

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

**Seventy-Fourth Session
May 21, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 8:30 a.m., on Monday, May 21, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Mark Krmpotic, Senior Program Analyst
Tracy Raxter, Senior Program Analyst
Jeff Ferguson, Program Analyst
Robin Hager, Program Analyst
Todd Myler, Committee Secretary
Patricia Adams, Committee Assistant

Chairman Arberry noted that the Nevada System of Higher Education budget would not be closed at this meeting and would be held until a later date. He then opened the hearing on the Department of Health and Human Services, Division of Mental Health and Developmental Services budgets, and recognized Assemblywoman Sheila Leslie, Assembly District No. 27, Co-Chair of the Joint Subcommittee on K-12/Human Services.

Ms. Leslie read the following closing report:



THE JOINT SUBCOMMITTEE FOR K-12, HUMAN RESOURCES DEVELOPED RECOMMENDATIONS FOR THE BUDGETS WITHIN THE DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL SERVICES (MHDS). THE ASSEMBLY SUBCOMMITTEE CLOSING RECOMMENDATIONS FOR THE DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL SERVICES RESULT IN GENERAL FUND DECREASES OF \$995,023 IN FY 2007-08 AND \$3.49 MILLION IN FY 2008-09. HOWEVER, THE SUBCOMMITTEE ALSO PLACED ADDITIONAL FUNDING FOR A NUMBER OF ITEMS ON AN ADD LIST THAT TOTALS \$5.02 MILLION IN FY 2007-08 AND \$7.56 MILLION IN FY 2008-09. A SUMMARY OF THE GENERAL FUND CHANGES AND THE ITEMS ON THE ADD LIST ARE ATTACHED AFTER THIS CLOSING SPEECH.

DIVISION-WIDE ISSUES

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO FUND A TWO-GRADE SALARY INCREASE FOR THE DIVISION'S LICENSED CLINICAL STAFF, INCLUDING MENTAL HEALTH COUNSELORS, CLINICAL SOCIAL WORKERS, PSYCHIATRIC NURSES, MID-LEVEL MEDICAL PRACTITIONERS AND LICENSED PSYCHOLOGISTS. THE COMPENSATION ADJUSTMENT IS INTENDED TO ENSURE PAY EQUITY AMONG THE STATE AND PRIVATE SECTOR, LOCAL GOVERNMENTS AND WESTERN STATES GOVERNMENTS.

DUE TO CONCERNS WITH THE CLEO PROJECTION MODEL UTILIZED BY THE DIVISION FOR CASELOAD PROJECTIONS, THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT FOR MHDS TO WORK WITH THE BUDGET OFFICE AND THE FISCAL ANALYSIS DIVISION DURING THE 2007-09 INTERIM TO REEVALUATE THE PROJECTION METHODOLOGY IN ORDER TO DEVELOP IMPROVED PROJECTIONS THAT CAN BE CONSIDERED IN THE 2009-11 EXECUTIVE BUDGET TO BE PRESENTED TO THE 2009 LEGISLATURE.

MENTAL HEALTH AGENCIES - COMMON ISSUES

THE SUBCOMMITTEE TOOK A NUMBER OF ACTIONS REGARDING THE CONTINUATION OF FUNDING FOR VARIOUS MENTAL HEALTH SERVICES THAT WERE APPROVED BY THE 2005 LEGISLATURE IN [ASSEMBLY BILL 175](#):

- APPROVED THE GOVERNOR'S RECOMMENDATION FOR GENERAL FUND APPROPRIATIONS OF \$4.65 MILLION TO CONTINUE MENTAL HEALTH COURT SERVICES, INCLUDING 75 CLIENTS AT SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES (SNAMHS), 125 CLIENTS AT NORTHERN NEVADA ADULT MENTAL HEALTH SERVICES (NNAMHS) AND 25 CLIENTS AT RURAL CLINICS (CARSON CITY).
- CONCURRED WITH THE GOVERNOR'S RECOMMENDATION FOR GENERAL FUND APPROPRIATIONS OF \$2.8 MILLION TO CONTINUE THE STATE'S ONE-THIRD SHARE IN SUPPORT OF THE COMMUNITY TRIAGE CENTERS IN SOUTHERN NEVADA (\$900,000 EACH YEAR) AND NORTHERN NEVADA (\$500,000 EACH YEAR). THE SUBCOMMITTEE RECOMMENDS A LETTER OF INTENT CLARIFYING THE

FUNDING FOR THE NORTHERN NEVADA COMMUNITY TRIAGE CENTER MAY BE UTILIZED FOR CONSTRUCTION, BUILDING RENOVATION AND FIXED ASSET PURCHASES.

- APPROVED THE GOVERNOR'S RECOMMENDATION FOR GENERAL FUND APPROPRIATIONS TOTALING \$2.86 MILLION TO CONTINUE 90 RESIDENTIAL PLACEMENTS IN SOUTHERN NEVADA.
- APPROVED THE GOVERNOR'S RECOMMENDATION TO SUPPORT 22 BEDS IN THE FORMER INPATIENT HOSPITAL AT SNAMHS, BUT TO DELAY THE OPENING OF THOSE BEDS FOR THREE MONTHS FROM JULY 1 TO OCTOBER 1, 2007, IN ORDER TO ALