INFORMATION IS PROVIDED TO THE IFC AND IFC APPROVAL IS GRANTED.

OCCUPATIONAL SAFETY AND HEALTH ENFORCEMENT (210-4682) - B&I - 175

THE SUBCOMMITTEE RECOMMENDS APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO PROVIDE \$295,015 FROM THE WORKERS' COMPENSATION ASSESSMENT FUND OVER THE 2007-09 BIENNIUM TO ENHANCE THE AGENCY'S EXISTING DATA SYSTEM. THE SUBCOMMITTEE RECOMMENDS PLACING THE FUNDING IN A SEPARATE RESERVE CATEGORY WITHIN THE AGENCY'S BUDGET, WITH THE PROVISION THAT THE AGENCY NOT PROCEED UNTIL ADDITIONAL INFORMATION IS PROVIDED TO THE IFC AND IFC APPROVAL IS GRANTED.

FURTHER, AS RECOMMENDED BY THE GOVERNOR, THE SUBCOMMITTEE RECOMMENDS APPROVAL OF A TOTAL OF 12 NEW POSITIONS, INCLUDING 3 INSPECTORS, 5 SAFETY SPECIALISTS, 1 SUPERVISOR, AND 3 ADMINISTRATIVE ASSISTANTS, TO ADDRESS INCREASED GROWTH AND CORRESPONDING WORKLOAD. WORKERS' COMPENSATION ASSESSMENT FUNDING SUPPORTS THE NEW POSITION COSTS TOTALING \$424,074 FY 2008 AND \$863,491 IN FY 2009.

SAFETY CONSULTATION & TRAINING (210-4685) - B&I - 183

THE SUBCOMMITTEE CONCURS WITH THE GOVERNOR'S RECOMMENDATION TO ADD THREE NEW SAFETY SPECIALIST POSITIONS TO ASSIST WITH THE INCREASE IN EMPLOYER WORKSITES AND CORRESPONDING WORKLOAD. ASSESSMENT REVENUES OF \$173,075 IN FY 2008 AND \$244,405 IN FY 2009 ARE RECOMMENDED TO FUND THE NEW POSITION COSTS.

MINE SAFETY & TRAINING (210-4686) - B&I - 190

THE SUBCOMMITTEE SUPPORTS THE GOVERNOR'S RECOMMENDATION OF \$93,486 IN FY 2008 AND \$82,051 IN FY 2009 FUNDED BY WORKERS' COMPENSATION ASSESSMENTS TO ADD A SAFETY SPECIALIST POSITION TO SUPPORT NEW MINER TRAINING, IN ACCORDANCE WITH STATE AND FEDERAL MANDATES.

DAIRY COMMISSION (233-4470) - B&I - 203

THE SUBCOMMITTEE RECOMMENDS APPROVAL OF BUDGET AMENDMENT #76, WHICH REDUCES PROJECTED TOTAL FEE AND ASSESSMENT REVENUES BY \$247,145 IN FY 2008 AND \$244,693 IN FY 2009.

ATHLETIC COMMISSION (101-3952) - B&I - 209

THE SUBCOMMITTEE SUPPORTS THE GOVERNOR'S AMENDED RECOMMENDATION TO ADD \$267,000 EACH FISCAL YEAR TO IMPLEMENT THE ADVISORY COMMITTEE'S HEALTH AND SAFETY RULES ADOPTED BY THE ATHLETIC COMMISSION. INCLUDED IN THE RECOMMENDATIONS ARE \$174,000 EACH FISCAL YEAR TO PROVIDE MRI/CAT SCANS; \$18,000 EACH FISCAL YEAR FOR EXPANDED DRUG AND STEROID TESTING; AND \$75,000 EACH FISCAL YEAR TO HIRE A PART-TIME PHYSICIAN AS A CONSULTANT TO PROVIDE NECESSARY MEDICAL EXPERTISE TO THE COMMISSION.

TAXICAB AUTHORITY (245-4130) - B&I - 225

THE SUBCOMMITTEE RECOMMENDS APPROVING REVISED FEE REVENUE PROJECTIONS, RESULTING IN AN INCREASE IN REVENUES OF \$195,606 IN FY 2008 AND \$533,054 IN FY 2009. THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR A NEW DISPATCHER IV POSITION TO SUPERVISE AND PROVIDE BACK-UP COVERAGE TO FOUR DISPATCHER III POSITIONS.

THE SUBCOMMITTEE CONCURS WITH THE GOVERNOR'S RECOMMENDATION TO INCREASE FUNDING FOR THE DIVISION FOR AGING SERVICES' SENIOR RIDE PROGRAM BY \$207,925 IN FY 2007-08 AND \$213,367 IN FY 2008-09, IN ORDER TO INCREASE THE DIVISION OF AGING SERVICES MONTHLY COUPON SALES FROM AN AVERAGE OF \$24,500 IN THE 2005-07 BIENNIUM TO \$36,974 IN THE 2007-09 BIENNIUM. HOWEVER, IN ORDER TO ENSURE THE TAXICAB AUTHORITY'S RESERVE REMAINS ADEQUATE, THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT DIRECTING THE TAXICAB AUTHORITY TO SUBMIT A STATUS REPORT ON ITS RESERVE LEVEL TO THE INTERIM FINANCE COMMITTEE EVERY SIX MONTHS. THE SUBCOMMITTEE FURTHER STIPULATED THAT ALL FUNDING ASSOCIATED WITH EXPIRED COUPONS RETAINED BY THE DIVISION FOR AGING SERVICES SHOULD REVERT TO THE TAXICAB AUTHORITY.

THE SUBCOMMITTEE ALSO RECOMMENDS APPROVAL OF A THREE-GRADE PAY INCREASE FOR 36 SWORN PEACE OFFICERS IN ORDER TO BRING THE AGENCY'S PEACE OFFICERS INTO PAY PARITY WITH THE SWORN OFFICERS IN THE DEPARTMENT OF PUBLIC SAFETY AND THE DEPARTMENT OF CORRECTIONS.

THE FOLLOWING BUDGETS WERE CLOSED BY THE SUBCOMMITTEE AS RECOMMENDED BY THE GOVERNOR, WITH ADJUSTMENTS TO REDUCE INCREASES IN OUT-OF-STATE TRAVEL EXPENDITURES AS DETERMINED BY THE SUBCOMMITTEE:

- INSURANCE EDUCATION AND RESEARCH (101-3824) - PAGE 26
- SELF-INSURED WORKERS COMPENSATION (210-4684) - PAGE 41

THE FOLLOWING BUDGETS WERE CLOSED BY THE SUBCOMMITTEE WITH TECHNICAL ADJUSTMENTS AND, WHERE APPLICABLE, ADJUSTMENTS TO THE DEPARTMENT'S REVISED AG AND SWCAP COST ALLOCATION PLAN:

- INSURANCE RECOVERY (101-3821) - B&I 24
- NATIONAL ASSOC. OF INSURANCE COMMISSIONERS (101-3828) - B&I 33
- INSURANCE COST STABILIZATION (101-3833) - B&I 36
- TRANSPORTATION SERVICES AUTHORITY ADMIN. FINES (226-3923) - B&I 55
- MANUFACTURED HOUSING EDUCATION AND RECOVERY (271-3847) - B&I 77
- CONSUMER AFFAIRS (101-3811) - B&I 82
- CONSUMER AFFAIRS RECOVERY FUND (101-3807) - B&I-87
- REAL ESTATE EDUCATION AND RESEARCH (216-3826) - B&I 99
- REAL ESTATE RECOVERY ACCOUNT (216-3827) - B&I 105
- FINANCIAL INSTITUTIONS – INVESTIGATIONS (101-3805) - B&I 121
- FINANCIAL INSTITUTIONS – AUDIT (101-3882) - B&I 123
- INDUSTRIAL DEVELOPMENT BOND PROGRAM (101-4683) - B&I 129
- HOUSING - LOW INCOME HOUSING TRUST FUND (101-3838) - B&I 141
- WEATHERIZATION (101-4865) -B&I 146
- MORTGAGE LENDING RECOVERY (101-3912) - B&I 161
- MORTGAGE LENDING EDUCATION AND RESEARCH (101-3913) - B&I 163
- NEVADA ATTORNEY FOR INJURED WORKERS (101-1013) - B&I 196
- EMPLOYEE MANAGEMENT RELATIONS BOARD (101-1374) - B&I 220
- LABOR COMMISSIONER (101-3900) - B&I 214

ASSEMBLYMAN MARVEL MOVED APPROVAL OF THE CLOSING REPORT FOR THE DEPARTMENT OF BUSINESS AND INDUSTRY.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

Assemblyman Parks referred to the Athletic Commission, BA 3952, and the expense of \$267,000 each fiscal year to provide MRI/CAT scans and expanded drug and steroid testing. Mr. Parks said there was concern about the expense and there had been discussion about requiring promoters to pay for those

charges. Mr. Parks commented that as much money as promoters made they could easily afford those costs.

Julie Diggins, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), explained there had been discussion about requiring promoters to pay for the MRI/CAT scan and drug and steroid testing costs. However, the Athletic Commission wanted to retain the discretion to have the tests performed immediately following an athletic event. Ms. Diggins said the promoters already paid for some drug testing.

Assemblyman Marvel inquired of Assemblywoman Buckley whether the state would be relieved of any liability with an "arms length" examination, particularly in boxing matches. He was concerned that if promoters paid for and had the examinations performed, there was a possibility of fraudulent results.

Assemblywoman Buckley replied that it was always better to have an independent source, in this case the State, controlling the test and the selection of the consultant. She said it was not only because of liability, but because of the integrity of the process. Mrs. Buckley opined that the State controlling the process and the promoters paying for the costs could probably be accomplished.

Mr. Marvel commented that some of the events brought in incredible amounts of money.

Mrs. Buckley noted that the State was making a great deal of money on some of the events as well.

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

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Assemblyman David R. Parks, Assembly District No. 41, Chairman of the Joint Subcommittee on Public Safety, Natural Resources, and Transportation, read the following closing report for the Department of Conservation and Natural Resources into the record:

THE JOINT SUBCOMMITTEE FOR PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION DEVELOPED RECOMMENDATIONS FOR THE BUDGETS OF THE TAHOE REGIONAL PLANNING AGENCY (TRPA) AND DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES (DCNR) INCLUDING: THE DIRECTOR'S OFFICE (ADMINISTRATION), NATURAL HERITAGE, CONSERVATION DISTRICTS, HEIL WILD HORSE, STATE LANDS, NEVADA TAHOE REGIONAL PLANNING AGENCY, STATE PARKS, WATER RESOURCES, ENVIRONMENTAL PROTECTION, AND FORESTRY. THE SUBCOMMITTEE DOES NOT HAVE A RECOMMENDATION FOR THE FORESTRY CONSERVATION CAMPS BUDGET AT THIS TIME BECAUSE IT WILL BE RECOMMENDED FOR CLOSING ALONG WITH THE DEPARTMENT OF CORRECTIONS BUDGETS.

THE RECOMMENDATIONS OF THE SUBCOMMITTEE FOR DCNR RESULTS IN GENERAL FUND SAVINGS OF \$176,002 IN FY 2007-08 AND \$175,294 IN FY 2008-09. FOR TRPA, THE SUBCOMMITTEE'S RECOMMENDATIONS RESULT IN ADDITIONAL

GENERAL FUNDS OF \$14,268 IN FY 2007-08 AND GENERAL FUND SAVINGS OF \$126,984 IN FY 2008-09.

DCNR DIRECTOR'S OFFICE (101-4150) DCNR-1: THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO PROVIDE GENERAL FUNDS OF \$11,704 IN FY 2007-08 TO PURCHASE FOUR NEW LAPTOP COMPUTERS AND SOFTWARE FOR THE INCIDENT COMMAND TRAILER. INSTEAD, THE SUBCOMMITTEE DIRECTED THE AGENCY TO PURCHASE THE COMPUTERS AND SOFTWARE IN THE CURRENT FISCAL YEAR UTILIZING HOMELAND SECURITY FUNDS. THE SUBCOMMITTEE AGREED WITH THE GOVERNOR'S RECOMMENDATION TO TRANSFER THE COOPERATIVE SNOW SURVEY PROGRAM FROM THE DIRECTOR'S OFFICE TO THE DIVISION OF WATER RESOURCES.

NEVADA NATURAL HERITAGE (101-4101) DCNR-8: THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO PLACE DATA BASE RUN SALES FEES OF \$12,926 IN EACH YEAR OF THE BIENNIUM INTO RESERVES AND INCREASE TRANSFERS FROM THE NEVADA DEPARTMENT OF TRANSPORTATION (NDOT) TO PARTIALLY FUND A BIOLOGIST POSITION. INSTEAD, THE SUBCOMMITTEE DIRECTED THE AGENCY TO UTILIZE ALL DATA BASE FEE REVENUE TO SUPPORT THE BIOLOGIST POSITION, THEREBY ELIMINATING THE RESERVE IN THIS BUDGET AND PROVIDING FOR A CORRESPONDING REDUCTION IN TRANSFERS FROM NDOT. THE SUBCOMMITTEE ALSO REDUCED THE GOVERNOR'S RECOMMENDATION FOR OUT-OF-STATE TRAVEL BY \$4,402 OVER THE BIENNIUM.

STATE LANDS (101-4173) DCNR-30: THE SUBCOMMITTEE REDUCED THE GOVERNOR'S RECOMMENDATION FOR OUT-OF-STATE TRAVEL BY ONE-THIRD, OR \$4,638 IN EACH YEAR OF THE BIENNIUM. AS PART OF THE INITIATIVE TO REDUCE GENERAL FUND APPROPRIATIONS, THE GOVERNOR RECOMMENDED ELIMINATING GENERAL FUNDS OF \$28,000 IN FY 2008 FOR THE PURCHASE OF GEOGRAPHIC INFORMATION SYSTEM (GIS) PARCELS FOR FIVE ADDITIONAL COUNTIES. HOWEVER, THE SUBCOMMITTEE RECOMMENDS APPROVING THE PURCHASE OF THESE FIVE GIS PARCELS.

STATE PARKS (101-4162) DCNR-43: THE SUBCOMMITTEE APPROVED SIX NEW POSITIONS FOR THE DIVISION OF STATE PARKS AS FOLLOWS:

- ONE NEW WATER SYSTEMS OPERATOR AND ASSOCIATED EQUIPMENT FOR THE FALLON REGION, FUNDED WITH GENERAL FUNDS. THE WATER SYSTEM AT LAHONTAN IS "TREATED" AS OPPOSED TO SIMPLY CHLORINATED, AND AS A RESULT STATE LAW REQUIRES THE SYSTEM HAVE A CERTIFIED WATER SYSTEMS OPERATOR.
- ONE NEW PARK INTERPRETER POSITION AND A SEASONAL PARK TECHNICIAN FOR SIX MONTHS EACH YEAR AT THE DANGBERG HOME RANCH HISTORIC SITE.

THE SUBCOMMITTEE REDUCED THE GOVERNOR'S RECOMMENDATION FOR SEASONAL SALARY COSTS FROM NINE MONTHS EACH YEAR TO SIX MONTHS. IN ADDITION, THE SUBCOMMITTEE DIRECTED THE AGENCY TO COLLECT \$4,000 IN FEES IN FY 2008-09 IN SUPPORT OF THESE POSITIONS.

- ONE ADMINISTRATIVE ASSISTANT FOR LAHONTAN STATE RECREATION AREA. THIS POSITION WILL BE FULLY FUNDED BY THE ADDITIONAL FEES ANTICIPATED TO BE COLLECTED.
- TWO POSITIONS WERE APPROVED FOR VALLEY OF FIRE STATE PARK – ONE ADMINISTRATIVE ASSISTANT AND ONE COMMISSIONED PARK RANGER – TO PROVIDE RESERVATIONS AND OVERSIGHT OF THE GROWING NUMBER OF COMMERCIAL WEDDINGS. THESE TWO POSITIONS WOULD BE FULLY FUNDED WITH ADDITIONAL REVENUES GENERATED FROM INCREASING THE FEE FOR COMMERCIAL WEDDING PERMITS FROM \$15 TO \$150.

ALTHOUGH THIS RECOMMENDATION WAS INCLUDED IN THE EXECUTIVE BUDGET, THE AGENCY REQUESTED REMOVAL BECAUSE THE GOVERNOR DOES NOT SUPPORT FEE INCREASES. HOWEVER, THE SUBCOMMITTEE RECOMMENDS APPROVING THIS RECOMMENDATION BECAUSE THE FEE INCREASE IS SUPPORTED BY THE COMMERCIAL WEDDING INDUSTRY, AND THE TWO POSITIONS ARE NEEDED TO PROVIDE THE INDUSTRY'S REQUESTED LEVEL OF SERVICE. THE SUBCOMMITTEE FELT THAT THE INCREASED WORKLOAD AT THE PARK IS DIRECTLY RELATED TO THE COMMERCIAL USE OF THE PARK BY WEDDING COMPANIES, AND THE ADDITIONAL RESOURCES REQUIRED TO MEET THE GROWING WORKLOAD SHOULD NOT BE CONSIDERED A GENERAL FUND COST OR AN EXPENSE TO THE GENERAL PUBLIC.

- ONE NEW ADMINISTRATIVE ASSISTANT FOR SPRING MOUNTAIN RANCH STATE PARK TO ASSIST WITH THE INCREASING RESPONSIBILITIES ASSOCIATED WITH WEDDINGS AND OTHER ACTIVITIES THAT REQUIRE PERMIT PROCESSING. FUNDING FOR THIS NEW POSITION WOULD COME FROM ADDITIONAL USER CHARGES ANTICIPATED TO BE COLLECTED THROUGH THE INCREASING NUMBER OF ACTIVITIES AND ASSOCIATED PARK VISITORS.

THE SUBCOMMITTEE APPROVED REESTABLISHING TWO OF THE THREE PERMANENT POSITIONS, AND FUNDING FOR FOUR SEASONAL POSITIONS CURRENTLY ASSIGNED TO FLOYD LAMB STATE PARK TO OTHER STATE PARK LOCATIONS IN CLARK COUNTY. AS THE COMMITTEE IS AWARE, FLOYD LAMB STATE PARK WILL TRANSFER TO THE CITY OF LAS VEGAS ON JULY 1, 2007. THE PARK RANGER POSITION WILL TRANSFER TO VALLEY OF FIRE STATE PARK TO ASSIST WITH BACKCOUNTRY PATROL. THE MAINTENANCE REPAIR SPECIALIST WILL BE TRANSFERRED TO BIG BEND OF THE COLORADO STATE PARK. THE FOUR SEASONAL POSITIONS

WILL BE LOCATED AT SPRING MOUNTAIN RANCH, VALLEY OF FIRE, BIG BEND OF THE COLORADO, AND OLD LAS VEGAS MORMON FORT. AS PART OF THE INITIATIVE TO REDUCE GENERAL FUND APPROPRIATIONS, THE SUBCOMMITTEE AGREED WITH THE GOVERNOR'S RECOMMENDATION TO NOT REESTABLISH THE PARK SUPERVISOR POSITION.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO PROVIDE GENERAL FUNDS OF \$151,533 IN FY 2007-08 AND \$154,643 IN FY 2008-09 TO ALLOW CERTAIN SEASONAL POSITIONS TO EXTEND THEIR EMPLOYMENT FROM THE CURRENT LEVEL OF SERVICE (NUMBER OF MONTHS) TO UP TO NINE MONTHS OF SERVICE IN ORDER TO BETTER ALIGN SEASONAL EMPLOYMENT WITH THE USAGE PATTERNS OF PARK PATRONS. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION TO PROVIDE GENERAL FUNDS OF \$229,153 IN FY 2007-08 AND \$106,905 IN FY 2008-09 TO ESTABLISH A WEED MANAGEMENT PROGRAM FOR THE CARSON, PANACA, AND LAS VEGAS REGIONS TO ADDRESS THE GROWING PROBLEM OF NOXIOUS WEEDS IN STATE PARKS IN COMPLIANCE WITH NRS 555.

ENVIRONMENTAL PROTECTION ADMINISTRATION (101-3173)

DCNR-63: THE BUDGETS FOR THE NEVADA DIVISION OF ENVIRONMENTAL PROTECTION (DEP) CONTAINED A NUMBER OF ERRORS AND OMISSIONS RELATED TO THE AGENCY'S INDIRECT COST TRANSFERS. THESE ERRORS AND OMISSIONS WERE CORRECTED BY STAFF, WITH CONCURRENCE FROM THE BUDGET OFFICE AND THE AGENCY. THE SUBCOMMITTEE APPROVED STAFF'S REVISIONS FOR THE ADMINISTRATION BUDGET, AS WELL AS THE DIVISION'S OTHER BUDGETS.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO TRANSFER TWO DEPUTY ADMINISTRATOR POSITIONS AND ONE INFORMATION SYSTEMS SPECIALIST POSITION FROM OTHER DIVISION BUDGETS TO THE ADMINISTRATION BUDGET. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION FOR ONE NEW ADMINISTRATIVE ASSISTANT POSITION FOR THE BUREAU OF ADMINISTRATION. HOWEVER, THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO ADD \$50,000 IN EACH YEAR OF THE BIENNIUM FOR A CONTRACT FOR TEMPORARY SERVICES. THE SUBCOMMITTEE RECOMMENDS REDUCING THE GOVERNOR'S RECOMMENDED OUT-OF-STATE TRAVEL AND TRAINING COSTS BY ONE-THIRD, A REDUCTION OF \$18,364 OVER THE BIENNIUM.

DEP AIR QUALITY (101-3185) DCNR-79: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ADD FOUR NEW ENGINEER POSITIONS FOR THE BUREAU OF AIR POLLUTION CONTROL. THESE FOUR POSITIONS ARE RECOMMENDED TO ESTABLISH AN ADDITIONAL BRANCH WITHIN THE BUREAU TO ADDRESS THE INCREASING WORKLOAD WITH RESPECT TO MERCURY EMISSIONS, EMISSIONS AND INSTRUMENTATION AUDITING FUNCTIONS OF REGULATED INDUSTRIES, AND THE CHEMICAL ACCIDENT

PREVENTION PROGRAM. THE COSTS OF \$362,166 IN FY 2007-08 AND \$465,580 IN FY 2008-09 ASSOCIATED WITH THESE FOUR NEW POSITIONS WAS INCLUDED IN DEVELOPING THE NEW AIR QUALITY FEE STRUCTURE APPROVED BY THE LEGISLATIVE COMMISSION IN DECEMBER 2006.

DEP WATER PROGRAMS (101-3186 & 101-3197) DCNR-87 & DCNR-107: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO TRANSFER THE STATE REVOLVING LOAN PROGRAM ADMINISTRATIVE FUNCTIONS FROM THE WATER POLLUTION CONTROL BUDGET TO A NEW BUDGET ACCOUNT ENTITLED THE STATE REVOLVING LOAN PROGRAM (BUDGET ACCOUNT 3189). INCLUDED IN THE TRANSFER IS 5.0 FTE EXISTING POSITIONS AND REVENUES AND EXPENDITURES TOTALING \$1.8 MILLION IN EACH YEAR OF THE BIENNIUM. THE SUBCOMMITTEE DID NOT APPROVE BUDGET OFFICE AMENDMENT NUMBER #9, WHICH WOULD TRANSFER \$33,946 IN EACH YEAR OF THE BIENNIUM TO THE STATE ENVIRONMENTAL COMMISSION BUDGET TO DOUBLE THE NUMBER OF HEARINGS HELD BY THE COMMISSION IN THE 2007-09 BIENNIUM. THE SUBCOMMITTEE ALSO DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO PROVIDE A NEW INFORMATION TECHNOLOGY POSITION FOR THE SAFE DRINKING WATER REGULATORY PROGRAM SINCE THE NEW POSITION WAS NOT SUPPORTED BY THE DEPARTMENT OF INFORMATION TECHNOLOGY.

DEP WASTE MANAGEMENT AND FEDERAL FACILITIES (101-3187) DCNR-114: AS NOTED IN THE DEP ADMINISTRATION CLOSING, THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO TRANSFER TWO POSITIONS FROM THIS BUDGET TO THE AGENCY'S ADMINISTRATION BUDGET - ONE DEPUTY ADMINISTRATOR AND ONE INFORMATION SYSTEMS SPECIALIST POSITION. THE SUBCOMMITTEE RECOMMENDS REDUCING FUNDING FOR CONTRACT SERVICES RECOMMENDED BY THE GOVERNOR BY \$200,000 IN EACH YEAR OF THE BIENNIUM BECAUSE THE AGENCY WAS UNABLE TO PROVIDE SUFFICIENT DETAILS ABOUT THE RECOMMENDED CONTRACT.

DEP MINING REGULATION/RECLAMATION (101-3188) DCNR-127: THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO ADD A PROFESSIONAL ENGINEER POSITION FOR THE MINING RECLAMATION BRANCH BEGINNING IN FY 2008-09. THIS POSITION WAS RECOMMENDED TO PERFORM DUTIES CURRENTLY PERFORMED THROUGH A CONTRACT WITH THE BUREAU OF LAND MANAGEMENT (BLM). THIS CONTRACT EXPIRES AT THE END OF FY 2007-08; HOWEVER, THE AGENCY WAS UNSURE WHETHER THE BLM WOULD RENEW THE CONTRACT BEYOND FY 2007-08. ACCORDINGLY, THE SUBCOMMITTEE DIRECTED THE AGENCY TO APPROACH THE INTERIM FINANCE COMMITTEE (IFC) DURING THE 2007-09 BIENNIUM TO REQUEST THE NEW POSITION IF THE CONTRACT WITH BLM IS NOT RENEWED.

DIVISION OF FORESTRY (101-4195) DCNR-148: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S

RECOMMENDATION TO TRANSFER TWO FIRE MANAGEMENT OFFICER POSITIONS FROM THE INTER-GOVERNMENTAL AGREEMENTS BUDGET TO THE FORESTRY BUDGET. IN THE INTERGOVERNMENTAL BUDGET THESE TWO POSITIONS WERE FULLY FUNDED WITH COUNTY RECEIPTS; HOWEVER, THE GOVERNOR RECOMMENDED FUNDING THESE TWO POSITIONS WITH GENERAL FUNDS IN THE FORESTRY BUDGET. THE SUBCOMMITTEE RECOMMENDS REQUIRING PARTICIPATING COUNTIES TO FUND TEN PERCENT OF THE COSTS FOR THESE TWO POSITIONS SINCE IT WAS DETERMINED THEY SPEND APPROXIMATELY TEN PERCENT OF THEIR TIME ON COUNTY-RELATED ACTIVITIES. THIS ACTION REDUCES THE GENERAL FUND REQUIREMENT IN THIS BUDGET BY \$18,434 IN FY 2007-08 AND \$19,534 IN FY 2008-09. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE ONE ADMINISTRATIVE ASSISTANT POSITION.

FOREST FIRE SUPPRESSION (101-4196) DCNR-161: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO INCREASE THE GENERAL FUND SUPPORT FOR THE FOREST FIRE SUPPRESSION BUDGET FROM \$1.0 MILLION TO \$2.5 MILLION ANNUALLY. THE CURRENT \$1.0 MILLION APPROPRIATION IN EACH YEAR HAS HISTORICALLY BEEN INSUFFICIENT TO FUND FOREST FIRE SUPPRESSION COSTS INCURRED BY THE AGENCY. AS A RESULT, DURING THE PAST SEVERAL YEARS, THE AGENCY HAS HAD TO RELY ON ALLOCATIONS FROM THE IFC CONTINGENCY FUND AND THE DISASTER RELIEF ACCOUNT IN ORDER TO FUND FIRE SUPPRESSION COSTS. THE SUBCOMMITTEE APPROVED THIS RECOMMENDATION AS IT WOULD PROVIDE STATE FUNDING UP FRONT FOR FIRE SUPPRESSION COSTS, THEREBY PRESERVING THE BALANCE IN THE IFC CONTINGENCY FUND TO BE USED FOR OTHER UNFORESEEN FUNDING SHORTFALLS THAT WILL OCCUR IN THE 2007-09 BIENNIUM.

DEFERRED MAINTENANCE: THE SUBCOMMITTEE DELETED THE ORIGINAL GOVERNOR'S RECOMMENDED FUNDING FOR ALL DEFERRED MAINTENANCE PROJECTS FROM THE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES BUDGETS AND RECOMMENDED THE COMMITTEE INTRODUCE LEGISLATION FOR A ONE-SHOT APPROPRIATION FOR THESE PROJECTS. THE COMMITTEE SHOULD NOTE AS PART OF THE MOST RECENT INITIATIVE TO REDUCE GENERAL FUND APPROPRIATIONS, THE GOVERNOR RECOMMENDED REDUCING DEFERRED MAINTENANCE FUNDING IN THE STATE LANDS BUDGET BY \$90,850 IN FY 2007-08, THE STATE PARKS BUDGET BY \$68,745 IN FY 2008-09, AND THE FORESTRY BUDGET BY \$40,500 IN FY 2007-08. HOWEVER, THE SUBCOMMITTEE VOTED TO TRANSFER THE ENTIRE ORIGINAL GOVERNOR'S RECOMMENDED DEFERRED MAINTENANCE COSTS TO THE ONE-SHOT - \$228,850 IN FY 2007-08 FOR STATE LANDS, \$1.23 MILLION IN FY 2007-08 AND \$788,686 IN FY 2008-09 FOR STATE PARKS, AND \$304,625 IN FY 2007-08 FOR FORESTRY. THE COMMITTEE MAY WISH TO RESTORE THE DEFERRED MAINTENANCE PROJECTS BACK INTO THESE BUDGETS. IF THE COMMITTEE WISHES TO RESTORE DEFERRED MAINTENANCE IN THESE BUDGETS, IT SHOULD CONSIDER

REDUCING DEFERRED MAINTENANCE FUNDING AS RECOMMENDED BY THE GOVERNOR'S MOST RECENT BUDGET REDUCTION INITIATIVE - \$90,850 IN FY 2007-08 FOR STATE LANDS, \$68,745 IN FY 2008-09 FOR STATE PARKS, AND \$40,500 FOR FORESTRY.

TAHOE REGIONAL PLANNING AGENCY (101-4204) DCNR 184:

THE SUBCOMMITTEE APPROVED \$200,000 IN EACH YEAR OF THE BIENNIUM TO BEGIN IMPLEMENTING THE PATHWAY 2007 REGIONAL PLAN. HOWEVER, THE SUBCOMMITTEE RECOMMENDS REPLACING \$67,000 OF THE \$200,000 GENERAL FUND APPROPRIATION RECOMMENDED BY THE GOVERNOR IN EACH YEAR WITH ADDITIONAL TRANSFERS FROM THE DMV POLLUTION CONTROL ACCOUNT. THE SUBCOMMITTEE RECOMMENDED LIMITING THE USE OF INCREASED POLLUTION CONTROL FUNDING FOR THE PATHWAY 2007 REGIONAL PLAN TO THE 2007-09 BIENNIUM. IN ORDER TO CORRECT THE ONE-THIRD/TWO-THIRDS FUNDING SPLIT BETWEEN CALIFORNIA AND NEVADA, THE SUBCOMMITTEE RECOMMENDS INCREASING GENERAL FUND APPROPRIATIONS BY \$81,268 IN FY 2007-08 AND DECREASE APPROPRIATIONS BY \$59,984 IN FY 2008-09 FOR THIS PURPOSE. THE SUBCOMMITTEE ALSO APPROVED FUNDING FOR COST-OF-LIVING INCREASES AND FRINGE BENEFIT ADJUSTMENTS FOR TRPA'S EMPLOYEES CONTINGENT UPON CALIFORNIA FUNDING THEIR TWO-THIRDS SHARE. IF CALIFORNIA DOES NOT FUND ITS TWO-THIRDS SHARE, THE SUBCOMMITTEE RECOMMENDS FUNDING NEVADA'S ONE-THIRD SHARE FOR COST-OF-LIVING INCREASES AND FRINGE BENEFITS AS A ONE TIME BONUS WHICH HAS BEEN DONE IN PREVIOUS BIENNIA.

THE SUBCOMMITTEE RECOMMENDS CLOSING THE FOLLOWING DCNR BUDGET ACCOUNTS AS RECOMMENDED BY THE GOVERNOR WITH MINOR OR TECHNICAL ADJUSTMENTS:

- DIVISION OF CONSERVATION DISTRICTS (101-4151) DCNR-18
- HEIL WILD HORSE BEQUEST (607-4156) DCNR-25
- NEVADA TAHOE REGIONAL PLANNING AGENCY (101-4166) DCNR-41
- DIVISION OF WATER RESOURCES (101-4171) DCNR-59
- DEP WATER QUALITY PLANNING (101-3193) DCNR-99
- DEP WATER PLANNING CAPITAL IMPROVEMENT (101-4155) DCNR-134
- DEP STATE REVOLVING LOAN PROGRAM (101-3189) DCNR-139
- DEP STATE ENVIRONMENTAL COMMISSION (101-4149) DCNT-144
- FORESTRY INTER-GOVERNMENTAL AGREEMENTS (101-4227) DCNR-173
- FORESTRY NURSERIES (101-4235) DCNR-179

Assemblywoman Buckley stated she had requested staff prepare a document entitled "Comparison of Potential General Fund Savings vs. Recommendations by Subcommittee for DCNR Budgets." She requested that the Committee be provided with that document ([Exhibit C](#)).

Jeff Ferguson, Program Analyst, Fiscal Analysis Division, LCB, reviewed the potential savings in [Exhibit C](#).

Mr. Ferguson said that in BA 4173, State Lands, the Governor had recommended eliminating that decision module, which would allow the purchase of Geographic Information System (GIS) parcels for five additional counties, for savings of \$28,000 only in FY 2008. The Subcommittee recommended closing BA 4173 to include the original Governor recommended funding for the five GIS parcels.

In BA 4162, State Parks, the Governor recommended eliminating seasonal salary costs in FY 2008 and reducing the FY 2009 seasonal costs from nine to six months. The Subcommittee recommended closing the budget reducing the nine months seasonal costs to six months in each year. Mr. Ferguson said the potential was to eliminate the seasonal position in FY 2008 with General Fund savings of \$19,209.

Mr. Ferguson said decision unit E350 in BA 4162 recommended continuing three positions that would be eliminated with the transfer of Floyd Lamb State Park to the city of Las Vegas. One of those positions was eliminated through the Governor's recommended budget cuts. Mr. Ferguson said the Subcommittee recommended reestablishing two of the three positions, with one position being transferred to Valley of Fire State Park and the other to the Big Bend of the Colorado State Park. If those two positions were eliminated, in addition to the one already eliminated, the General Fund savings would be \$141,051 in FY 2008 and \$150,412 in FY 2009.

The Governor recommended continuing seasonal salary costs for four seasonal positions currently at Floyd Lamb State Park. Mr. Ferguson said those positions would be transferred to Spring Mountain Ranch, Valley of Fire State Park, Big Bend of the Colorado State Park, and Old Las Vegas Mormon Fort. If those positions were eliminated, it would provide General Fund savings of \$109,843 in FY 2008 and \$109,930 in FY 2009.

Mr. Ferguson referred to BA 4162, decision unit E332, which contained seasonal positions that had been recommended to extend their employment from the current level of service to up to nine months of service. The Subcommittee had discussed reducing that service by up to half. Mr. Ferguson said if that were to occur, it would provide General Fund savings of \$49,535 in FY 2008 and \$52,625 in FY 2009.

Also in BA 4162, the Governor recommended and the Subcommittee approved the recommendation to establish three weed districts for state parks. Mr. Ferguson said if that decision unit were to be eliminated, it would provide General Fund savings of \$229,153 in FY 2008 and \$106,905 in FY 2009.

Mr. Ferguson said in BA 4171, the water resources budget, the agency initially recommended reductions to provide General Fund savings of \$9,326 in FY 2008 and \$15,626 in FY 2009; however, the Governor did not ultimately recommend this reduction. Mr. Ferguson explained that should the Committee choose to implement the reduction, the Division of Water Resources would have to eliminate one gauging station.

In BA 4195 the Subcommittee approved the transfer of two fire management officer (FMO) positions from the County Intergovernmental Budget to the Administration Budget. Mr. Ferguson said the Subcommittee recommended

funding those positions with 10 percent county funds and 90 percent General Funds. An option discussed during the Subcommittee hearing was to provide General Funds in the amount of 77 percent of the northern FMO position and allow Clark County to continue funding the southern region FMO position. Mr. Ferguson said the reason that 77 percent of the northern region would be funded with General Fund was that Washoe County had withdrawn from the intergovernmental agreements budget and implemented its own fire district. That would have provided a General Fund savings of \$71,549 in FY 2008 and \$77,768 in FY 2009. Mr. Ferguson said should the Committee not approve the transfer and funding of those positions, savings of \$166,021 in FY 2008 and \$175,817 in FY 2009 would occur.

Assemblywoman Buckley stated she was inclined to capture the savings and was recommending that funding not be shifted from the county to the State. She commented that if Washoe County withdrawing from the intergovernmental agreement created a hardship for the rural counties, she would be in favor of selecting Option B outlined in [Exhibit C](#). Mrs. Buckley said with regard to the other budgets in [Exhibit C](#) that she was in favor of taking the savings.

Assemblyman Marvel asked what the savings would do to the agencies involved and requested input from someone representing the agencies.

Pete Anderson, State Forester Firewarden, Division of Forestry, explained that the FMOs worked statewide with all Nevada counties and represented the State. The potential impact from large wildfires to the state budget was immeasurable. Mr. Anderson said the withdrawal of Washoe County from the intergovernmental agreement meant that specific funding for a FMO in the west was lost. The State fully funded the northern region of Elko, Eureka, White Pine counties with General Funds. Mr. Anderson said without the recommended funding the Division would not be able to place a FMO in the field to work on agreements and be the management person on a large fire representing the state's interests. Mr. Anderson emphasized that the larger issue was public safety, which affected all counties in Nevada.

Ms. Buckley pointed out that the subject being discussed was not eliminating any positions, but how the budget was funded. She acknowledged she had been incorrect when she said she was in support of Option B, and clarified that she was in support of Option A. Instead of having a funding shift, the counties would continue to pay their fair share, and the State would aid the rural counties to cover the void left from the withdrawal of Washoe County. Ms. Buckley reiterated that no positions would be eliminated or changed.

Mr. Anderson commented that he believed fire districts were being confused with the overall statewide management responsibility in fire suppression. There were eight fire districts, and the FMOs funded by the counties were restricted to operations in their fire district. Mr. Anderson explained that the Clark County FMO was restricted to 1,800 acres in Kyle Canyon, and that was where the county expected the FMO to be, because that was what it was paying for. The remaining area of the southern region did not receive the benefits of having a FMO in the field. Mr. Anderson said the Division had two separate fire suppression activities.

Assemblywoman Buckley asked why the counties' responsibility to fund was being removed when it appeared the Division wanted to provide more coverage.

Mr. Anderson replied that the proposal that worked best was the State funding 90 percent and the counties funding 10 percent. The counties would be

preparing for the fire district responsibilities at the 10 percent activity level, and the State could be working with the small counties that had no fire protection. Mr. Anderson said there was a huge disparity between the developed urbanized counties and the rural counties.

Assemblyman Grady said it should be noted that Washoe County took over a number of stations in the area. However, fire knew no boundaries, so FMOs were needed to cover the entire area and not just the area Washoe County withdrew from because it took over the responsibility.

Mr. Anderson agreed that what Mr. Grady said was correct and added that in the past three years there had been a transition. The Division's fire district in the Washoe County portion of the Sierra Forest Fire Protection District had transitioned back to Washoe County. The fire districts the Division participated in were a county and state partnership, where the county paid for the daily operational activities, and the State was there to aid in large fire suppression. The transition removed 43 positions from the Division of Forestry and transferred them to the Washoe County Fire District, where they operated independently, funded by Washoe County. Mr. Anderson said the portion of funding that went to the Division of Forestry was lost and that type of transition was to be expected as urban development expanded into the traditionally rural areas.

Assemblywoman Buckley commented that with the withdrawal of Washoe County, it had created problems, but fire could be so devastating a coordinated response was imperative. She said she was more concerned about the funding shift rather than the protection plan.

Assemblywoman Leslie referred to decision unit E720 in BA 4173 and asked what a GIS parcel was, because it appeared as though the Governor recommended eliminating the decision module and the Subcommittee added it back at a cost of \$28,000.

Mr. Ferguson explained that GIS stood for geographic information system, which was five maps for five counties to provide a more complete inventory for geographic information.

Ms. Leslie asked whether the Governor had removed the decision unit to save funds and then put it back. Mr. Ferguson explained that the decision unit was originally in The Executive Budget, but as part of the initiative to reduce General Funds, the decision unit was eliminated. Ms. Leslie asked whether the counties would pay for the GIS if the State did not, and Mr. Ferguson said the GIS would not be purchased.

Ms. Leslie referred to BA 4162, State Parks, and commented that it appeared the four seasonal positions were being saved because of the transfer of Floyd Lamb State Park to the city of Las Vegas. She asked if State Parks wanted to retain those positions because they were underfunded.

Alan Biaggi, Director, Department of Conservation and Natural Resources, said that State Parks and the State Parks staff were funded at the bare minimum. Ms. Leslie stated that what she wanted to know was whether the positions were being shifted from Floyd Lamb State Park to other state parks because the parks were underfunded, and Mr. Biaggi replied that was correct.

Ms. Leslie referred to decision unit E327 in BA 4162, and asked whether the seasonal positions were new. Mr. Ferguson replied that they were new positions because Dangberg Ranch was new to the park system.

ASSEMBLYWOMAN BUCKLEY MOVED TO ACCEPT THE SUBCOMMITTEE REPORT WITH THE FOLLOWING CHANGES FOR SAVINGS AS SUGGESTED BY STAFF: ELIMINATE DECISION UNIT E720 IN BA 4173; ELIMINATE DECISION UNIT E327 SEASONAL SALARY COSTS IN FY 2008 IN BA 4162; ELIMINATE THE FOUR SEASONAL POSITIONS IN DECISION UNIT 350 IN BA 4162 THAT WOULD BE TRANSFERRED TO STATE PARKS; REDUCE THE POSITIONS IN DECISION UNIT E332 IN BA 4162 BY HALF; AND ACCEPT THE AGENCY'S RECOMMENDATION TO REDUCE DECISION UNIT M101 IN BA 4171.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED WITH ASSEMBLYWOMAN WEBER VOTING NO. (Assemblyman Hardy was not present for the vote.)

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Assemblywoman Sheila Leslie, Assembly District No. 27, Chairman of the Joint Subcommittee on Health and Human Services, read the following closing report for the Health Division into the record:

THE JOINT SUBCOMMITTEE REVIEWED 20 BUDGETS OF THE STATE HEALTH DIVISION. THE SUBCOMMITTEE RECOMMENDATIONS RESULT IN A TOTAL GENERAL FUND REDUCTION OF \$1.5 MILLION FOR FY 2007-08 AND \$1.7 MILLION FOR FY 2008-09. THE FOLLOWING COMMENTS DESCRIBE THE MORE SIGNIFICANT CLOSING RECOMMENDATIONS OF THE SUBCOMMITTEE.

OFFICE OF HEALTH ADMINISTRATION (101-3223)

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO RETAIN FIVE POSITIONS IN THE BASE BUDGET THAT WERE FORMERLY FUNDED WITH SAPT BLOCK GRANT FUNDING, AND FUND THEM WITH THE HEALTH DIVISION'S ADMINISTRATIVE COST ALLOCATION.

OFFICE OF MINORITY HEALTH (101-3204)

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION FOR ONGOING GENERAL FUND SUPPORT OF \$250,972 OVER THE BIENNIUM FOR A HEALTH PROGRAM MANAGER POSITION AND ALSO APPROVED THE ISSUANCE OF A LETTER OF INTENT REQUIRING THE OFFICE TO DEVELOP IMPROVED OUTCOME MEASURES FOR INCLUSION IN THE 2009-11 BIENNIAL BUDGET. THE SUBCOMMITTEE RECOMMENDS THAT THE OFFICE SUBMIT A QUARTERLY REPORT TO THE INTERIM FINANCE COMMITTEE (IFC) ON THE OFFICE'S ACTIVITIES AND EFFORTS TO IMPROVE THE QUALITY OF AND ACCESS TO HEALTH CARE FOR MINORITIES.

HEALTH DIVISION SPECIAL APPROPRIATIONS (101-3225)

THE SUBCOMMITTEE RECOMMENDS APPROVAL OF ONGOING GENERAL FUND SUPPORT FOR BASIC POISON CONTROL CALL

CENTER SERVICES WITH THE ROCKY MOUNTAIN POISON CENTER IN THE AMOUNTS OF \$363,930 IN FY 2008 AND \$402,109 IN FY 2009. THE REDUCTION RESULTED IN GENERAL FUND SAVINGS OF \$116,970 IN FY 2008 AND \$102,836 IN FY 2009. HOWEVER, THE SUBCOMMITTEE APPROVED TRANSFERRING THESE FUNDS FROM THE SPECIAL APPROPRIATIONS BUDGET TO THE HEALTH ADMINISTRATION BUDGET, SINCE THE SPECIAL APPROPRIATIONS BUDGET IS DESIGNED TO ACCOUNT FOR ONE-TIME APPROPRIATIONS.

VITAL STATISTICS (101-3190)

THE EXECUTIVE BUDGET RECOMMENDED ADDING FOUR NEW POSITIONS TO SUPPORT THE IMPLEMENTATION OF A HEALTH AND HUMAN SERVICES DATA WAREHOUSE, AT A COST TO THE GENERAL FUND OF \$270,163 OVER THE 2007-09 BIENNIUM. THE DATA WAREHOUSE REQUEST IS BUDGETED IN THE DEPARTMENT OF ADMINISTRATION'S IT PROJECTS BUDGET (BA 101-1325). THE SUBCOMMITTEE RECOMMENDS APPROVAL OF ONE BIOSTATISTICIAN III POSITION AND ONE INFORMATION SYSTEMS SPECIALIST POSITION TO STAFF THE DATA WAREHOUSE, CONTINGENT UPON APPROVAL OF THE DATA WAREHOUSE IN THE OTHER BUDGET. THE SUBCOMMITTEE DENIED A BIOSTATISTICIAN II POSITION BECAUSE THE JUSTIFICATION RECEIVED FROM THE HEALTH DIVISION DID NOT SUBSTANTIATE THE DIVISION'S ASSERTIONS THAT IT RECEIVES MANY HEALTH DATA ANALYSIS REQUESTS. THE SUBCOMMITTEE ALSO DENIED THE ADDITION OF A PUBLIC SERVICE INTERN POSITION AS PREMATURE FOR A NEW PROGRAM EFFORT.

CANCER CONTROL REGISTRY (101-3153)

THE SUBCOMMITTEE CONCURRED WITH THE ELIMINATION OF FEE INCREASES AND TWO EXISTING POSITIONS FROM THIS BUDGET BECAUSE THE DIVISION ADVISED THAT THE CANCER REGISTRY PROGRAM CAN CONTINUE ITS WORK EFFECTIVELY THROUGH THE UPCOMING BIENNIUM BY FUNDING SOME EXPENSES WITH THE FEDERAL NATIONAL CANCER PREVENTION AND CONTROL GRANT. IN ADDITION, THE DIVISION ADVISES THAT THE CANCER DATA COLLECTION WORKLOAD IS DECREASING, SO THE LOSS OF THE EXISTING POSITIONS WOULD NOT PRESENT A HARDSHIP FOR THE PROGRAM.

CONSUMER HEALTH PROTECTION (101-3194)

THE GOVERNOR'S AMENDED RECOMMENDATION ELIMINATED THE FEE INCREASES FOR INSPECTING AND CERTIFYING RESTAURANTS, FOOD PROCESSORS, SANITATION FACILITIES, AND OTHER TYPES OF PUBLIC FACILITIES. THE GOVERNOR'S AMENDED RECOMMENDATION WAS TO REPLACE THE LOST FEE REVENUE WITH GENERAL FUND APPROPRIATIONS, WHICH WOULD HAVE HAD AN IMPACT OF \$457,156 IN FY 2007-08 AND \$562,950 IN FY 2008-09. THE SUBCOMMITTEE DID NOT CONCUR WITH THE AMENDED RECOMMENDATION IN THE BUDGET, AND APPROVED REINSTATEMENT OF FEE INCREASES ACCORDING TO A REVISED FEE METHODOLOGY PRESENTED BY THE HEALTH DIVISION. THERE WAS NO GENERAL FUND ADDED TO THIS BUDGET AS A RESULT OF THE SUBCOMMITTEE'S CLOSING RECOMMENDATIONS.

IN ADDITION, THE SUBCOMMITTEE APPROVED FIVE NEW ENVIRONMENTAL HEALTH SPECIALIST POSITIONS TO PERFORM INSPECTIONS, AS WELL AS ONE MANAGEMENT ANALYST POSITION TO ASSIST WITH FISCAL MANAGEMENT DUTIES.

RADIOLOGICAL HEALTH (101-3101)

THE GOVERNOR'S AMENDED RECOMMENDATION ELIMINATED FEE INCREASES FOR VARIOUS TYPES OF INSPECTIONS PERFORMED AND LICENSES ISSUED BY RADIOLOGICAL HEALTH STAFF. FEE-GENERATING ACTIVITIES FOR THIS BUDGET INCLUDE REGULATING RADIOACTIVE MATERIALS USERS AND X-RAY MACHINES, AS WELL AS CERTIFYING MAMMOGRAPHY OPERATORS. THE AMENDMENT TO THE BUDGET WOULD HAVE REPLACED FEE REVENUE WITH GENERAL FUND APPROPRIATIONS IN THE AMOUNTS OF \$363,025 IN FY 2007-08 AND \$531,760 IN FY 2009. THIS BUDGET HAS HAD GENERAL FUND SUPPORT IN PREVIOUS BIENNIA, BUT THE 2003 LEGISLATURE ELIMINATED THE GENERAL FUND SUPPORT AND MOVED TO A SELF-SUPPORTING FEE STRUCTURE AS A RESULT OF RECOMMENDATIONS BY THE ADMINISTRATION'S DIVISION OF INTERNAL AUDITS IN 2003. THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S AMENDED RECOMMENDATION. INSTEAD, THE SUBCOMMITTEE APPROVED FEE INCREASES TO FUND THE ENHANCEMENTS THAT WERE APPROVED.

THE SUBCOMMITTEE APPROVED TWO NEW RADIATION CONTROL SPECIALISTS, TWO NEW RADIOLOGICAL STAFF SPECIALISTS, ONE NEW ADMINISTRATIVE AID FOR THE LAS VEGAS OFFICE, AS WELL AS ONE NEW PUBLIC SERVICE INTERN. THE RADIOLOGICAL PROFESSIONAL POSITIONS ARE TO ASSIST THE DIVISION IN KEEPING UP WITH THE INSPECTION AND LICENSURE WORKLOAD, AS WELL AS KEEP CURRENT WITH THE CHANGING REGULATIONS ON HANDLING NUCLEAR MATERIALS AND RESPONDING TO RADIOACTIVE INCIDENTS. THE SUBCOMMITTEE DENIED THE ADDITION OF ONE ADMINISTRATIVE AID POSITION BASED ON THE BUREAU HAVING SATISFACTORY RATIOS OF PROFESSIONAL POSITIONS TO ADMINISTRATIVE SUPPORT.

HEALTH FACILITIES HOSPITAL LICENSING (101-3216)

THE EXECUTIVE BUDGET ORIGINALLY RECOMMENDED THE ADDITION OF 17 NEW POSITIONS TO ADDRESS WORKLOAD DEMANDS FOR HEALTH FACILITY INSPECTORS, AS WELL AS PROVIDE GENERAL SUPPORT TO THE BUREAU OF LICENSURE AND CERTIFICATION WITHIN THE HEALTH DIVISION. HOWEVER, THE GOVERNOR SUBMITTED AN AMENDMENT REMOVING THE FEE INCREASES THAT WOULD HAVE FUNDED THE NEW POSITIONS AND THEREFORE RESCINDED HIS RECOMMENDATION OF THE NEW POSITIONS, AS WELL AS A RECOMMENDATION FOR INCREASED TRAVEL AND TRAINING FUNDING.

THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO ELIMINATE FEE INCREASES. INSTEAD, THE SUBCOMMITTEE RECOMMENDS THE ADDITION OF

NINE NEW POSITIONS FUNDED BY LICENSURE FEES. THE RECOMMENDED NEW POSITIONS INCLUDE SIX NEW HEALTH FACILITIES SURVEYORS, TWO NEW ADMINISTRATIVE ASSISTANTS, AND ONE MANAGEMENT ANALYST. THE TOTAL REQUIRED FEE REVENUE TO SUPPORT THE NEW STAFF IS \$778,151 IN FY 2008 AND \$978,971 IN FY 2009. IN ADDITION, THE SUBCOMMITTEE RECOMMENDS INCREASED FUNDING FOR TRAVEL AND TRAINING FOR BUREAU STAFF AS WELL AS TWO ADDITIONAL MONTHLY MOTOR POOL VEHICLES.

COMMUNITY HEALTH SERVICES (101-3224)

THE EXECUTIVE BUDGET RECOMMENDED GENERAL FUNDS IN LIEU OF FEES TO CONTINUE FIVE EXISTING COMMUNITY HEALTH NURSE POSITIONS. BASED ON THE RESPONSIBILITIES OF THESE POSITIONS, WORKLOAD, AND AVAILABILITY OF OTHER MEDICAL SERVICE PROVIDERS, THE SUBCOMMITTEE APPROVED TWO OF THE POSITIONS, FOR A GENERAL FUND SAVINGS OF \$233,586 IN FY 2008 AND \$255,190 IN FY 2009. THE SUBCOMMITTEE ALSO APPROVED ISSUANCE OF A LETTER OF INTENT INSTRUCTING THE HEALTH DIVISION TO REPORT TO THE IFC QUARTERLY ON THE DIVISION'S EFFORTS TO INCREASE CLIENT CHARGE REVENUES AND COUNTY PARTICIPATION FUNDING TO SUPPORT THE COMMUNITY HEALTH NURSING PROGRAM.

SEXUALLY TRANSMITTED DISEASE CONTROL (101-3215)

THE SUBCOMMITTEE RECOMMENDS GENERAL FUND APPROPRIATIONS OF \$1.77 MILLION IN FY 2008 AND \$1.83 MILLION IN FY 2009 TO SUPPORT HIV/AIDS MEDICATIONS FOR THE AIDS DRUG ASSISTANCE PROGRAM (ADAP). THIS REPRESENTS A SLIGHT INCREASE OVER THE FY 2006 ACTUAL AMOUNT OF \$1.75 MILLION. THE SUBCOMMITTEE RECOMMENDS THAT "BACK" LANGUAGE BE ADDED TO THE APPROPRIATIONS ACT PERMITTING THE HEALTH DIVISION TO REQUEST TO TRANSFER AIDS MEDICATION FUNDING BETWEEN YEARS OF THE UPCOMING BIENNIUM IF NECESSARY, WITH THE APPROVAL OF THE IFC. IN ADDITION, THE SUBCOMMITTEE RECOMMENDS ISSUANCE OF A LETTER OF INTENT STATING THAT IF THE HEALTH DIVISION REQUESTS SUCH A TRANSFER FROM THE IFC, THE DIVISION MUST CONSIDER IMPLEMENTATION OF CONTAINMENT MEASURES FOR THE ADAP.

IMMUNIZATION PROGRAM (101-3213)

THE EXECUTIVE BUDGET RECOMMENDED THE ADDITION OF TWO STATE POSITIONS (ONE HEALTH PROGRAM SPECIALIST AND ONE ADMINISTRATIVE ASSISTANT) AS WELL AS FUNDING FOR FOUR COUNTY-LEVEL POSITIONS (FOR CLARK AND WASHOE COUNTY HEALTH DISTRICTS) TO SUPPORT THE EXPANSION OF THE STATE'S IMMUNIZATION REGISTRY. THE GOAL OF THE EXPANSION EFFORT IS FOR ALL NEVADA VACCINES FOR CHILDREN PROVIDERS TO REPORT DATA ON THE IMMUNIZATIONS ADMINISTERED TO CHILDREN, AS WELL AS TO INCREASE THE IMMUNIZATION RATE OF CHILDREN AGED 0-2. THE SUBCOMMITTEE RECOMMENDS THE ADDITION OF THE STATE HEALTH PROGRAM SPECIALIST TO MANAGE THE REGISTRY EXPANSION EFFORT, AND THE SUBCOMMITTEE

RECOMMENDS ONE COUNTY-LEVEL HEALTH EDUCATOR POSITION EACH FOR BOTH CLARK AND WASHOE COUNTY HEALTH DISTRICTS. THE HEALTH EDUCATOR POSITIONS ARE TO PROVIDE OUTREACH AND TRAINING TO PROVIDERS ON THE IMMUNIZATION REGISTRY. THE SUBCOMMITTEE DID NOT APPROVE THE ADDITION OF THE ADMINISTRATIVE ASSISTANT POSITION, NOR DID IT APPROVE THE FUNDING TO PROVIDE COUNTY-LEVEL PROGRAM OFFICER POSITIONS FOR CLARK AND WASHOE HEALTH DISTRICTS. THE SUBCOMMITTEE APPROVED ISSUANCE OF A LETTER OF INTENT STATING THAT THE FUNDING PROVIDED TO CLARK AND WASHOE COUNTIES FOR IMMUNIZATION REGISTRY EFFORTS SHOULD NOT BE CONTINUED IN THE BASE BUDGET FOR THE 2009-11 BIENNIUM. FINALLY, THE SUBCOMMITTEE RECOMMENDS SPLITTING THE COST OF THIS ENHANCEMENT EQUALLY BETWEEN THE GENERAL FUND AND THE FEDERAL IMMUNIZATION GRANT. IN ALL, THE SUBCOMMITTEE'S RECOMMENDATIONS REPRESENT A GENERAL FUND SAVINGS OF \$659,702 FOR THE 2007-09 BIENNIUM OVER THE GOVERNOR'S RECOMMENDATIONS.

THE SUBCOMMITTEE ALSO APPROVED ONE NEW PUBLIC SERVICE INTERN POSITION IN THE IMMUNIZATION BUDGET.

FINALLY, THE HEALTH DIVISION ADVISES THAT BASED UPON THE UPDATED NEVADA CHECK UP CASELOAD AND FEDERAL MEDICAL ASSISTANCE PERCENTAGE FIGURES, THE NEED FOR TRANSFER OF VACCINATION FUNDING FROM CHECK UP (TITLE XXI) AND GENERAL FUND MATCH FOR THE CHECK UP FUNDING HAS DECREASED. THE SUBCOMMITTEE RECOMMENDS THAT THE BUDGET BE CLOSED WITH CHECK UP FUNDING OF \$1.82 MILLION IN FY 2008 AND \$1.87 MILLION IN FY 2009. THE GENERAL FUND MATCH FOR THAT FUNDING IS RECOMMENDED AT \$895,826 IN FY 2008 AND \$934,758 IN FY 2009. THE CLOSING ADJUSTMENTS REPRESENT A GENERAL FUND SAVINGS OF \$197,680 OVER THE BIENNIUM FROM THE GOVERNOR'S RECOMMENDATIONS.

EARLY INTERVENTION SERVICES (101-3208)

THE SUBCOMMITTEE CONCURS WITH THE GOVERNOR'S RECOMMENDATION TO FUND ADDITIONAL CASELOAD CAPACITY FOR EARLY INTERVENTION SERVICES FOR 79 ADDITIONAL CHILDREN IN FY 2008 AND 81 CHILDREN IN FY 2009. THE COST TO THE GENERAL FUND FOR THIS ENHANCEMENT IS \$689,474 IN FY 2008 AND \$706,929 IN FY 2009.

THE SUBCOMMITTEE ALSO CONCURS WITH THE GOVERNOR'S BUDGET REDUCTION PROPOSAL TO ELIMINATE 15 POSITIONS RECOMMENDED FOR THE BUREAU'S ADMINISTRATION AS WELL AS BILLING SUPPORT FOR REGIONAL CLINICS. ELIMINATION OF THIS DECISION UNIT REPRESENTS A GENERAL FUND SAVINGS OF \$630,889 IN FY 2008 AND \$779,606 IN FY 2009. FINALLY, THE SUBCOMMITTEE CONCURS WITH THE GOVERNOR'S RECOMMENDATION TO CONVERT 24.26 FTES FROM CONTRACTORS TO STATE EMPLOYEES, AT A GENERAL FUND SAVINGS OF \$140,796 IN FY 2008 AND \$100,514 IN FY 2009.

OTHER ACCOUNTS WITH NO MAJOR CLOSING ISSUES

THE SUBCOMMITTEE ALSO REVIEWED THE BUDGETS FOR ENVIRONMENTAL PUBLIC HEALTH TRACKING SYSTEM, RADIOACTIVE AND HAZARDOUS WASTE, COMMUNICABLE DISEASE CONTROL, MATERNAL AND CHILD HEALTH SERVICES, WIC FOOD SUPPLEMENT, EMERGENCY MEDICAL SERVICES, PUBLIC HEALTH TOBACCO FUND, AND PUBLIC HEALTH PREPAREDNESS PROGRAM. THE SUBCOMMITTEE RECOMMENDED THAT THESE ACCOUNTS BE CLOSED LARGELY AS RECOMMENDED BY THE GOVERNOR, WITH SOME TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN BUCKLEY MOVED APPROVAL OF THE CLOSING REPORT FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, HEALTH DIVISION.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

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Assemblywoman Kathy McClain, Assembly District No. 15, Chairwoman of the Joint Subcommittee on General Government read the following closing report for the Public Employees' Benefits Program into the record:

THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT REVIEWED THE RECOMMENDATIONS IN THE EXECUTIVE BUDGET AND TWO BUDGET AMENDMENTS REGARDING THE THREE BUDGET ACCOUNTS OF THE PUBLIC EMPLOYEES' BENEFITS PROGRAM. WITH THE EXCEPTION OF A PORTION OF ONE BUDGET AMENDMENT, THE SUBCOMMITTEE RECOMMENDED THAT THESE ACCOUNTS BE CLOSED AS RECOMMENDED BY THE GOVERNOR.

PUBLIC EMPLOYEES' BENEFITS PROGRAM (625-1338)

THE PROGRAM CONTINUES TO EXPERIENCE POSITIVE FINANCIAL RESULTS AND ANTICIPATES ENDING THE CURRENT BIENNIUM WITH BOTH THE IBNR (INCURRED BUT NOT REPORTED) CLAIMS LIABILITY AND THE RATE STABILIZATION/CATASTROPHIC RESERVE FULLY FUNDED, ALONG WITH EXCESS RESERVES OF \$44.3 MILLION. IN ORDER TO SPEND DOWN THE EXCESS RESERVE IN THE ACCOUNT, THE EXECUTIVE BUDGET OFFICE SUBMITTED A BUDGET AMENDMENT FOR A "PREMIUM HOLIDAY" FOR THE MONTH OF JULY 2007. A PREMIUM HOLIDAY WAS RECOMMENDED RATHER THAN A REDUCTION IN THE PREMIUM RATES IN ORDER TO MITIGATE THE EFFECT OF ONE-TIME REDUCTIONS ON FUTURE RATE INCREASES. THE HOLIDAY WOULD APPLY TO ALL PARTICIPANTS IN THE PROGRAM, INCLUDING THE STATE CONTRIBUTION, ACTIVE AND RETIREE DEDUCTIONS, AND CONTRIBUTIONS MADE ON BEHALF OF LOCAL GOVERNMENT PARTICIPANTS, WHILE RESERVING THE EXCESS RECEIVED THROUGH THE RETIRED EMPLOYEE GROUP INSURANCE ASSESSMENT TO ASSIST WITH PRE-FUNDING OF THE LIABILITIES CREATED BY THE RETIREE SUBSIDY. ELIMINATION OF ONE MONTH OF PREMIUM COLLECTIONS WOULD REDUCE

REVENUES IN THE PROGRAM BY APPROXIMATELY \$22.1 MILLION IN FY 2007-08 AND WOULD REDUCE STATE CONTRIBUTIONS BY APPROXIMATELY \$13.9 MILLION, WHICH WOULD RESULT IN GENERAL FUND SAVINGS, SPREAD THROUGHOUT THE GENERAL FUND BUDGET ACCOUNTS, OF APPROXIMATELY \$8.8 MILLION IN FY 2007-08.

THE SUBCOMMITTEE APPROVED THE PREMIUM HOLIDAY ALONG WITH THE BALANCE OF THE ACCOUNT AS RECOMMENDED BY THE GOVERNOR. THESE RECOMMENDATIONS INCLUDED AN EXPANSION OF THE CARDIAC WELLNESS AND DISEASE MANAGEMENT PROGRAM, ENHANCED COMMUNICATION EFFORTS AND QUARTERLY AUDITS OF THE ENROLLMENT AND ELIGIBILITY SYSTEMS. THESE RECOMMENDATIONS ANTICIPATE SPENDING-DOWN THE EXCESS RESERVES OVER THE UPCOMING BIENNIUM, LEAVING THE IBNR FULLY FUNDED AT \$29.7 MILLION AND THE RATE STABILIZATION/CATASTROPHIC RESERVE FUNDED AT \$28.5 MILLION.

RETIRED EMPLOYEE GROUP INSURANCE (680-1368)

FOR THE RETIRED EMPLOYEE GROUP INSURANCE ACCOUNT, THE GOVERNOR RECOMMENDED THAT THE CURRENT PROGRAM OF INSURANCE BE CONTINUED WITHOUT ANY BENEFIT CHANGES AND FURTHER RECOMMENDED \$25 MILLION, FROM A COMBINATION OF ALL REVENUE SOURCES, BE PLACED IN AN IRREVOCABLE TRUST FUND FOR PARTIAL PRE-FUNDING OF THE GASB LIABILITIES FOR RETIREE HEALTH INSURANCE IN EACH YEAR OF THE UPCOMING BIENNIUM. THE CREATION OF THIS TRUST FUND IS INCLUDED IN SENATE BILL 547, WHICH IS CURRENTLY IN THE SENATE COMMITTEE ON FINANCE AND WILL NEED TO BE PROCESSED TO IMPLEMENT THIS RECOMMENDATION. THE BUDGET OFFICE PROVIDED A BUDGET AMENDMENT RECOMMENDING THAT THE INVESTMENTS OF THE TRUST FUND BE MANAGED BY A NEWLY-CREATED INVESTMENT OFFICER POSITION AT PEBP. THE SUBCOMMITTEE DID NOT APPROVE THAT PORTION OF THE AMENDMENT, BUT RATHER RECOMMENDED THAT THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM MANAGE THE INVESTMENTS OF THE TRUST FUND THROUGH THE RETIREMENT BENEFITS INVESTMENT BOARD AND THE RETIREMENT BENEFITS INVESTMENT FUND CREATED IN SENATE BILL 457.

WITH THE RECOMMENDED \$25 MILLION EACH YEAR, COMBINED WITH THE INTEREST AND INVESTMENT EARNINGS AND THE PREMIUM HOLIDAY, THE TRUST FUND SHOULD END THE BIENNIUM WITH A BALANCE OF APPROXIMATELY \$57.1 MILLION.

ACTIVE EMPLOYEES' GROUP INSURANCE (625-1390)

THE ACTIVE EMPLOYEES' GROUP INSURANCE ACCOUNT WAS APPROVED AS RECOMMENDED BY THE GOVERNOR AND AMENDED BY THE PREMIUM HOLIDAY.

THE RECOMMENDED MONTHLY STATE CONTRIBUTION AMOUNTS FOR THE ACTIVE EMPLOYEES FOR THE UPCOMING BIENNIUM ARE \$557.30 FOR FY 2007-08 AND \$626.16 FOR FY 2008-09, COMPARED TO THE RATE FOR THE CURRENT YEAR OF \$500.20. THE RECOMMENDED MONTHLY BASE RETIREE SUBSIDY AMOUNTS FOR THE UPCOMING BIENNIUM ARE \$365.34 FOR FY 2007-08 AND \$410.48 FOR FY 2008-09,

COMPARED TO THE RATE FOR THE CURRENT YEAR OF \$336.97.
THE LEGISLATION NECESSARY TO ESTABLISH THESE RATES
HAS BEEN REQUESTED FOR INTRODUCTION BY THE ASSEMBLY
COMMITTEE ON WAYS AND MEANS.

Assemblywoman McClain commended Leslie Johnstone, Executive Officer of the Public Employees' Benefits Program, for her hard work and competence in preparing the agency's budget.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF THE CLOSING
REPORT FOR THE PUBLIC EMPLOYEES BENEFITS PROGRAM.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

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Chairman Arberry recessed the meeting at 10:28 a.m. and reconvened the meeting at 10:43 a.m.

Washington Office (101-1011)
EBO Page ELECTED-9

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), commented regarding the budget closing of the Washington Office, BA 1011. Mr. Stevens said that staff had no recommendations in BA 1011. The funding for the office was at the same level as it was currently funded in each year of the biennium.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF BUDGET
ACCOUNT 1011 AS RECOMMEND BY THE GOVERNOR.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

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

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W.I.C.H.E LOAN & STIPEND (614-2681)
EBO Page WICHE-1

Mindy Martini, Program Analyst, Fiscal Analysis Division, LCB, stated that the first major issue in BA 2681 concerned student fees. The Executive Budget recommended revenue for student fees at \$18,800 in each fiscal year of the 2007-09 biennium. Ms. Martini said that was a 60.6 percent decrease in each fiscal year from the actual amount collected in FY 2005-06 of \$47,700. Staff worked with the agency to consider reprojections for student fees. Ms. Martini said the agency had indicated that it could increase fees to \$25,000 in each fiscal year of the biennium. Staff made that adjustment which reduced General Fund by \$6,200 in each fiscal year of the 2007-09 biennium. Ms. Martini said the request appeared reasonable to staff.

Ms. Martini said the second issue in BA 2681 concerned the transfer of legislatively approved slots that were not filled. In working with the agency, staff noted that for professional slots that did not have a sufficient applicant

pool, the agency transferred the unfilled slots to other legislatively approved professional slot areas where additional slots could be utilized. Ms. Martini said the issue was recently discovered when it became difficult for staff to monitor the continuing slots across the years. The agency did note that the transfer of slots occurred only with legislatively approved professional slot fields, not additional ones. Ms. Martini said if the Committee supported the policy of WICHE to transfer unfilled slots the Committee might issue a letter of intent to WICHE requesting the agency notify staff of any change from the number of slots per field approved by the Legislature. That information would be transmitted to the Interim Finance Committee (IFC) on a semiannual basis.

Ms. Martini said another issue in BA 2681 concerned the veterinary medicine slots. The 2005 money committees approved five veterinarian slots for each fiscal year of the 2005-07 biennium. The Executive Budget recommended continuing only four of the five slots in the base budget for Veterinary Medicine, saving General Fund in the amount of \$26,300 in FY 2008 and \$54,400 in FY 2009. Ms. Martini said the most recent reductions submitted by the Governor's Office requested an additional Veterinary Medicine slot be eliminated in FY 2008-09, saving additional General Fund of \$27,200 in FY 2008-09.

Ms. Martini explained that should the Committee approve the reduction of one Veterinary Medicine slot in FY 2007-08, as originally included in The Executive Budget, four new slots would continue in each fiscal year of the 2007-09 biennium. She also said that should the Committee approve an additional reduction of one Veterinary Medicine slot in FY 2008-09 as recommended by the Governor, four new slots would continue in FY 2007-08 and three new slots in FY 2008-09.

The fourth issue in BA 2681 concerned physician assistant slots. Ms. Martini said the Governor recommended a new program in which Banner Hospital in Fallon would match state funds for one physician assistant slot in return for a two-year commitment to work at Banner Hospital. The cost of the new program would be \$5,250 in FY 2007-08 and \$10,900 in FY 2008-09. Ms. Martini said the agency had not received the letter of support for the collaboration that could be provided to staff. Ms. Martini said the agency had indicated the program would be similar to the University Medical Center (UMC) program that had been approved in the 2005 session for a matching grant program for nurses. Ms. Martini said the UMC had ultimately not participated in the program. Because the agency was unable to obtain a letter of support from Banner Hospital, staff recommended approval be contingent upon receipt of an agreement with Banner Hospital. Ms. Martini noted that if an agreement could not be reached, funds should be reserved for reversion to the General Fund.

The fifth major issue in BA 2681 dealt with the nursing loan repayment program. The Governor recommended \$14,000 in FY 2008 and \$14,500 in FY 2009 to continue the program with five new slots in each year. The program was approved by the 2005 Legislature with the University Medical Center (UMC). Because UMC decided not to participate in the program, WICHE continued the program by providing state funding for a one-year commitment, instead of a two-year commitment. Ms. Martini said the program had been successful and was able to continue without matching funds from UMC.

ASSEMBLYWOMAN LESLIE MOVED TO APPROVE ADDITIONAL STUDENT FEES IN THE AMOUNT OF \$25,000 IN EACH FISCAL YEAR OF THE BIENNIUM; APPROVE WICHE POLICY OF TRANSFERRING UNFILLED SLOTS TO PROFESSIONAL AREAS WHERE SLOTS COULD BE UTILIZED, WITH THE CONDITION THE

AGENCY INFORM THE INTERIM FINANCE COMMITTEE ON A SEMIANNUAL BASIS; APPROVE THE REDUCTION OF TWO VETERINARY SLOTS; APPROVE FUNDING FOR THE BANNER HOSPITAL MATCHING PROGRAM FOR PHYSICIAN ASSISTANTS CONTINGENT UPON RECEIPT OF AN AGREEMENT WITH BANNER HOSPITAL; AND APPROVE THE CONTINUING FUNDING FOR THE NURSING LOAN REPAYMENT PROGRAM.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

Assemblyman Marvel asked what the total number of veterinarian slots would be, and Ms. Martini responded there would be four new slots in FY 2007-08 and three new slots in FY 2008-09. Ms. Martini noted there were continuing veterinarian slots as well.

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

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Ms. Martini referred to decision units E400, dental slots. According to the agency during FY 2006, WICHE was contacted by the Nevada Dental Association (NDA) to work on a collaborative project to provide dental services to oral health clinics in Nevada. The decision unit would provide loan repayment funds to UNLV dental graduates to work in clinics. The Committee had inquired whether there would be matching funds, and Ms. Martini informed the Committee there were no matching funds from the NDA; however, the NDA was in support of the program. Ms. Martini said the request appeared reasonable to staff.

In decision unit E403, The Executive Budget recommended adding two slots in FY 2009 for a new out-of-state dental lab technician program at a cost of \$5,800. Ms. Martini explained that dental labs were where dental appliances, such as crowns, bridges, and dentures were made for consumers. As there was no education program in Nevada for certified dental lab technicians, staff said the request appeared reasonable.

Ms. Martini said in decision unit E405 the Governor recommended adding one new federal matching Mental Health slot in each fiscal year of the biennium at a cost of \$2,000 in FY 2007-08 and \$4,100 in FY 2008-09, which would be one new slot and a continuing slot. As noted, federal matching grant funds for Mental Health had not been reduced by the federal government. Ms. Martini said those slots had been consistently filled in the past, and the request appeared reasonable to staff.

In decision unit E402 The Executive Budget recommended \$12,000 in FY 2008-09 for two new slots for a new loan repayment program for teachers who were certified to teach deaf and hearing-impaired students. Ms. Martini noted there were no hearing-impaired teaching programs in Nevada, and teachers would be sought from out-of-state. The request appeared reasonable to staff.

In response to a question from Chairman Arberry, Ms. Martini said there was no program in Nevada to certify teachers to teach deaf and hearing-impaired students.

Ms. Martini continued her presentation with decision unit E404. The Governor recommended adding two new slots in FY 2008-09 for a new out-of-state clinical lab scientist program at a cost of \$5,450. The scientists performed the clinical laboratory procedures necessary for the diagnosis and treatment of patients. Ms. Martini stated it was a loan repayment program and appeared reasonable to staff.

Ms. Martini provided additional information regarding delinquent accounts. Updated information received from WICHE showed that the number of delinquent accounts was 24, and the amount of funds referred to collections was \$502,442. Of that amount, \$306,141 was being sought through litigation. Ms. Martini said the fields with the highest delinquencies were veterinary medicine at \$235,615, dentistry at \$141,100, and law at \$33,485, with the remaining delinquencies across the remaining fields.

Assemblywoman Smith noted that S.B. 357 (R1) had been passed which dealt with interest rates for WICHE loans and asked whether the bill had any effect on those delinquent accounts. Ms. Martini responded that she did not believe so.

ASSEMBLYWOMAN LESLIE MOVED TO APPROVE DECISION
UNITS E400, E403, E405, E402, AND E404 AS RECOMMENDED
BY STAFF.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

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

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W.I.C.H.E ADMINISTRATION (101-2995)
EBO Page WICHE-5

Mindy Martini, Program Analyst, Fiscal Analysis Division, LCB, explained that BA 2995 provided for the costs of administering WICHE funds for stipend payments and loans paid out of BA 2681. Major closing issues in BA 2995 concerned a new half-time program officer 1 position for the Las Vegas area and classified position reclassifications.

Ms. Martini stated The Executive Budget recommended General Fund of \$37,648 in FY 2008-09 to fund a .51 full-time equivalent (FTE) program officer with related costs to be located in the Las Vegas area. The office for the new position would be located, free of charge, at the Community College of Southern Nevada (CCSN). Ms. Martini noted that the cost of the position would double in the next biennium because the position was only funded in the second year of the 2007-09 biennium.

Ms. Martini stated the mission of the new position would be to increase the number of applicants from Las Vegas and surrounding areas. The agency had provided data for the Committee which stated that out of 304 applications received over the past three years, 59 percent of the applications came from Washoe County, 28 percent were received from the Las Vegas area, and 13 percent from the rural areas of Nevada.

The Committee had questioned whether WICHE had considered transferring one of its current positions to southern Nevada. The agency had indicated that outreach services would increase in the south if that happened, but outreach services in the north would probably decrease.

The Committee also questioned the appropriateness of the job classification being for a program officer since it did not appear the position would have any supervisory responsibilities. Ms. Martini said the agency indicated the Department of Personnel had reviewed the proposed position, and the position would be overseeing the work of volunteers and interns. The Department of Personnel had recommended the position be a program officer. The Committee had also questioned whether there would be a decrease in the need for in-state travel if the position was approved. Ms. Martini said the agency indicated there would be no decrease in FY 2008-09; however, in future biennia there would be a decrease in in-state travel.

Ms. Martini stated that staff had reduced some costs for furniture because the CCSN would provide it free of charge.

Assemblywoman Leslie commented that she had some strong feelings regarding this item as the Chairwoman of the Audit Subcommittee. She said she fully understood that a presence was needed in southern Nevada, but in her opinion one of the three current positions should be transferred.

ASSEMBLYWOMAN LESLIE MOVED TO NOT APPROVE THE
ADDITION OF ONE HALF-TIME PROGRAM OFFICER POSITION IN
DECISION UNIT E325 AND MOVE ONE CURRENT PROGRAM
OFFICER POSITION TO SOUTHERN NEVADA.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

Assemblywoman Leslie commented that this should not be a shock to the agency as it had been suggested several times to move a current position to the southern Nevada area. Ms. Martini said the agency had related to her that one of the hardships of moving a position was that if the director and the accountant were gone at the same time, it was difficult to staff the northern office.

Assemblywoman Weber requested clarification on what duties the three current positions performed. Ms. Martini stated there was a director who traveled the State, the program officer position, who would likely be required to move to Las Vegas, and an accounting position which maintained records. Ms. Weber asked if there had ever been an outreach position in southern Nevada, and Ms. Martini responded that a volunteer position had been attempted, but funding was not available, so the position was not retained. The positions in the north traveled to the south and attempted to visit as many college fairs as possible, but staff was unable to visit the high schools, which was why the position was requested.

Assemblyman Denis commented that if the agency was having difficulty staffing the north, perhaps the director should be moved to the south.

THE MOTION PASSED WITH ASSEMBLYWOMAN WEBER VOTING
NO. (Assemblyman Hardy was not present for the vote.)

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Ms. Martini explained that decision unit E805 dealt with classified positions reclassifications. The Executive Budget recommended \$9,384 in FY 2008 and \$10,392 in FY 2009 to reclassify the current program officer 1 to a program officer 2. The reclassification was dependant upon approval of the requested position that had not been approved. Ms. Martini said the reclassification could not occur because the program office position would have no one to supervise.

The Department of Personnel had performed a formal desk audit and had approved the upgrade of the accounting assistant 3 position to an account technician 1, dependant on the approval of the Committee. Ms. Martini said the upgrade would cost \$4,511 in FY 2007-08 and \$4,898 in FY 2008-09. Staff recommended approval.

Ms. Martini stated there were other closing items in BA 2995 such as a new loan program vendor. The Executive Budget reflected \$6,000 per year for a contract with Education Computer Systems, Inc. (ECSI), which was a full-service vendor in the area of loan management. The \$6,000 per year was for monthly program fees from the vendor of \$500 per month for the provision of services to WICHE.

The Executive Budget recommended \$1,587 in each fiscal year to send the program officer 1 to the annual Certifying Officers' meeting along with the executive director. Ms. Martini said regional WICHE had requested that both positions attend the meeting.

Ms. Martini said the Governor recommended the purchase of miscellaneous office equipment in the amount of \$700 for each year of the biennium. Staff had reduced it to \$400 in each year of the biennium.

Decision unit E813 concerned an equity adjustment to be determined by the committee established to review unclassified salaries.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF THE NEW LOAN PROGRAM VENDOR CONTRACT; DECISION UNIT E400, FOR OUT-OF-STATE TRAVEL; DECISION UNIT E710, FOR REPLACEMENT EQUIPMENT AS ADJUSTED BY STAFF; AND THE RECLASSIFICATION OF THE ACCOUNTING ASSISTANT 2 TO AN ACCOUNT TECHNICIAN 1.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

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

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TOURISM DEVELOPMENT FUND
COMMISSION ON TOURISM (225-1522)
EBO Page ECON DEV & TOURISM-23

Mindy Martini, Program Analyst, Fiscal Analysis Division, LCB, explained that based upon a request from the Committee at a previous budget hearing, the Commission had prioritized each of its decision units.

Ms. Martini said the issue concerned revenue projections and the reserve. The Governor recommended room tax receipts at \$20.1 million in FY 2007-08 and

\$21.7 million in FY 2008-09. The agency had indicated that it continued to support the revenue projections included in The Executive Budget. Ms. Martini said the Fiscal Analysis Division had also provided updated projections for room tax receipts. For FY 2008 the Fiscal Analysis Division projected \$20.3 million, and for FY 2009 the Fiscal Analysis Division projected \$22.3 million. For FY 2007, the Fiscal Analysis Division and the Commission on Tourism projections for room tax receipts were very similar, with only a \$312 difference. For FY 2008, the Fiscal Analysis Division's projections were higher by \$212,459, and in FY 2009, the Fiscal Analysis Division's projections were higher by \$669,825.

Ms. Martini stated that The Executive Budget recommended the balance forward in FY 2007-08 at \$2.9 million. Based upon updated projections from the Commission, and supported by the projections of the Fiscal Analysis Division, there would be an additional \$1.44 million of room tax collections that would balance forward to FY 2007-08. Ms. Martini said those additional revenues had historically been utilized for one-time projects in State Parks, Cultural Affairs, and other agencies.

In addition to the increase in the balance forward, the Commission submitted a request on April 30, 2007, indicating that the agency was expecting to have an additional \$136,494 in unspent funds in FY 2006-07. Ms. Martini said rather than balance forward those unspent funds to reserve in FY 2008, the agency wanted to increase the funds for the agency's POW WOW event described in decision unit E177. Ms. Martini said the agency noted that one month's expenses for the Commission were approximately \$1.7 million. The Governor recommended the budgeted reserve level at \$1.13 million in FY 2007-08 and \$1.28 million in FY 2008-09. An additional \$570,000 would be required in FY 2007-08 to increase the budgeted reserve to a 30-day level.

Assemblywoman Leslie asked staff whether the balance forward had been used in the past to offset General Funds.

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, LCB, replied that if there were additional room tax revenues, over and above what had been recommended in the Governor's budget, it had been used in cultural affairs areas, such as museums or state parks.

In response to a question from Assemblywoman Leslie, Ms. Martini explained that the POW WOW event had not been held in Las Vegas for 20 years.

Chairman Arberry requested an explanation of the priorities under the major closing issues in BA 1522. Ms. Martini explained that only enhancement units were prioritized; other items listed as major closing issues had not been prioritized, but were still important items requested in the budget. Chairman Arberry stated that he wanted the Reno-Tahoe Winter Games removed from BA 1522 because he believed it would never happen.

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, LCB, commented that the Committee could remove the Reno-Tahoe Winter Games from BA 1522, but unless the Committee wanted to address that issue immediately, the revenue projections and reserve were being discussed. Mr. Stevens said the questions were whether the Committee wanted to approve the room tax revenue projection of the Fiscal Analysis Division or the Tourism Division; increase the reserve level, which would require approximately \$570,000 to reach a 30-day reserve; and, allow the Division to utilize the additional \$136,494 balance forward in unspent funds for the POW WOW conference.

ASSEMBLYWOMAN LESLIE MOVED TO APPROVE THE ROOM TAX REVENUE PROJECTION AS DETERMINED BY THE FISCAL ANALYSIS DIVISION; INCREASE THE RESERVE LEVEL IN BA 1522 BY \$570,000; AND UTILIZE THE \$136,494 BALANCE FORWARD FOR THE POW WOW CONFERENCE.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

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

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Ms. Martini referred to decision unit E175, Media/Promotion Growth, which was the agency's first priority. The Executive Budget recommended authority of approximately \$4.3 million in FY 2008 and approximately \$4.3 million in FY 2009 to increase funding for media and promotional activities.

The first element included within the decision unit was a full-time project analyst 2 at a cost of \$85,430 in FY 2008 and \$88,945 in FY 2009 to support the salary benefits of the new position. Ms. Martini said the position would be a marketing specialist, who would report to the senior marketing manager for the agency. The position would begin in July 2007. The agency indicated that the marketing department currently had one position, the senior marketing manager.

Ms. Martini said the second part of decision unit E175 concerned increased collateral and postage. The Governor recommended \$1.1 million in each fiscal year of the 2007-09 biennium to increase collateral mailings, which included printing of collateral as well as mailing. Ms. Martini pointed out with regard to outside postage, if the Governor-recommended inflation was approved, outside postage would total \$1.7 million in each fiscal year of the 2007-09 biennium.

The agency indicated that postage increases had averaged 6 to 8 percent over the past four years and its postal consolidator had advised the agency to expect a 10 percent increase for postage in each year of the 2007-09 biennium. Ms. Martini said that inflation for postage had not been built into other agency budget accounts.

Ms. Martini said the third part of decision unit E175 concerned contracts. The Executive Budget recommended \$3.1 million in each fiscal year of the 2007-09 biennium for new or expanded contracts.

ASSEMBLYWOMAN LESLIE MOVED TO APPROVE THE NEW MARKETING SPECIALIST POSITION, FUNDING FOR PRINTING COSTS ASSOCIATED WITH COLLATERAL AND MAILING, AND \$3.1 MILLION IN EACH FISCAL YEAR OF THE BIENNIUM FOR NEW OR EXPANDED CONTRACTS.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

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

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Ms. Martini stated the agency's second priority concerned decision unit E177, international markets. The Executive Budget recommended funding of \$711,824 in FY 2008 and \$519,023 to FY 2009 to expand Nevada's representation in international markets, including China, Mexico, Canada, and India.

The first concern was a new international specialist, according to Ms. Martini. The Governor recommended funding of \$85,430 in FY 2008 and \$88,945 in FY 2009 to support the new position. Ms. Martini said the position would focus on, but not be limited to, developing the Canadian and Latin American markets. The position would also be bilingual in Spanish. The agency indicated it would begin recruiting immediately, and the position could be filled in July 2007. Ms. Martini pointed out that the agency currently had an international tour and travel manager position.

Ms. Martini said the other issue in decision unit E177 was Out-of-State Travel and registration fees to promote international markets. The Governor recommended \$12,500 in each fiscal year for additional Out-of-State Travel and an additional \$26,500 in each fiscal year for registration fees for trade shows for the international market. The agency had prioritized funding for Out-of-State-Travel and the associated registration fees.

Assemblywoman Leslie commented that she was not persuaded that much tourism would be coming from India. Ms. Martini explained that the travel associated with India was tied to the request for a representative office in India.

Ms. Leslie wondered whether the two were combined so that if the India office was not approved, the travel budget for India would be disapproved as well. Ms. Martini said she did not believe the two issues were combined so as to be inseparable.

Chairman Arberry asked if the agency had performance indicators to show whether the existing offices were producing results. Ms. Martini said the office in China had been presented as being very beneficial, and Nevada was the only state that currently was allowed to have an office in China. Ms. Martini said the offices in India and Mexico would be new offices.

Chairman Arberry asked whether the requested international specialist position would be handling all of the offices that were approved. Ms. Martini replied that was correct.

Assemblywoman McClain commented that in the 2005 Legislative Session the request for an office in Mexico City, Mexico had not been approved.

In response to a question from Chairman Arberry, Mr. Stevens explained that the Committee could hold the international specialist position decision until after other decisions were made regarding the host fund and the international offices requested in decision unit E177.

Chairman Arberry requested that Ms. Martini continue with the presentation.

Assemblywoman Koivisto commented that the request was a duplication of effort because the Las Vegas Convention and Visitors Authority (LVCVA) was spending millions of dollars to market Las Vegas and Nevada worldwide.

Ms. Martini stated the Governor recommended \$175,000 in FY 2007-08 for the host fund for familiarization tours and other events associated with the Travel

Industry Association of America's POW WOW conference to be held in Las Vegas. Ms. Martini noted that the Committee had voted to allow \$136,494 in unspent funds during FY 2006-07 to be balanced forwarded to the E177 decision unit for additional support for the POW WOW event. The Governor also recommended \$10,000 in each year of the biennium to allow the agency to host an Outbound Travel Market Annual Sales Seminar and Reception as well as \$1,000 each year to allow the new international specialist position to participate in familiarization tours.

Ms. Martini stated the agency was requesting \$294,900 in each fiscal year of the 2007-09 biennium to maintain the office in China. The actual expenditures for the China office in FY 2005-06 were \$243,924. In addition to the funds to maintain the office in China, funding of \$44,186 in FY 2008 and \$36,396 in FY 2009 for additional advertising and public relations costs in China was also requested. Ms. Martini noted that the agency currently had \$155,814 in FY 2008 and \$163,604 in FY 2009 in its base budget to support international advertising and public relations needs.

The agency was requesting funding of \$100,000 in each fiscal of the 2007-09 biennium for an office in India. Ms. Martini said there was no United States tourism entity with a presence in India, including the LVCVA.

Ms. Martini explained that The Executive Budget recommended \$100,000 in each year of the biennium to fund a partnership with the LVCVA for a representative office in Mexico. The agency had made the request during the 2005 Legislative Session and the request was denied.

Ms. Martini said that for Taiwan, the Governor had recommended \$12,000 in each year of the biennium to fund an electronic distribution of a Nevada newsletter to Taiwanese tour operators and media at a cost of \$1,000 per month. The newsletter would be sent to 600 different tour operators, travel agencies, and travel media. Staff pointed out that expenditures appeared to be excessively high for an electronic newsletter.

Assemblywoman Buckley stated she had no concern with the distribution of an electronic newsletter to tour operators and media in Taiwan and believed it was a good market for Nevada. Her only question was regarding the cost, as she agreed with staff that \$12,000 per year seemed somewhat high. Ms. Buckley asked if translation for the newsletter could be a factor in the cost. Ms. Martini replied that staff had not been provided with that information.

Chairman Arberry commented that the office in Mexico had not been approved in the previous session, and the agency was seeking approval for not only an office in Mexico, but India as well.

ASSEMBLYWOMAN BUCKLEY MOVED TO DELETE THE REQUEST FOR AN OFFICE IN MEXICO AND AN OFFICE IN INDIA FROM DECISION UNIT E177 WITH THE PROVISION THAT THE COMMISSION ON TOURISM SUBMIT THE REQUEST FOR THE OFFICES IN THE 2009 LEGISLATIVE SESSION ALONG WITH JUSTIFICATION FOR THE ESTABLISHMENT OF THOSE OFFICES.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

Assemblyman Denis asked whether the agency would be able to market Nevada to those countries without a presence in the country, and Chairman Arberry replied that the agency would.

Assemblyman Parks asked whether there were other international specialist positions in the agency, and Ms. Martini replied there was an existing international tour and travel manager. The new position would be the second position tied directly to international travel.

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

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Mr. Stevens commented that the Committee had taken no action regarding the international specialist position or the host fund.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF THE NEW INTERNATIONAL SPECIALIST POSITION AS WELL AS OUT-OF-STATE TRAVEL FUNDING FOR MEXICO CITY, CANADA, AND THE UNITED STATES.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

Assemblywoman Gansert commented that she was supporting the international specialist position because that could be a way to testmarket programs at a less expensive rate, and next session, the Committee could consider expanding the program.

Chairman Arberry said his concern regarding the position was the bilingual requirement because it would limit the candidates.

Ms. Buckley suggested stating that languages, including Spanish were preferred, but not required.

Mr. Denis opined that if the emphasis was going to be on marketing in Mexico and Latin America, the preference would be to have someone in the position that spoke Spanish.

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

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Assemblywoman Buckley said she would support additional funding for the host fund, but noted there was already \$29,122 in base authority for host funds and wondered how that related to the additional amount that had been requested.

Ms. Martini explained there was a base amount of approximately \$29,000. The \$175,000 for the host fund for the POW WOW was for a one-time event in FY 2008. There would be \$11,000 in each year of the biennium for the Out-Bound travel market, which was an annual seminar.

Ms. Buckley asked if staff believed \$175,000 was reasonable in light of what was being provided to the agents.

Ms. Martini asked the Committee to note that it had approved an additional \$136,000 in balance forward funds in addition to the \$175,000.

ASSEMBLYWOMAN BUCKLEY MOVED TO NOT APPROVE \$175,000 FUNDING FOR THE HOST FUND TO BE USED FOR THE POW WOW TO BE HELD IN LAS VEGAS IN FY 2007-08.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

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

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ASSEMBLYWOMAN LESLIE MOVED TO APPROVE FUNDING FOR INCREASED ADVERTISING EFFORTS IN CHINA AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

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

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Assemblywoman Buckley said an electronic newsletter was probably a good idea but was concerned about staff's indication that the cost was excessive.

Ms. Martini replied that the cost appeared high because it was an electronic newsletter, but had no idea how that cost could be reduced.

Tim Maland, Director, Commission on Tourism, stated that the \$12,000 requested for the electronic newsletter that the agency intended to distribute in Taiwan, would be used for the cost of design, translation, and database management.

Assemblyman Denis asked whether an outside source would be implementing the electronic newsletter, and Mr. Maland replied that was correct.

ASSEMBLYWOMAN BUCKLEY MOVED APPROVAL OF FUNDING FOR THE DISTRIBUTION OF AN ELECTRONIC NEWSLETTER TO TAIWAN.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

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Ms. Martini said decision unit M101, inflationary increases, was the next matter to be presented to the Committee. The Governor recommended \$333,641 in FY 2008 and \$365,644 in FY 2009 for agency-specific inflationary increases in promotion and advertising.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF DECISION UNIT M101 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

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

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Ms. Martini said decision unit E179 was the enhanced website. The Governor recommended \$100,000 in FY 2009 to obtain contractual services with Charles Ryan and Associates to improve the Commission's website. Ms. Martini explained the funding would include \$10,000 for integration of video into the website, \$30,000 for integration of Really Simple Syndication (RSS) feeds into the website, and \$60,000 for development of a module that would enable tourism partners statewide to contribute content to the Commission's website.

ASSEMBLYWOMAN BUCKLEY MOVED APPROVAL OF DECISION UNIT E179 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

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Ms. Martini addressed the Reno-Tahoe Winter Games grant and stated that the Governor recommended funding of \$125,000 in each fiscal year of the biennium to help support the functions and activities associated with the Reno-Tahoe Winter Games Coalition. The agency noted that \$60,000 in FY 2007 would not be spent by the Coalition and was requesting that unspent funding be balance-forwarded into FY 2009. Ms. Martini requested the Committee note that the funding had been commingled with other revenues sources.

Chairman Arberry commented that the Legislature had been approving the funding for many years, and he believed it was time to stop as there had been no results.

ASSEMBLYMAN PARKS MOVED TO NOT APPROVE THE BALANCE FORWARD OF UNSPENT FUNDS AND TO NOT APPROVE RECOMMENDED FUNDING OF \$125,000 FOR THE RENO-TAHOE WINTER GAMES COALITION.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

THE MOTION PASSED WITH ASSEMBLYWOMAN GANSERT AND ASSEMBLYMAN MARVEL VOTING NO. (Assemblyman Hardy was not present for the vote.)

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Ms. Martini stated the Governor recommended funding of \$10,800 in each fiscal year of the 2007-09 biennium for Out-of-State Travel for trips that were planned in FY 2006-07 but not taken due to scheduling conflicts. Ms. Martini noted that the authority for Out-of-State Travel would total \$124,740 in each fiscal year of the biennium, which represented a 25 percent increase in funds if approved by the Committee.

In decision unit E710, the Governor recommended funding of \$91,575 in FY 2008 and \$11,795 in FY 2009 for replacement equipment such as computers. Ms. Martini said there was also a request for a replacement vehicle. The agency currently had a 2000 GMC van with an odometer reading of 49,374 miles, and the cost to replace the vehicle was \$52,414. The agency indicated the existing van was not well suited to long trips for familiarization tours.

Decision unit E178 concerned parks and museums marketing. Ms. Martini said The Executive Budget recommended funding of \$198,000 in FY 2007-08 and \$171,500 in FY 2008-09 to promote Nevada's state parks and museums through printed materials and media advertising.

The Executive Budget recommended \$27,650 in each fiscal year of the 2007-09 biennium for training of staff.

Decision unit E720, new equipment, requested funding of \$2,311 in FY 2007-08 and \$800 in FY 2008-09 for new computer equipment.

Assemblywoman Buckley commented that in decision unit E180 it was disturbing that the agency expended \$99,440, which exceeded the legislatively approved budget of \$96,855 for Out-of-State Travel. Ms. Buckley commented that she was willing to authorize an additional \$10,000 to keep up with the cost of inflation, but said a 25 percent increase was unreasonable.

Assemblywoman Buckley questioned the amount of funding in decision unit E178 and asked whether staff considered the funding reasonable.

Mr. Stevens explained marketing for parks and museums was a new item in the budget, and the purpose was to increase visitation to Nevada state parks and museums.

ASSEMBLYWOMAN BUCKLEY MOVED TO DELETE DECISION UNIT E180 FOR OUT-OF-STATE TRAVEL; APPROVE DECISION UNITS E710, E178, E225, AND E720 AS RECOMMENDED BY THE GOVERNOR; APPROVE THE TRANSFER OF ROOM TAX TO OTHER AGENCIES; AND GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY TO ALIGN TRANSFERS TO THOSE AGENCIES ACCORDING TO FINAL BUDGET CLOSINGS.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

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

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NEVADA MAGAZINE (530-1530)
EBO Page: ECON DEV & TOURISM-33

Mindy Martini, Program Analyst, Fiscal Analysis Division, LCB, stated the major issue in BA 1530 was the reserve level. The Executive Budget recommended a reserve level of \$281,325 in FY 2007-08 and \$205,956 in FY 2008-09. However, based upon updated projections, it was indicated the agency would only have a reserve level of \$65,741 in FY 2007-08 and \$12,122 in FY 2008-09. Ms. Martini said in working with the agency, the agency had

proposed to reduce shipping costs as well as reduce a full-time position to part-time, which would increase the reserve level to \$125,505 in FY 2007-08 and \$112,055 in FY 2008-09. Staff recommended those adjustments to BA 1530 to aid in building the reserve.

Ms. Martini said the decision unit E175, media/promotion/growth, concerned the contracts approved in BA 1522. This would increase the agency's revenue authority for a portion of the single-issue sales attributable to the Commission on Tourism.

In decision unit E176, in-house production, The Executive Budget recommended expenditures of \$535,000 in FY 2007-08 and \$603,548 in FY 2008-09 to authorize Nevada Magazine to provide in-house copywriting services. Ms. Martini said that based upon the agency's low reserve levels, the request appeared reasonable.

ASSEMBLYWOMAN McCLAIN MOVED TO APPROVE DECISION
UNITS E600, E175, AND E176 IN BUDGET ACCOUNT 1530.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

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Ms. Martini said there was an issue with reclassification of classified positions to unclassified status in decision unit E806. The agency had three additional positions there were no longer clerical positions, and the *Nevada Revised Statutes* required all nonclerical positions to be unclassified.

Ms. Martini said another closing item in BA 1530 was the establishment of a host fund for Nevada Magazine. The Executive Budget recommended \$100 in each year of the 2007-09 biennium to fund a new host fund.

Ms. Martini noted that decision unit E177, In-State Travel, and decision unit E710, replacement equipment, appeared reasonable to staff.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF DECISION
UNITS E806, E178, E177, AND E710 AS RECOMMENDED BY THE
GOVERNOR.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

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

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TOURISM DEVELOPMENT (225-1523)
EBO Page ECON DEV & TOURISM-41

Mindy Martini, Program Analyst, Fiscal Analysis Division, LCB, recommended that BA 1523, tourism development, be closed as recommended by the Governor as there were no changes in the upcoming biennium.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL TO CLOSE BUDGET ACCOUNT 1523 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

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

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Assemblywoman Sheila Leslie, Assembly District No. 27, Chairwoman of the Joint Subcommittee on Health and Human Services, Division of Child and Family Services, read the following report into the record:

THE JOINT SUBCOMMITTEE REVIEWED THE 21 BUDGETS OF THE DIVISION OF CHILD AND FAMILY SERVICES. THE RECOMMENDATIONS OF THE SUBCOMMITTEE RESULT IN A GENERAL FUND REDUCTION OF \$3.0 MILLION IN FY 2007-08 AND \$3.3 MILLION IN FY 2008-09. THE SUBCOMMITTEE APPROVED ADJUSTMENTS TO SEVERAL BUDGETS TO REFLECT REVISED FEDERAL MEDICAID ASSISTANCE PERCENTAGES (FMAP) IN FY 2009. THE ADJUSTMENTS ALLOW FOR THE REPLACEMENT OF GENERAL FUND SUPPORT WITH FEDERAL FUNDING, WHICH PROVIDES A GENERAL FUND SAVINGS IN THE DIVISION OF \$1.0 MILLION IN FY 2009. THE OTHER SIGNIFICANT RECOMMENDATIONS OF THE SUBCOMMITTEE ARE DESCRIBED IN THE FOLLOWING COMMENTS.

WRAPAROUND IN NEVADA (101-3278)

THE SUBCOMMITTEE APPROVED ITEMS IN THIS BUDGET THAT ARE ALSO RECOMMENDED IN SEVERAL OF THE DIVISION'S OTHER BUDGETS. SPECIAL TWO-GRADE SALARY ADJUSTMENTS FOR TWO MENTAL HEALTH COUNSELOR POSITIONS WERE APPROVED. A DEPARTMENT OF PERSONNEL OCCUPATIONAL STUDY RESULTED IN THE RECOMMENDED SALARY INCREASES STATEWIDE FOR DIRECT CARE MENTAL HEALTH POSITIONS.

COMMUNITY JUVENILE JUSTICE PROGRAMS (101-1383)

THE SUBCOMMITTEE APPROVED THE CONSOLIDATION OF THE JUVENILE ACCOUNTABILITY BLOCK GRANT (JABG) BUDGET INTO THIS BUDGET, AS RECOMMENDED BY THE GOVERNOR. THE CONSOLIDATION OF THESE BUDGETS IS INTENDED TO RESULT IN EFFICIENCIES FOR STAFF THAT PROVIDE SUPPORT TO THE JABG PROGRAMS. THE SUBCOMMITTEE DID NOT APPROVE A NEW PART-TIME CONTRACT POSITION FOR THE JABG PROGRAM. THE SUBCOMMITTEE EXPECTS THAT THE EFFICIENCIES CREATED THROUGH THIS BUDGET CONSOLIDATION WILL OFFSET THE NEED FOR AN ADDITIONAL CONTRACT POSITION. THE SUBCOMMITTEE ALSO APPROVED THE TRANSFER OF THE COSTS FOR EVALUATIONS OF JUVENILE SEXUAL OFFENDERS FROM THE RURAL CHILD WELFARE BUDGET INTO THIS ACCOUNT TO PROVIDE FOR MANAGEMENT OF PROGRAMMATIC AND FISCAL FUNCTIONS WITHIN THE SAME BUDGET.

CHILDREN, YOUTH AND FAMILIES ADMINISTRATION (101-3145)

THE SUBCOMMITTEE APPROVED SEVERAL NEW POSITION REQUESTS WITHIN THE DIVISION'S ADMINISTRATION BUDGET TO SUPPORT THE INCREASED REQUIREMENTS OF THE STATEWIDE PROGRAM IMPROVEMENT PLAN (PIP) AND CHILD ABUSE AND PREVENTION AND TREATMENT ACT (CAPTA) CORRECTIVE ACTION PLAN. THE SUBCOMMITTEE APPROVED FOUR NEW POSITIONS TO PROVIDE ADDITIONAL OVERSIGHT RELATED TO THE PIP AND FOUR ADDITIONAL NEW POSITIONS TO IMPLEMENT REQUIREMENTS OF THE CAPTA CORRECTIVE ACTION PLAN. ONE NEW ADMINISTRATIVE ASSISTANT POSITION WAS ALSO APPROVED TO SUPPORT THE UNIT CHARGED WITH IMPLEMENTING THE CAPTA CORRECTIVE ACTION PLAN. TWO RECOMMENDED NEW POSITIONS WERE NOT APPROVED TO SUPPORT THE REQUIREMENTS OF THE INTERSTATE COMPACT ON THE PLACEMENT OF CHILDREN. THE SUPPORT OF THIS PROGRAM IS CURRENTLY PROVIDED BY FEDERALLY FUNDED CONTRACT POSITIONS AND THE SUBCOMMITTEE ELECTED NOT TO REPLACE THOSE POSITIONS WITH STATE FUNDED POSITIONS AT THIS TIME.

THE SUBCOMMITTEE APPROVED THE TRANSFER OF ADDITIONAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDING FROM THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES TO THE CLARK AND WASHOE COUNTY INTEGRATION BUDGETS TO BE USED IN PLACE OF GENERAL FUND MONIES. THE GENERAL FUND MONIES ARE REDIRECTED TO THIS BUDGET TO BE MATCHED WITH TITLE IV-E FUNDING AND USED TO PROVIDE ADDITIONAL NEW EMPLOYEE TRAINING FOR CHILD WELFARE WORKERS STATEWIDE. GENERAL FUND IN THE AMOUNT OF \$649,529 PER YEAR IS TO BE REPLACED WITH TANF FUNDING AND MATCHED WITH FEDERAL FUNDING TO PROVIDE ADDITIONAL TRAINING IN THE AMOUNT OF \$917,063 PER YEAR. THE SUBCOMMITTEE RECOMMENDED THAT A LETTER OF INTENT BE ISSUED TO THE DIVISION TO REQUIRE QUARTERLY REPORTING ON THE UTILIZATION OF THE ADDITIONAL FUNDING FOR STAFF TRAINING.

CLARK COUNTY INTEGRATION (101-3142)

THE SUBCOMMITTEE APPROVED APPROXIMATELY \$16.6 MILLION OVER THE BIENNIUM TO FUND CASELOAD GROWTH OF FOSTER CARE PLACEMENTS, EMERGENCY SHELTER CARE, AND ADOPTION SUBSIDIES IN CLARK COUNTY. THE SUBCOMMITTEE ALSO APPROVED FUNDING TO INCREASE THE DAILY FOSTER CARE RATE FROM \$21.00 PER DAY CURRENTLY TO \$24.00 PER DAY IN FY 2007-08 AND \$28.00 PER DAY IN FY 2008-09. THE GOVERNOR RECOMMENDED SIMILAR INCREASES FOR WASHOE COUNTY AND THE RURAL REGION OF THE STATE. THE DIVISION INDICATED THAT THE INCREASED DAILY FOSTER CARE RATES WOULD ASSIST IN THE RECRUITMENT AND RETENTION OF ADDITIONAL FOSTER CARE PROVIDERS. ADDITIONAL FUNDING WAS ALSO APPROVED TO PROVIDE FOR INCREASED ADOPTION SUBSIDIES RESULTING FROM INCREASES IN THE DAILY FOSTER CARE RATE. TOTAL FUNDING APPROVED FOR THE FOSTER CARE RATE INCREASE AND ADOPTION SUBSIDY INCREASE IS \$2.6 MILLION IN FY 2007-08 AND \$6.0 MILLION IN FY 2008-09.

A TOTAL OF 85 NEW POSITIONS WERE APPROVED IN THIS BUDGET ACCOUNT. THE SUBCOMMITTEE APPROVED FUNDING TO ADD 50 NEW POSITIONS TO MAINTAIN THE STAFF-TO-CLIENT RATIO FOR CHILD WELFARE WORKERS AT 1:22, WHICH IS THE LEVEL FUNDED BY THE 2005 LEGISLATURE. THE SUBCOMMITTEE APPROVED FUNDING FOR 19 NEW FAMILY SUPPORT WORKER POSITIONS, WHICH WAS HALF OF THE NUMBER OF WORKERS RECOMMENDED BY THE GOVERNOR, AT A COST OF APPROXIMATELY \$2.0 MILLION OVER THE BIENNIUM. THE SUBCOMMITTEE SUPPORTED THE ADDITIONAL POSITIONS TO PROVIDE ONE FAMILY SUPPORT WORKER FOR EVERY SIX CASEWORKER POSITIONS IN THE COUNTY. THE SUBCOMMITTEE ALSO APPROVED OTHER DECISION UNITS CONTAINING NEW POSITIONS TO SUPPORT CHILD WELFARE. ONE NEW POSITION WAS APPROVED TO SUPPORT THE ACTIVITIES OF THE INTERSTATE COMPACT ON THE PLACEMENT OF CHILDREN (ICPC) IN THE COUNTY. FIVE NEW POSITIONS WERE APPROVED TO ASSIST WITH FOSTER CARE RECRUITMENT, TRAINING, AND RETENTION. SIX NEW POSITIONS WERE APPROVED TO SUPPORT INCREASED FOSTER CARE LICENSING NEEDS. HALF OF THE EIGHT NEW POSITIONS RECOMMENDED BY THE GOVERNOR TO SUPPORT THE COUNTY'S FOSTER CARE PLACEMENT TEAM WERE APPROVED. THE SUBCOMMITTEE MADE THE APPROVAL OF FOUR PLACEMENT TEAM STAFF CONTINGENT UPON THE COUNTY FUNDING FOUR OTHER POSITIONS BECAUSE THE PLACEMENT TEAM IS A COUNTY INITIATIVE THAT SUPPORTS BOTH FRONT-END AND BACK-END CHILD WELFARE SERVICES. THE SUBCOMMITTEE DID NOT APPROVE THE ADDITION OF SIX NEW POSITIONS TO PROVIDE MENTORING AND ASSISTANCE IN RETENTION OF FOSTER CARE PROVIDERS.

WASHOE COUNTY INTEGRATION (101-3141)

THE SUBCOMMITTEE APPROVED FUNDING FOR THE RECOMMENDED INCREASE IN THE DAILY FOSTER CARE RATE IN THIS BUDGET AT A COST OF APPROXIMATELY \$2.0 MILLION OVER THE BIENNIUM. THE SUBCOMMITTEE ALSO APPROVED FUNDING FOR SIX NEW POSITIONS TO MAINTAIN THE CURRENT 1:22 STAFF-TO-CLIENT RATIO FOR CHILD WELFARE CASEWORKERS. THE SUBCOMMITTEE APPROVED FUNDING IN THE AMOUNTS OF \$6.1 MILLION OVER THE BIENNIUM TO SUPPORT CASELOAD GROWTH IN FOSTER CARE PLACEMENTS AND ADOPTION SUBSIDIES. THE SUBCOMMITTEE APPROVED FUNDING FOR HALF OF THREE NEW POSITIONS RECOMMENDED BY THE GOVERNOR TO EXPAND A FAMILY PRESERVATION PROGRAM IN THE COUNTY. SIMILAR TO PLACEMENT TEAM POSITIONS IN CLARK COUNTY, THE SUBCOMMITTEE MADE FUNDING FOR 1.5 FTE CONTINGENT UPON WASHOE COUNTY FUNDING ANOTHER 1.5 FTE.

THE SUBCOMMITTEE APPROVED FUNDING FOR ONE NEW POSITION TO SUPPORT THE INTERSTATE COMPACT ON PLACEMENT OF CHILDREN AS WELL AS ONE NEW POSITION TO ASSIST WITH FOSTER CARE LICENSING GROWTH IN THE COUNTY. THE SUBCOMMITTEE DID NOT APPROVE FUNDING TO INCREASE TWO PART-TIME POSITIONS TO FULL-TIME

POSITIONS AS RECOMMENDED BY THE GOVERNOR. BOTH OF THE POSITIONS HAVE HISTORICALLY BEEN PART-TIME AND ONE OF THE POSITIONS WAS RECOMMENDED TO BE INCREASED TO FULL-TIME TO PROVIDE INCREASED SECURITY AT THE AGENCY'S COUNTY OFFICE, WHICH THE SUBCOMMITTEE DID NOT BELIEVE WAS A STATE RESPONSIBILITY.

UNITY/SACWIS (101-3143)

FUNDING FOR INCREASED LEVELS OF COMPUTER MAINFRAME UTILIZATION WAS APPROVED BY THE SUBCOMMITTEE TO SUPPORT INCREASED AND IMPROVED USAGE OF THE COMPUTER SYSTEMS THAT HOUSE CHILD WELFARE INFORMATION. THE SUBCOMMITTEE APPROVED FUNDING FOR A NEW POSITION TO SUPPORT THE ONGOING MAINTENANCE OF THE AVATAR APPLICATION, WHICH IS A CLINICAL WORKSTATION MODULE OF THE UNITY SYSTEM. THE SUBCOMMITTEE DID NOT APPROVE FUNDING FOR AN ADDITIONAL MASTER SERVICES AGREEMENT (MSA) CONTRACTOR POSITION AND APPROVED ONLY HALF OF RECOMMENDED FUNDING FOR OUT-OF-STATE TRAVEL AND CONFERENCE ATTENDANCE RELATED TO THE AVATAR APPLICATION. THE SUBCOMMITTEE DID NOT WISH TO SUPPORT FUNDING FOR ONGOING MAINTENANCE OF THE APPLICATION AT THE SAME LEVEL OF COST AS THE INITIAL DEVELOPMENT AND INSTALLATION. THE SUBCOMMITTEE DID APPROVE THE TRANSFER OF TWO POSITIONS FROM OTHER DIVISION BUDGETS INTO THIS BUDGET TO PROVIDE CENTRALIZED MANAGEMENT AND CONSISTENT METHODS OF MAINTENANCE OF THE DIVISION'S IT SYSTEMS.

CHILD CARE SERVICES (101-3149)

THE SUBCOMMITTEE APPROVED GENERAL FUND APPROPRIATIONS OF \$153,925 OVER THE BIENNIUM TO SUPPORT THE CONTINUATION OF ONE POSITION THAT IS CURRENTLY FUNDED BY THE CHILD CARE DEVELOPMENT BLOCK GRANT. GENERAL FUND SUPPORT WAS REMOVED FROM THIS BUDGET IN THE 2005-07 BIENNIUM BECAUSE GRANT FUNDING WAS SUFFICIENT TO COVER ALL EXPENSES. HOWEVER, SALARY AND BENEFIT COSTS ARE INCREASING IN THE 2007-09 BIENNIUM AND ADDITIONAL GRANT FUNDING IS NOT AVAILABLE TO SUPPORT THE INCREASE.

RURAL CHILD WELFARE (101-3229)

THE SUBCOMMITTEE APPROVED FUNDING FOR INCREASES IN THE DAILY FOSTER RATE IN THIS BUDGET FROM \$21.00 CURRENTLY TO \$24.00 PER DAY IN FY 2008 AND \$28.00 PER DAY IN FY 2009 AND ALSO APPROVED RELATED INCREASES IN ADOPTION SUBSIDIES, AT A COST OF APPROXIMATELY \$1.3 MILLION OVER THE BIENNIUM. THE SUBCOMMITTEE APPROVED FUNDING FOR SPECIAL SALARY INCREASES FOR MENTAL HEALTH POSITIONS AT A COST OF \$164,879. THE SUBCOMMITTEE ALSO APPROVED FUNDING OF \$1.5 MILLION OVER THE BIENNIUM FOR CASELOAD GROWTH OF ADOPTION SUBSIDIES AND RESIDENTIAL PLACEMENTS FOR CHILDREN IN HIGHER LEVEL OF CARE PLACEMENTS STATEWIDE.

CHILD ABUSE AND NEGLECT (101-3271)

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO CONSOLIDATE THIS BUDGET INTO THE CHILDREN, YOUTH, AND FAMILIES ADMINISTRATION BUDGET TO PROVIDE BETTER MONITORING OF GRANT FUNDS. THE SUBCOMMITTEE ALSO APPROVED AN ADJUSTMENT TO PROGRAM EXPENDITURES TO ALIGN THE BUDGET WITH THE RECOMMENDATIONS OF CHILDREN'S JUSTICE ACT TASK FORCE, WHICH OVERSEES THE PROGRAM ACTIVITIES FUNDED THROUGH THIS BUDGET.

JUVENILE ACCOUNTABILITY BLOCK GRANT (101-3262)

THE SUBCOMMITTEE APPROVED THE RECOMMENDED CONSOLIDATION OF THIS BUDGET INTO THE COMMUNITY JUVENILE JUSTICE PROGRAMS BUDGET. THE DIVISION INDICATED THAT THIS CONSOLIDATION WOULD PROVIDE BETTER MONITORING OF GRANT FUNDS AND PROVIDE EFFICIENCIES FOR STAFF THAT ADMINISTER THE GRANT PROGRAMS.

YOUTH ALTERNATIVE PLACEMENT (101-3147)

THE SUBCOMMITTEE APPROVED ADDITIONAL FUNDING FOR REGIONAL JUVENILE DETENTION FACILITIES IN THE 2007-09 BIENNIUM. INCREASES IN THE AMOUNT OF APPROXIMATELY \$900,000 OVER THE BIENNIUM WERE APPROVED FOR SALARY AND BENEFIT INCREASES AND UTILITY INFLATION INCREASES FOR THE THREE FACILITIES, CHINA SPRING YOUTH CAMP, AURORA PINES GIRLS FACILITY, AND SPRING MOUNTAIN YOUTH CAMP.

JUVENILE CORRECTIONAL FACILITY (101-3148)

THE SUBCOMMITTEE APPROVED THE RESTORATION OF GENERAL FUND APPROPRIATIONS IN THE AMOUNT OF APPROXIMATELY \$1.3 MILLION IN EACH YEAR OF THE BIENNIUM TO FUND DEBT REPAYMENT FOR CONSTRUCTION COSTS OF THE FACILITY. DEBT REPAYMENT COSTS WERE MINIMAL IN THE CURRENT BIENNIUM DUE TO REFINANCING OF THE DEBT. THE SUBCOMMITTEE APPROVED THE RECLASSIFICATION OF AN ADMINISTRATIVE SERVICES OFFICER I (ASO I) POSITION TO AN ASO II POSITION IN THIS BUDGET PENDING THE APPROVAL OF THE RECLASSIFICATION BY THE DEPARTMENT OF PERSONNEL. SIMILAR RECLASSIFICATIONS ARE RECOMMENDED FOR ALL OF THE ASO POSITIONS IN THE DIVISION'S JUVENILE JUSTICE BUDGETS. THE SUBCOMMITTEE ALSO APPROVED FUNDING FOR A SPECIAL SALARY ADJUSTMENT FOR MENTAL HEALTH POSITIONS IN THIS BUDGET.

CALIENTE YOUTH CENTER (101-3179)

THE SUBCOMMITTEE DID NOT APPROVE FUNDING FOR THE PURCHASE AND ANNUAL REPLACEMENT OF UNIFORMS FOR DIRECT CARE STAFF. THE SUBCOMMITTEE HAD SOME CONCERNS ABOUT THE USE OF UNIFORMS WHERE THEY HAVE NOT BEEN PREVIOUSLY USED. THE SUBCOMMITTEE APPROVED THE RECLASSIFICATION OF THE ADMINISTRATIVE SERVICES OFFICER POSITION IN THIS BUDGET AS WELL AS A SPECIAL SALARY ADJUSTMENT FOR DIRECT CARE MENTAL HEALTH

POSITIONS AND NURSES. ADDITIONAL FUNDING WAS ALSO APPROVED FOR THE INFLATIONARY COST INCREASES OF FOOD AND MEDICAL SERVICES.

NEVADA YOUTH TRAINING CENTER (101-3259)

THE SUBCOMMITTEE DID NOT APPROVE FUNDING IN THIS BUDGET FOR UNIFORMS BUT DID APPROVE THE RECLASSIFICATION OF THE ADMINISTRATIVE SERVICES OFFICER POSITION AND SPECIAL SALARY ADJUSTMENT FOR MENTAL HEALTH POSITIONS AND NURSES. THE SUBCOMMITTEE ALSO APPROVED FUNDING IN THE AMOUNT OF \$56,395 FOR DEFERRED MAINTENANCE PROJECTS AT THE FACILITY. THE SUBCOMMITTEE APPROVED FUNDING FOR AGENCY SPECIFIC INFLATION COSTS FOR FOOD AND MEDICAL EXPENSES BUT ADJUSTED THE AMOUNT OF THE INCREASE FOR MEDICAL EXPENSES TO REFLECT THE INCREASES IN THE BUDGETS OF THE DIVISION'S OTHER DETENTION FACILITIES.

YOUTH PAROLE SERVICES (101-3263)

THE SUBCOMMITTEE AGREED WITH THE GOVERNOR'S RECOMMENDATION TO RESTORE FUNDING IN THE AMOUNT OF \$974,883 FOR PLACEMENT AND TREATMENT SERVICES FOR PAROLED YOUTH BUT DID NOT PLACE THE FUNDING IN THE BUDGET AND INSTEAD RECOMMENDED APPROPRIATING THE FUNDS TO THE INTERIM FINANCE COMMITTEE. THE DIVISION HAS NOT PROVIDED SERVICES AT THE SAME LEVELS IN FY 2006 OR FY 2007 AS IT DID BEFORE ITS MENTAL HEALTH REDESIGN BUT PROJECTS THAT THESE SERVICES WILL RETURN TO HISTORICALLY HIGHER LEVELS IN THE 2007-09 BIENNIUM. THE SUBCOMMITTEE INDICATED THE DIVISION SHOULD REQUEST ADDITIONAL FUNDING WHEN ITS ACTUAL SERVICES PROVIDED AND EXPENDITURES INCREASE TO HISTORICAL LEVELS. THE SUBCOMMITTEE ALSO RECOMMENDED APPROPRIATING FUNDING TO THE INTERIM FINANCE COMMITTEE FOR ONE NEW POSITION TO SUPPORT THE INTERSTATE COMPACT ON JUVENILES. THE INTERSTATE COMPACT WOULD INTRODUCE NEW REQUIREMENTS ON THE STATE WHEN IT IS ADOPTED BY 35 STATES. THE COMPACT HAS CURRENTLY BEEN ADOPTED BY 32 STATES AND THE ADOPTION BY ADDITIONAL STATES MAY OR MAY NOT OCCUR DURING THE 2007-09 BIENNIUM. THE SUBCOMMITTEE ALSO APPROVED THE RECLASSIFICATION OF THE CHIEF OF YOUTH PAROLE POSITION TO AN UNCLASSIFIED BUREAU CHIEF POSITION BUT RECOMMENDED THAT THIS POSITION BE REMOVED FROM THE SPECIAL SALARY ADJUSTMENT FOR LAW ENFORCEMENT POSITIONS.

NORTHERN NEVADA CHILD & ADOLESCENT SERVICES (101-3281)

THE SUBCOMMITTEE APPROVED FUNDING FOR 2.51 NEW POSITIONS TO PERFORM INTAKE COORDINATION FOR THE DIVISION'S EARLY CHILDHOOD MENTAL HEALTH SERVICES AND OUTPATIENT PROGRAMS. FUNDING WAS ALSO APPROVED FOR TWO NEW PART-TIME POSITIONS TO PROVIDE A THERAPEUTIC DAY TREATMENT CLASSROOM FOR CHILDREN AGES FOUR TO SIX. DEFERRED MAINTENANCE PROJECTS FOR THE FACILITY WERE APPROVED AT A COST OF \$222,825. A SPECIAL

TWO-GRADE SALARY ADJUSTMENT WAS ALSO APPROVED FOR 32 DIRECT CARE MENTAL HEALTH AND NURSE POSITIONS, AS RECOMMENDED BY THE GOVERNOR.

**SOUTHERN NEVADA CHILD & ADOLESCENT SERVICES
(101-3646)**

THE SUBCOMMITTEE APPROVED FUNDING IN THE AMOUNT OF APPROXIMATELY \$1.5 MILLION FOR A NEW MOBILE CRISIS TEAM FOR CHILDREN'S MENTAL HEALTH. THE TEAM WOULD CONSIST OF 11 CONTRACT MENTAL HEALTH POSITIONS AND WOULD PROVIDE RESPONSE TO MENTAL HEALTH CRISES IN HOMES, EMERGENCY ROOMS, AND OTHER LOCATIONS ON A 7-DAY-PER-WEEK BASIS. THE SUBCOMMITTEE APPROVED FUNDING TO ADD FIVE NEW POSITIONS TO CONVERT ONE RESIDENTIAL UNIT AT THE DESERT WILLOW TREATMENT CENTER TO A UNIT SPECIALIZING IN THE TREATMENT OF CO-OCCURRING DIAGNOSES (SEVERE EMOTIONAL DISTURBANCES AND SUBSTANCE ABUSE). THE DIVISION INDICATED THAT THE CONVERTED UNIT WOULD HELP SATISFY AN UNMET NEED IN THE STATE FOR THIS TYPE OF TREATMENT.

THE SUBCOMMITTEE APPROVED FUNDING FOR THE CONVERSION TO STATE EMPLOYEES OF CONTRACT STAFF THAT SUPPORT THE AGENCY'S SERVICES OF TRANSPORTING CHILDREN TO TREATMENT PROGRAMS. FUNDING WAS ALSO APPROVED FOR THE SPECIAL SALARY ADJUSTMENT FOR 84 DIRECT CARE MENTAL HEALTH AND NURSE POSITIONS. THE SUBCOMMITTEE APPROVED FUNDING TO RELOCATE THE AGENCY'S EAST NEIGHBORHOOD FAMILY SERVICE CENTER AND EASTERN DAY TREATMENT CENTER TO NEW OFFICES, COLLOCATED WITH COUNTY AGENCIES AND OTHER GROUPS PROVIDING SIMILAR SERVICES. THE SUBCOMMITTEE ALSO APPROVED FUNDING IN THE AMOUNT OF \$974,019 OVER THE BIENNIUM FOR THE ONGOING OPERATION OF TWO ON-CAMPUS TREATMENT HOMES THAT WERE RE-OPENED WITH FUNDING PROVIDED BY THE INTERIM FINANCE COMMITTEE DURING THE INTERIM.

OTHER ACCOUNTS WITH NO MAJOR CLOSING ISSUES

THE SUBCOMMITTEE ALSO REVIEWED THE BUDGETS FOR TRANSITION FROM FOSTER CARE, REVIEW OF DEATH OF CHILDREN, CHILD WELFARE TRUST, AND VICTIMS OF DOMESTIC VIOLENCE. THE SUBCOMMITTEE RECOMMENDED THAT THESE BUDGETS BE CLOSED AS RECOMMENDED AND AMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN BUCKLEY MOVED APPROVAL OF THE CLOSING REPORT FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF CHILD AND FAMILY SERVICES.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

Assemblyman Grady disclosed for the record that his son was a juvenile probation officer.

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

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Assemblyman Morse Arberry Jr., Assembly District No. 7, Chairman of the Joint Subcommittee on Higher Education and Capital Improvements, read the following closing report into the record:

THE JOINT SUBCOMMITTEE ON HIGHER EDUCATION AND CAPITAL IMPROVEMENTS HAS COMPLETED ITS REVIEW OF THE BUDGETS FOR THE DEPARTMENT OF ADMINISTRATION, BUILDINGS AND GROUNDS DIVISION, AND HAS MADE THE FOLLOWING RECOMMENDATIONS FOR THE AGENCY'S 2007-09 BIENNIUM BUDGET. THE SUBCOMMITTEE'S RECOMMENDATIONS RESULT IN GENERAL FUND SAVINGS OF \$44,737 IN FY 2008 AND \$57,672 IN FY 2009.

BUILDINGS AND GROUNDS (BA 710-1349) ADMIN-79: STAFF WOULD NOTE THAT THE EXECUTIVE BUDGET INCREASES STATE AGENCIES' OFFICE RENT FROM \$.91 TO \$1.09 PER GROSS SQUARE FOOT IN EACH YEAR OF THE 2007-09 BIENNIUM. THIS RENTAL RATE INCREASE, WHICH PROVIDES THE MAJORITY OF FUNDING FOR THIS BUDGET, IS DUE TO A DECLINE IN TOTAL BILLABLE SQUARE FOOTAGE, A DECREASE IN NON-RENT REVENUE, AND INCREASED EXPENSES. THE SUBCOMMITTEE APPROVED THE ESTABLISHMENT OF A PROFESSIONAL ENGINEER POSITION THAT WILL ASSIST AN EXISTING CHIEF ENGINEER BY PROVIDING DESIGN AND ENGINEERING SERVICES FOR THE STATE-OWNED FACILITIES THE DIVISION IS RESPONSIBLE FOR MAINTAINING. DUE TO THE VARIABILITY OF THE WORKLOAD AND RECENT INCREASES IN STAFFING LEVELS, THE SUBCOMMITTEE DID NOT APPROVE A RECOMMENDATION TO ESTABLISH AN ADMINISTRATIVE ASSISTANT II POSITION THAT WAS TO ASSIST WITH THE LEASES AND CONTRACTS MANAGED BY THE DIVISION. THE SUBCOMMITTEE APPROVED APPROXIMATELY \$1.5 MILLION OVER THE 2007-09 BIENNIUM FOR BUILDING MAINTENANCE AND RENOVATION PROJECTS FUNDED THROUGH BUILDING RENT REVENUE, AS RECOMMENDED BY THE GOVERNOR. WITH THE EXCEPTION OF AN ADJUSTMENT TO REDUCE INFLATIONARY INCREASES FOR BUILDING MAINTENANCE CONTRACTS BY \$4,483 IN BOTH YEARS OF THE 2007-09 BIENNIUM, THE SUBCOMMITTEE CLOSED THE REMAINDER OF THE BUILDINGS AND GROUNDS BUDGET AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS NOTED BY FISCAL STAFF.

CLEAR CREEK YOUTH CENTER (BA 101-1353) ADMIN-97: CONTINGENT UPON THE APPROVAL OF A 2007 CIP PROJECT (07-C85) THAT WOULD PROVIDE FUNDING (\$1,375,218) TO DEMOLISH THE FACILITY, THE SUBCOMMITTEE APPROVED A REDUCTION OF FUNDING THAT PROVIDES OPERATING FUNDS FOR THE FACILITY UNTIL THE DEMOLITION PROJECT BEGINS AND FOR MINOR UTILITY AND MAINTENANCE FUNDS FOR THE REMAINDER OF THE 2007-09 BIENNIUM. THE SUBCOMMITTEE'S ACTION WAS BASED UPON THE CONDITION OF THE STRUCTURES AT THE CENTER AND A LACK OF VIABLE ALTERNATIVE USES FOR THE FACILITY. THIS ACTION RESULTS

IN GENERAL FUND SAVINGS OF \$102,409 DURING THE 2007-09 BIENNIUM.

THE SUBCOMMITTEE ALSO REVIEWED THE BUDGETS FOR THE MAIL SERVICES (713-1346), MAIL SERVICES – EQUIPMENT PURCHASE (713-1347), AND THE MARLETTE LAKE (712-1366) BUDGET ACCOUNTS. THE SUBCOMMITTEE RECOMMENDS THAT THESE BUDGET ACCOUNTS BE CLOSED AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS AS RECOMMENDED BY FISCAL STAFF.

ASSEMBLYWOMAN SMITH MOVED APPROVAL OF THE CLOSING REPORT FOR THE DEPARTMENT OF ADMINISTRATION, BUILDING AND GROUNDS DIVISION.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

Assemblyman Parks asked whether the budget included expenditures of \$1.375 million to save \$102,000 at the Clear Creek Youth Facility.

Assemblywoman Leslie explained that a decision had been made to demolish the Clear Creek Youth Facility because of the tremendous cost of maintenance. Chairman Arberry agreed and commented that while attempts had been made to save the facility during many sessions, it was too expensive to continue. Ms. Leslie further commented that the property would remain in the state's possession, but the buildings were unsafe and unusable.

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

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Assemblywoman Sheila Leslie, Assembly District No. 27, Chairwoman of the Joint Subcommittee on K-12/Human Resources, Division of Welfare and Supportive Services, read the following report into the record:

THE JOINT SUBCOMMITTEE ON K-12/HUMAN RESOURCES HAS COMPLETED ITS REVIEW OF THE BUDGETS FOR THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES AND DEVELOPED THE FOLLOWING CLOSING RECOMMENDATIONS. THE SUBCOMMITTEE'S CLOSING ACTIONS RESULTED IN INCREASES IN GENERAL FUNDS OF APPROXIMATELY \$1.0 MILLION OVER THE BIENNIUM.

WELFARE ADMINISTRATION (BA 101-3228) WELFARE-1: ON FEBRUARY 8, 2006, THE PRESIDENT SIGNED THE DEFICIT REDUCTION ACT OF 2005. BASED ON THE NEW LAW AND RULES ISSUED BY THE FEDERAL ADMINISTRATION FOR CHILDREN AND FAMILIES, WHICH WENT INTO EFFECT OCTOBER 1, 2006, STATES MUST SUBMIT A WORK VERIFICATION PLAN BY SEPTEMBER 30, 2006. THE WORK VERIFICATION PLAN SUBMITTED BY THE DIVISION INDICATED THAT CORRECTLY IDENTIFYING WORK-ELIGIBLE INDIVIDUALS, CORRECT ENTRY OF PARTICIPATION HOURS INTO THE SYSTEM, AND ENSURING PARTICIPATION HOURS ARE VERIFIED AND DOCUMENTED ACCORDING TO POLICY WILL BE REVIEW ELEMENTS OF THE DIVISION'S QUALITY ASSURANCE PROCESS.

TO ASSIST IN MEETING THE QUALITY ASSURANCE REQUIREMENT, THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ADD THREE POSITIONS TO ESTABLISH AN INDEPENDENT TEAM TO PERFORM QUALITY ASSURANCE TO MEET THE REQUIREMENTS UNDER THE DEFICIT REDUCTION ACT.

THE SUBCOMMITTEE SUPPORTED THE RECOMMENDATION BY THE GOVERNOR TO MATCH OTHER FEDERAL FUNDING SOURCES WITH COMBINED HIGH PERFORMANCE BONUS FUNDS OF \$219,963 OVER THE 2007-09 BIENNIUM TO FUND INFORMATION TECHNOLOGY ENHANCEMENTS AND A CORRECTIVE ACTION PLANNING CONFERENCE.

THE SUBCOMMITTEE SUPPORTED THE ADDITION OF TWO POSITIONS FUNDED WITH FEDERAL CHILD CARE ASSISTANCE PROGRAM FUNDS, AS PROPOSED THROUGH AN AMENDMENT SUBMITTED BY THE GOVERNOR. THESE POSITIONS WILL ASSIST THE DIVISION IN COMPLETING ANNUAL PROGRAM REVIEWS AND MEASURING PROGRAM ERRORS IN THE CHILD CARE ASSISTANCE PROGRAM AS REQUIRED UNDER NEW REGULATIONS PUBLISHED BY THE FEDERAL DEPARTMENT OF HEALTH AND HUMAN SERVICES TO BECOME EFFECTIVE OCTOBER 2007.

WELFARE FIELD SERVICES (BA 101-3233) WELFARE-14: TO ADDRESS THE ANTICIPATED IMPACT ON NEVADA'S ABILITY TO MEET WORK PARTICIPATION REQUIREMENTS UNDER THE DEFICIT REDUCTION ACT, THE GOVERNOR RECOMMENDED 50 POSITIONS OVER THE 2007-09 BIENNIUM, 30 OF WHICH ARE FAMILY SERVICES SPECIALIST POSITIONS, WHICH WOULD WORK DIRECTLY WITH TANF RECIPIENTS ENGAGED IN EMPLOYMENT, TRAINING OR EDUCATION AS SUPPORTED UNDER THE NEW EMPLOYEES OF NEVADA (NEON) PROGRAM. THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO ADD 50 POSITIONS. THE SUBCOMMITTEE REQUESTED THE DIVISION EXPLORE THE USE OF OUTSIDE CONTRACTORS TO WORK MORE CLOSELY WITH NEON PROGRAM PARTICIPANTS. IF THE DIVISION DETERMINES THAT CONTRACTING WITH A PRIVATE ENTITY IS NOT A FEASIBLE APPROACH, THE DIVISION MAY APPROACH THE INTERIM FINANCE COMMITTEE DURING THE 2007-09 INTERIM TO ADD POSITIONS TO ADDRESS WORK PARTICIPATION.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO FUND THE RELOCATION OF THE ELKO FIELD OFFICE WITH FOOD STAMP HIGH PERFORMANCE BONUS FUNDS OF \$82,360 IN FY 2008, MATCHED WITH VARIOUS FEDERAL FUNDS. IN CONCURRING WITH THIS RECOMMENDATION, THE SUBCOMMITTEE DID NOT SUPPORT ADDITIONAL FUNDING FOR A NEW TELEPHONE SYSTEM FOR THE ELKO OFFICE, SINCE THE DEPARTMENT OF INFORMATION TECHNOLOGY INTENDS ON RELOCATING THE EXISTING PHONE SWITCH FROM ITS CURRENT LOCATION TO THE NEW BUILDING.

FUNDING FOR THE FIELD SERVICES ACCOUNT IS CALCULATED BASED ON A FEDERALLY CERTIFIED COST ALLOCATION PLAN,

WHICH CONSIDERS THE EFFORTS OF STAFF IN THE FIELD SERVICES ACCOUNT PRIMARILY TOWARD THE FOOD STAMP, TANF AND MEDICAID PROGRAMS. BASED ON A QUARTERLY CALCULATION PERFORMED BY THE DIVISION THROUGH MARCH 31, 2007, ADDITIONAL GENERAL FUNDS OF APPROXIMATELY \$700,000 EACH YEAR ARE NECESSARY IN THE FIELD SERVICES ACCOUNT TO ACCURATELY REFLECT THE ALLOCATION OF FUNDING IN EACH YEAR OF THE 2007-09 BIENNIUM. THE SUBCOMMITTEE RECOMMENDED THE INCREASE IN GENERAL FUNDS TO SUPPORT THE REVISED COST ALLOCATION EACH YEAR; HOWEVER, THE SUBCOMMITTEE RECOMMENDED APPLYING THE BALANCE OF FOOD STAMP HIGH PERFORMANCE BONUS FUNDS OF \$571,308 TO OFFSET GENERAL FUNDS REQUIRED TO IMPLEMENT THE COST ALLOCATION IN FY 2008.

WELFARE/TANF (BA 101-3230) WELFARE-23: THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO INCREASE TANF FUNDING BY APPROXIMATELY \$800,000 EACH YEAR TO PROVIDE WORK-RELATED TRAINING, EDUCATION AND TRANSPORTATION SERVICES FOR NEW EMPLOYEES OF NEVADA PARTICIPANTS. INCREASED FUNDING IS INTENDED TO IMPROVE WORK PARTICIPATION AMONG NEVADA'S TANF RECIPIENTS. IN CONCURRING WITH THIS RECOMMENDATION, THE SUBCOMMITTEE APPROVED A LETTER OF INTENT TO HAVE THE DIVISION REPORT TO THE INTERIM FINANCE COMMITTEE ON THE USE OF FUNDING PROVIDED FOR NEW EMPLOYEES OF NEVADA PROGRAM SERVICES INCLUDING THE DIVISION'S EFFORTS IN IMPLEMENTING SUBSIDIZED EMPLOYMENT OPPORTUNITIES.

THE SUBCOMMITTEE SUPPORTS REVISED TANF CASELOAD PROJECTIONS PREPARED BY THE DIVISION WITH REVIEW BY STAFF. A TOTAL OF 13,699 CASES ARE RECOMMENDED IN FY 2008, A DECREASE FROM 15,766 CASES RECOMMENDED BY THE GOVERNOR AND 13,919 CASES ARE RECOMMENDED IN FY 2009, FOR A DECREASE FROM 17,234 CASES RECOMMENDED BY THE GOVERNOR. THE DOLLAR IMPACT OF CASELOAD PROJECTIONS RESULTS IN SAVINGS OF APPROXIMATELY \$1.9 MILLION IN FY 2008 AND APPROXIMATELY \$3.2 MILLION IN FY 2009 IN FEDERAL TANF FUNDING. BASED ON REVISED TANF CASELOAD PROJECTIONS AND REVISIONS TO THE DIVISION'S COST ALLOCATION, THE DIVISION ESTIMATES APPROXIMATELY \$29 MILLION IN TANF FUNDS WOULD BE AVAILABLE AT THE END OF THE 2007-09 BIENNIUM.

THE SUBCOMMITTEE SUPPORTED THE PROPOSED AMENDMENT FROM THE GOVERNOR TO TRANSFER TANF FUNDS OF APPROXIMATELY \$650,000 IN EACH YEAR OF THE BIENNIUM TO THE TITLE XX PROGRAM IN THE GRANTS MANAGEMENT ACCOUNT IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES DIRECTOR'S OFFICE. ULTIMATELY THIS FUNDING IS SLATED TO REPLACE GENERAL FUNDS IN THE CLARK COUNTY AND WASHOE COUNTY INTEGRATION BUDGET ACCOUNTS, WHICH WILL BE RE-DIRECTED TO PROVIDE FOR ADDITIONAL

TRAINING OF CHILD WELFARE CASEWORKERS IN THE CHILDREN, YOUTH AND FAMILY ADMINISTRATION ACCOUNT UNDER THE DIVISION OF CHILD AND FAMILY SERVICES.

THE SUBCOMMITTEE RECOMMENDED INCREASES IN THE TRANSFER OF TANF FUNDS TO THE DIVISION OF MENTAL HEALTH AND DISABILITY SERVICES OF \$666,600 IN FY 2008 AND \$997,920 IN FY 2009, BEYOND THE TRANSFERS RECOMMENDED BY THE GOVERNOR, TO PROVIDE FOR ADDITIONAL SERVICES TO FAMILIES WITH AUTISTIC CHILDREN.

Assemblywoman Leslie commented that the transfer of TANF funds would provide for additional services to families with autistic children. She noted that A.B. 525 (R1), which was pending in the Committee on Ways and Means, would provide funding for families with autistic children who did not also have mental retardation. Ms. Leslie said by transferring the TANF funds, 54 additional children per year would be served.

THE SUBCOMMITTEE APPROVED INCREASES IN TANF CASH ASSISTANCE PAYMENTS OF APPROXIMATELY \$1.5 MILLION IN FY 2008 AND \$1.8 MILLION IN FY 2009 TO FUND AN INCREASE IN THE TANF CASH ASSISTANCE GRANT BY 15 PERCENT. THE INCREASE IN THE CASH ASSISTANCE GRANT BY 15 PERCENT REFLECTS A PAYMENT INCREASE OF APPROXIMATELY \$50 PER MONTH.

Assemblywoman Leslie said the Assembly Subcommittee had closed by voting in favor of the increase in the TANF cash assistance grant, but the Senate subcommittee had not concurred with the Assembly.

CHILD SUPPORT ENFORCEMENT (101-3238) WELFARE-27: THE SUBCOMMITTEE SUPPORTED THE GOVERNOR'S RECOMMENDATION FOR ADDITIONAL FUNDING OF \$712,850 EACH YEAR RESULTING FROM THE IMPLEMENTATION OF A \$25 FEE, REQUIRED UNDER THE DEFICIT REDUCTION ACT, ON CHILD SUPPORT CASES THAT NEVER RECEIVED PUBLIC ASSISTANCE IN WHICH THERE WAS AT LEAST \$500 IN COLLECTIONS. IN APPROVING THE FEE, THE SUBCOMMITTEE SUPPORTED COLLECTION FROM THE CUSTODIAL PARENT AS RECOMMENDED BY THE GOVERNOR.

IN ADDRESSING RECOMMENDATIONS MADE IN THE PERFORMANCE AUDIT OF THE ENFORCEMENT AND COLLECTION OF CHILD SUPPORT BY THE DIVISION AND THE DISTRICT ATTORNEYS OF THE STATE, THE SUBCOMMITTEE APPROVED THE USE OF STATE SHARE OF COLLECTIONS OF \$47,143 OVER THE 2007-09 BIENNIUM TO FUND A CONTRACTOR TO ASSIST WITH REPORTING REQUIREMENTS INCLUDED IN A.B. 536. THE SUBCOMMITTEE ALSO APPROVED THE USE OF STATE SHARE OF COLLECTIONS OF \$850 TO FUND A CONTRACT FACILITATOR TO ASSIST WITH STRATEGIC PLANNING FOR PROGRAM AND INFORMATION TECHNOLOGY.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ADD A SUPPORT ENFORCEMENT

SPECIALIST POSITION TO FULFILL PROGRAM NEEDS FOR THE ESTABLISHMENT OF A DELINQUENCY UNIT.

ASSISTANCE TO AGED AND BLIND (101-3232) WELFARE-37: THE SUBCOMMITTEE SUPPORTS THE GOVERNOR'S RECOMMENDATION FOR INCREASES IN PROJECTED CASELOADS WITH INCREASES BASED ON REVISED CASELOAD PROJECTIONS FROM THE DIVISION.

THE SUBCOMMITTEE APPROVED A LETTER OF INTENT FOR THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES TO CONTINUE TO REPORT TO THE IFC OVER THE UPCOMING BIENNIUM PRIOR TO IMPLEMENTING THE ANNUAL SSI COST-OF-LIVING INCREASE.

ENERGY ASSISTANCE WELFARE (101-4862) WELFARE-43: THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO CONVERT SIX CONTRACT POSITIONS TO STATE POSITIONS TO IMPROVE AND MINIMIZE TURNOVER AND PROCESS CASES IN A TIMELY MANNER.

THE SUBCOMMITTEE SUPPORTED INCREASES IN CLIENT PAYMENTS OF APPROXIMATELY \$1.7 MILLION IN EACH YEAR OF THE BIENNIUM AS RECOMMENDED BY THE GOVERNOR.

THE SUBCOMMITTEE SUPPORTED THE CHILD SUPPORT FEDERAL REIMBURSEMENT ACCOUNT AND THE CHILD ASSISTANCE AND DEVELOPMENT ACCOUNT AS RECOMMENDED BY THE GOVERNOR, WITH MINOR TECHNICAL ADJUSTMENTS.

THE COMMITTEE WILL NOTE THAT REVISED COST ALLOCATION ADJUSTMENTS HAVE NOT BEEN REFLECTED IN THE ATTACHED CLOSING SHEETS PRESENTED TO THE COMMITTEE. STAFF REQUESTS AUTHORITY TO MAKE ADJUSTMENTS REFLECTING COMMITTEE ACTIONS AND CHANGES IN THE DIVISION'S COST ALLOCATION. STAFF ALSO REQUESTS AUTHORITY TO REVISE THE BALANCE OF THE HIGH PERFORMANCE BONUS FUNDS RECOMMENDED TO OFFSET GENERAL FUNDS IN THE FIELD SERVICES ACCOUNT BASED ON TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN BUCKLEY MOVED APPROVAL OF THE CLOSING REPORT FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF WELFARE AND SUPPORTIVE SERVICES.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Hardy, Assemblywoman McClain, Assemblyman Parks, and Assemblywoman Weber were not present for the vote.)

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Assemblyman David Parks, Assembly District 41, Chairman of the Joint Subcommittee on Public Safety, Natural Resources, and Transportation read the following closing report into the record:

THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION HAS COMPLETED ITS REVIEW OF THE BUDGET FOR THE NEVADA DEPARTMENT OF TRANSPORTATION. THE SUBCOMMITTEE'S CLOSING ACTIONS RESULTED IN A HIGHWAY FUND SAVINGS OF \$28.7 MILLION IN FY 2008 AND \$171.7 MILLION IN FY 2009. THE SUBCOMMITTEE APPROVED THE CREATION OF SEPARATE BUDGET ACCOUNTS FOR HIGHWAY CONSTRUCTION EXPENDITURES FUNDED BY BOND PROCEEDS AND CONSTRUCTION EXPENDITURES FUNDED BY HIGHWAY FUND MONIES. THE GOVERNOR'S RECOMMENDED BUDGET DID NOT REFLECT THE ENTIRE AMOUNT OF BOND PROCEEDS THE DEPARTMENT HAS YET TO SPEND ON PROJECTS, AND IT COMMINGLED BOND REVENUE AND HIGHWAY FUND REVENUE. THE SUBCOMMITTEE RECOMMENDS DISPLAYING ALL BOND PROCEEDS IN A NEW BUDGET (BOND CONSTRUCTION 201-4663) WHILE THE HIGHWAY FUND SUPPORTED PROJECT EXPENDITURES REMAIN IN THE PRIMARY NDOT BUDGET (201-4660). AS PART OF SEPARATING THE BOND EXPENSES FROM THE HIGHWAY FUND EXPENSES, HIGHWAY FUND MONIES WERE REMOVED FROM THE NDOT BUDGET. WHEN THOSE HIGHWAY FUND MONIES ARE INCLUDED IN THE FUND BALANCE CALCULATIONS, THE ENDING FUND BALANCE IS PROJECTED TO BE OVER \$150 MILLION AT THE END OF FY 2009. WITHOUT THE INCLUSION OF THE BUDGETARY SAVINGS, THE HIGHWAY FUND MONIES BY THEMSELVES (WITHOUT INCLUSION OF BOND REVENUE) WOULD NOT BE ENOUGH TO KEEP THE HIGHWAY FUND SOLVENT AT THE END OF THE 2007-09 BIENNIUM.

IN ADDITION, THE SUBCOMMITTEE NOTED THAT WITH THE BOND SALE, THE YEARLY DEBT SERVICE PAYMENT WOULD INCREASE FROM \$76.4 MILLION IN THE CURRENT FISCAL YEAR TO \$89.4 MILLION IN FY 2008 AND \$94.2 MILLION IN FY 2009. IF ADDITIONAL BOND SALES WERE APPROVED OVER AND ABOVE THE \$135 MILLION APPROVED BY THE SUBCOMMITTEE FOR FY 2008, THE YEARLY BOND DEBT PAYMENT WOULD BE CLOSER TO \$100 MILLION.

THE DEPARTMENT DID NOT STATE FOR THE SUBCOMMITTEE'S BENEFIT THE PROJECTS THAT WOULD DEFINITELY BE INCLUDED IN THE \$470 MILLION HIGHWAY CONSTRUCTION PROGRAM FOR EACH FISCAL YEAR OF THE 2007-09 BIENNIUM. HOWEVER, IT CAN BE REASONABLY ASSUMED THAT WORK WILL CONTINUE ON THE I-15 WIDENING, THE I-580 EXTENSION, THE CARSON FREEWAY, PROJECT NEON, AND STATE ROUTE 160 (BLUE DIAMOND).

TRANSPORTATION ADMINISTRATION (BA 201-4660)

THE SUBCOMMITTEE APPROVED THE INCLUSION OF A NEW DEPARTMENT BUDGET ACCOUNT IN THE EXECUTIVE BUDGET. THE BOND CONSTRUCTION BUDGET (BA 201-4663) IS DESIGNED TO REFLECT ALL OF THE BOND REVENUE AND EXPENDITURE AUTHORITY THAT THE DEPARTMENT HAS IN A GIVEN BIENNIUM. TOGETHER WITH THE MAIN BUDGET (BA 4660), THIS NEW BUDGET WILL GIVE A COMPLETE PICTURE OF THE TOTAL EXPENDITURE AUTHORITY FOR HIGHWAY CONSTRUCTION PROJECTS THAT THE AGENCY HAS OVER THE

BIENNIUM. IN ADDITION, ONE CAN SEE HOW THE HIGHWAY CONSTRUCTION PROGRAM WILL BE SUPPORTED BY THE VARIOUS REVENUE SOURCES. THE SUBCOMMITTEE APPROVED ISSUANCE OF A LETTER OF INTENT INSTRUCTING THE AGENCY AND THE BUDGET DIVISION TO INCLUDE BA 4663 IN THE EXECUTIVE BUDGET IN FUTURE BIENNIA.

THE SUBCOMMITTEE CONCURS WITH THE GOVERNOR'S RECOMMENDATION TO ADD 17 POSITIONS TO ADDRESS CONSTRUCTION, MAINTENANCE, AND ADMINISTRATIVE NEEDS THROUGHOUT THE DEPARTMENT. TWO PROPOSED ENGINEERING POSITIONS WERE NOT APPROVED BY THE SUBCOMMITTEE AS A RESULT OF STAFF CONCERNS THAT THE DEPARTMENT COULD NOT ATTRACT AND RETAIN ENGINEERS IN LAS VEGAS DUE TO PAY COMPETITION WITH OTHER AGENCIES AND PRIVATE SECTOR EMPLOYERS. THE AGENCY HAS ADVISED THE LEGISLATURE IN THE PAST THAT RECRUITMENT IN LAS VEGAS IS DIFFICULT FOR THAT REASON.

THE SUBCOMMITTEE CONCURS WITH THE GOVERNOR'S RECOMMENDATION TO RECLASSIFY ONE EXISTING ENGINEERING TECHNICIAN POSITION TO AN ADMINISTRATOR II POSITION TO CREATE A PROJECT MANAGEMENT DIVISION CHIEF. THE PROJECT MANAGEMENT DIVISION COORDINATES THE DEPARTMENT'S LARGEST HIGHWAY CONSTRUCTION PROJECTS. THE SUBCOMMITTEE DID NOT CONCUR WITH RECLASSIFICATION OF ANOTHER ENGINEERING TECHNICIAN POSITION TO AN ASSISTANT CHIEF FOR THE RIGHT OF WAY DIVISION BECAUSE THE DEPARTMENT DID NOT PROVIDE COMPELLING QUANTITATIVE EVIDENCE OF GREATER SURPLUS PROPERTY DETERMINATIONS OR ENCROACHMENT PERMITS, NOR IS THE INTEGRATED RIGHT OF WAY INFORMATION NETWORK (IRWIN) PROJECT COMPLETED.

THE SUBCOMMITTEE APPROVED MOVING AIRCRAFT MAINTENANCE EXPENSES OF A NON-ROUTINE NATURE INTO AN ENHANCEMENT DECISION UNIT, AND LEAVING THE REGULAR AIRCRAFT OPERATION EXPENSES IN THE ADJUSTED BASE BUDGET. THE SUBCOMMITTEE APPROVED ISSUANCE OF A LETTER OF INTENT INSTRUCTING THE AGENCY TO BUDGET AIRCRAFT OPERATING EXPENSES IN FUTURE BIENNIAL BUDGETS IN THE BASE BUDGET, WHILE SCHEDULED MAINTENANCE AND INSPECTIONS AND NON-ROUTINE MAINTENANCE AND REHABILITATION SHOULD BE PLACED INTO AN ENHANCEMENT MODULE.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF THE CLOSING REPORT FOR THE DEPARTMENT OF TRANSPORTATION.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

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

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Assemblyman David Parks, Assembly District No. 41, Chairman of the Joint Subcommittee on Public Safety, Natural Resources, and Transportation read the following closing report into the record:

COMMISSIONER FOR VETERANS' AFFAIRS (101-2560)
VETERANS-1

IN CLOSING THE BUDGET FOR THE COMMISSIONER FOR VETERANS' AFFAIRS OFFICE, THE JOINT SUBCOMMITTEE ADDED THREE NEW POSITIONS TO ESTABLISH A TRINITY TEAM IN RURAL NEVADA. THE TEAM CONSISTS OF TWO VETERANS' SERVICES REPRESENTATIVES AND AN ADMINISTRATIVE ASSISTANT AND WILL BE LOCATED IN ELKO. THE TEAM WAS ADDED BY THE SUBCOMMITTEE TO ADDRESS UNMET NEEDS IN RURAL NEVADA AND TO IMPROVE UPON NEVADA'S AVERAGE PER-CAPITA COMPENSATION AND BENEFITS OF \$997, WHICH IS BELOW THE NATIONAL AVERAGE OF \$1,243 PER VETERAN. THE SUBCOMMITTEE ALSO APPROVED SEVERAL REVENUE ADJUSTMENTS REQUESTED BY THE AGENCY TO MATCH REVISED PROJECTIONS FOR THE 2007-09 BIENNIUM. THE DECREASE IN CEMETERY/INTERMENT FEES, ADMINISTRATION FEES AND THE ELIMINATION OF GIFT AND DONATION REVENUE RESULTED IN AN INCREASE OF GENERAL FUND SUPPORT OF \$92,500 IN FY 2008 AND \$117,350 IN FY 2009. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION OF \$295,606 FOR THE BIENNIUM FOR WATER RATE INCREASES AND AN EXPANSION OF MAINTAINED PROPERTY AT THE BOULDER CITY VETERANS' CEMETERY. ADDITIONALLY, DURING BUDGET HEARINGS, THE AGENCY REQUESTED THE SUBCOMMITTEE'S CONSIDERATION OF A LIMITED REORGANIZATION THAT WAS NOT INCLUDED IN THE EXECUTIVE BUDGET. THE SUBCOMMITTEE APPROVED THE REORGANIZATION, WHICH INCLUDED THE TRANSFER OF SEVERAL POSITIONS BETWEEN THE AGENCY'S TWO BUDGET ACCOUNTS AND THE RECLASSIFICATION OF TWO POSITIONS. THE OVERALL GENERAL FUND IMPACT OF THE SUBCOMMITTEE'S RECOMMENDATIONS FOR THIS BUDGET ACCOUNT IS AN INCREASE OF \$199,697 IN FY 2008 AND \$259,491 IN FY 2009.

VETERANS' HOME ACCOUNT (101-2561) VETERANS-7

THE SUBCOMMITTEE APPROVED FIVE NEW POSITIONS RECOMMENDED BY THE GOVERNOR, INCLUDING TWO LICENSED PRACTICAL NURSE IIs, WHICH WILL ACCOMMODATE THE PROJECTED CENSUS OF 175 RESIDENTS IN EACH YEAR OF THE 2007-09 BIENNIUM AND ALSO ALLOW THE HOME TO BECOME LESS DEPENDENT ON CONTRACT NURSES. TWO ACTIVITIES THERAPY TECHNICIAN II POSITIONS WERE APPROVED TO MEET NEW GUIDELINES FROM THE CENTER FOR MEDICARE AND MEDICAID SERVICES, AND AN OCCUPATIONAL THERAPIST II POSITION WAS APPROVED, AS IT WILL BE MORE ECONOMICAL THAN THE PURCHASE OF CONTRACT SERVICES. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S GENERAL FUND BUDGET REDUCTIONS, WHICH DO NOT REDUCE EXPENDITURES, BUT INSTEAD, INCREASE NON-GENERAL FUND REVENUE BASED ON NEW PROJECTIONS. INCREASES IN THE DAILY VETERANS' ADMINISTRATION PER-DIEM RATE AND THE

NUMBER OF MEDICAID-ELIGIBLE RESIDENTS RESULT IN AN INCREASE OF \$683,645 IN FEDERAL REVENUE OVER THE 2007-09 BIENNIUM, WITH CORRESPONDING DECREASES TO THE GENERAL FUND. THE GOVERNOR RECOMMENDED A TWO-GRADE SALARY INCREASE FOR ALL NURSING POSITIONS IN THE BUDGET, AS WELL AS THE CREATION OF A NEW CERTIFIED NURSING ASSISTANT II CLASSIFICATION DESIGNED TO ENHANCE THE CAREER LADDER FOR THOSE POSITIONS. THE SUBCOMMITTEE APPROVED THOSE RECOMMENDATIONS. THE SUBCOMMITTEE APPROVED SEVERAL TECHNICAL ADJUSTMENTS, INCLUDING THE ELIMINATION OF DUPLICATE POSITIONS RECOMMENDED FOR THE TWO-GRADE NURSING SALARY INCREASE, WHICH RESULTED IN A REDUCTION IN GENERAL FUND SALARY ADJUSTMENT REVENUE OF \$80,002 OVER THE BIENNIUM. LASTLY, THE SUBCOMMITTEE APPROVED THE REORGANIZATION NOTED IN THE COMMISSIONER'S ACCOUNT, RESULTING IN THE TRANSFER OF AN ADMINISTRATIVE SERVICES OFFICER II POSITION INTO THIS BUDGET. THE SUBCOMMITTEE'S RECOMMENDATIONS IN THIS ACCOUNT RESULT IN A GENERAL FUND REDUCTION OF \$267,898 IN FY 2008 AND \$366,049 IN FY 2009. THE TOTAL GENERAL FUND IMPACT OF THE SUBCOMMITTEE'S ACTIONS FOR THE AGENCY IS A NET GENERAL FUND DECREASE OF \$174,759 OVER THE 2007-09 BIENNIUM WHEN COMPARED TO THE GOVERNOR'S RECOMMENDED BUDGET.

ASSEMBLYMAN HOGAN MOVED APPROVAL OF THE CLOSING REPORT FOR THE OFFICE OF VETERANS' SERVICES.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

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Commission on Economic Development (101-1526)
EBO Page: ECON DEV AND TOURISM-1

Laura Freed, Program Analyst, Fiscal Analysis Division, LCB, stated there were two major closing issues in BA 1526. The first issue was the continuing increased General Fund support for Regional Development authorities in the amount of \$10.99 million. Ms. Freed stated the Regional Development authorities received General Fund support from the State to attract new business to Nevada and help develop their regional economic development infrastructures. Prior to the 2005 Legislature, all development authorities in the State split \$995,000 in General Fund support each fiscal year. Mr. Freed explained that in 2005 the Legislature approved \$2.75 million for the Nevada Development Authority (NDA), \$1.75 million per year for the Economic Development Authority of Western Nevada (EDAWN), and \$995,000 to be split among the other economic development organizations in the State. The Executive Budget continued that funding in the Commission's base budget. The rural economic development authorities were required by the 2005 Legislature to utilize the Commission on Economic Development's grant application process to obtain funding, whereas NDA and EDAWN were not

required to utilize the grant process as the funding was passed through from the Commission's budget. Ms. Freed said NDA and EDAWN were required to make quarterly reports to the Interim Finance Committee. The Commission's grant process included requirements for audits and quarterly financial reports, as well as a 1:1 matching requirement. Ms. Freed said that as a result, there was greater accountability for the use of the funds from the rural economic development organizations than from the state's urban economic development organizations. Prior to the 2005 Legislature, NDA and EDAWN were also required to participate in the Commission's grant process to receive funds.

Ms. Freed stated that if the Committee approved pass-through funding, staff would recommend that funding be provided to the development authorities on a quarterly basis so that interest income continued to accrue to the General Fund, rather than to the grantees.

According to Ms. Freed, NDA and EDAWN utilized a portion of their expanded funding to support the Commission's advertising campaign to attract new business to Nevada. Both organizations committed a portion of their General Fund appropriations to the advertising campaign. Ms. Freed said the Legislature appropriated General Fund to the development authorities, which then returned some General Fund to the Commission to pay for advertising. Ms. Freed said, as an alternative, staff recommended that the Committee appropriate the advertising funding directly to the Commission with all parties agreeing on the ad content and media purchases, but with the Commission making the actual expenditures. Staff further recommended adding \$293,614 in General Fund to the budget, and reducing the appropriations to NDA and EDAWN by the amounts they contributed for advertising, \$145,000 and \$148,614, respectively. Ms. Freed said staff further recommended reducing the Co-Sponsor Contributions revenue line item to \$10,000 to provide sufficient authority for the Commission to accept contributions from the other two participants, Northern Nevada Development Authority and Sierra Pacific Power, for the advertising campaign.

Ms. Freed stated providing funding to the Commission on Economic Development directly would also establish that any unspent funding would revert to the General Fund. At the close of FY 2006, the Commission did not revert \$85,145 in advertising contributions, although those contributions had been originally General Fund appropriations with a reversion date of June 30, 2006. New language had been added to all legislation containing appropriations reviewed by the 2007 Legislature to further address the issue.

Assemblyman Denis asked whether the funding for the Regional Development Authority was one-shot funding.

Ms. Freed stated former Governor Guinn had intended the funding to be an ongoing increase for the Regional Development Authority and that was the reason it was continued the base budget.

Assemblywoman Leslie stated it had been her understanding that it was one-shot funding.

Chairman Arberry said it appeared as if everyone thought it was one-shot funding, but it had been built into the base budget.

ASSEMBLYMAN DENIS MOVED TO DELETE \$10 MILLION IN
GENERAL FUND SUPPORT FROM THE PROPOSED

\$10.99 MILLION FOR REGIONAL DEVELOPMENT AUTHORITIES IN
BA 1526.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

Assemblywoman Gansert said she had examined the documents provided by the agency, and there appeared to be a good return on the investment. She said she could not support removing all of the money from the budget.

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, LCB, suggested that it might be helpful to have Ms. Freed outline the funding in the budget both for the rural and urban development authorities.

Ms. Freed stated the Governor recommended \$2.75 million in each year of the biennium for the NDA, \$1.75 million per year for the EDAWN, and \$995,000 per year to be split among the other economic development organizations. The rural organizations sharing the \$995,000 would apply to the Commission and based upon the submitted applications, the Commission would award funding of various amounts.

Chairman Arberry stated the motion on the table would be held, and asked Ms. Freed to make a presentation regarding continuing General Fund support for Inner City Economic Development.

Ms. Freed stated the second major issue in BA 1526 was continuing General Fund support for Inner City Economic Development. The 2005 Legislature approved \$500,000 for each year of the 2005-07 biennium to support what became the Valley Center Opportunity Zone (VCOZ). Ms. Freed said the funding had been continued in the base budget. The funding was dispersed to VCOZ after submittal of a detailed plan, which was reviewed by the Nevada Development Authority (NDA) and then recommended to the Commission on Economic Development.

Ms. Freed said the decision before the Committee was whether to approve the \$500,000 annual appropriation for the Inner City Economic Development expenditure category as recommended by the Governor; and if approved, require the VCOZ to submit a detailed plan to be approved by the Commission on Economic Development after a positive recommendation by the NDA.

Assemblyman Denis commented that the program appeared to be working well, and he believed it should be continued.

Assemblywoman Koivisto asked whether there had been any positive results from the program.

Assemblyman Denis said he knew some money had been allocated, and at least one business of which he was aware was happy with the program and the results.

Assemblyman Grady commented that if the program was working he would be in favor of it, but pointed out that the Inner City Economic Development expenditure was approximately 50 percent of what all of rural Nevada received. Mr. Grady requested that the Committee keep in mind when voting that rural Nevada could use the money as well as the inner city.

Ms. Freed stated that decision unit E275 recommended cost allocating the new Silvernet service from the Department of Information Technology (DoIT) across

all Economic Development budgets. The decision unit appeared reasonable to staff.

Decision unit E325 recommended Out-of-State and In-State Travel funded by a General Fund appropriation and seemed reasonable to staff.

Ms. Freed said decision unit E710, a revised recommendation for replacement equipment, appeared reasonable to staff.

In the advertising expenditure category, The Executive Budget continued a contract for advertising that had expired and had not yet been rebid. The agency typically contracted for advertising, marketing, and public relations services, but the existing contract expired in FY 2006. Ms. Freed said the Budget Division had added \$142,562 for advertising in FY 2008 and \$135,062 in FY 2009, but to date, no contract existed. Staff maintained that in the absence of an approved contract, such an increase in the base budget was not appropriate and should have been budgeted as a maintenance or enhancement decision unit. Ms. Freed said that if the Committee chose to approve the recommended funding absent the approved contract, staff recommended the Commission be required to report to the Interim Finance Committee upon reaching a contract agreement. If the contract cost was less than the authorized amount, the Commission should be directed to revert the excess funding.

Ms. Freed noted a small technical adjustment. As part of the Governor's recommended budget reductions, the Commission was recommended for a reduction of \$421 in FY 2008 and \$146 in FY 2009 to its operating supplies. That reduction was recommended to have been taken from decision unit E710, the replacement equipment unit, but had been taken from the operating expenditure category.

Assemblyman Denis restated his previously tabled motion.

Assemblywoman Gansert commented that in checking the NDA's numbers she had observed a return on the tax dollars spent of approximately 48 to 1, and EDAWN was approximately 10 to 1. She pointed out the Commission was stimulating tax revenues for the State and also the local governments.

Assemblywoman Buckley commented that both the NDA and EDAWN performed an excellent service, but the State also funded its own economic development organization. When the State had excess funds, the Legislature was happy to subsidize the regional economic development organizations, which Ms. Buckley stated were obviously not a state responsibility. She said it had not been her understanding that the \$10 million would be an ongoing funding item, and as worthy as regional economic development was, there were some tough fiscal decisions to be made.

THE MOTION PASSED WITH ASSEMBLYMAN MARVEL AND
ASSEMBLYWOMAN GANSERT VOTING NO.
(Assemblyman Hardy, Assemblywoman McClain, and
Assemblywoman Weber were not present for the vote.)

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ASSEMBLYWOMAN LESLIE MOVED TO APPROVE ALL OTHER
CLOSING ITEMS AND TECHNICAL ADJUSTMENTS IN
BUDGET ACCOUNT 1526 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

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

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Nevada Film Office (101-1527)
EBO Page: ECON DEV & TOURISM-8

Laura Freed, Program Analyst, Fiscal Analysis Division, LCB, stated that there were no major closing issues in BA 1527. Decision unit E175 increased the cost for the Film Office's advertising contract with the existing vendor, Marketing Synergists, by \$22,200 in each year of the biennium. The enhancement appeared reasonable to staff.

Decision unit E275 recommended cost allocating new Silvernet service from DoIT across all Economic Development budgets which appeared reasonable to staff.

Ms. Freed said decision unit E710 recommended \$7,441 in FY 2008 and \$8,392 in FY 2009 for replacement computer equipment.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF BUDGET ACCOUNT 1527 AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

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

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Rural Community Development (101-1528)
EBO Page: ECON DEV & TOURISM-13

Laura Freed, Program Analyst, Fiscal Analysis Division, LCB, stated that staff recommended BA 1528 be closed as adjusted.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF BUDGET ACCOUNT 1528 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

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Procurement Outreach Program (101-4867)
EBO Page: ECON DEV & TOURISM-18

Laura Freed, Program Analyst, Fiscal Analysis Division, LCB, stated that staff recommended BA 4867 be closed as recommended by the Governor. However, staff also recommended that the Procurement Outreach Program be required to provide a report to the Interim Finance Committee (IFC) at the September 2008 meeting regarding updated performance indicators. Ms. Freed said staff recommended the Committee issue of a Letter of Intent for that purpose.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF BUDGET ACCOUNT 4867 AS RECOMMENDED BY STAFF AS WELL AS THE ISSUANCE OF A LETTER OF INTENT TO THE PROCUREMENT OUTREACH PROGRAM REQUIRING IT TO PROVIDE A REPORT TO THE INTERIM FINANCE COMMITTEE AT THE SEPTEMBER 2008 MEETING.

THE MOTION WAS SECONDED BY ASSEMBLYMAN DENIS.

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

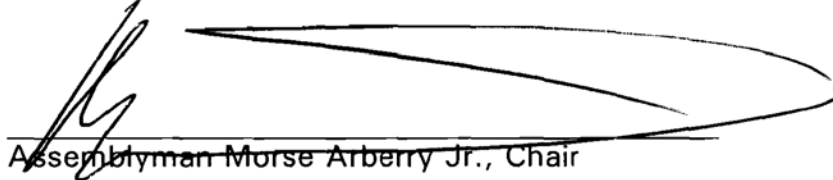
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Chairman Arberry adjourned the meeting at 1:00 p.m.

RESPECTFULLY SUBMITTED:

Anne Bowen
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 19, 2007</u>		Time of Meeting: <u>9:02 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Guest Sign-in sheet
	C	Fiscal Analysis Division	Comparison of Potential General Fund Savings vs. Recommendations by Subcommittee for DCNR Budgets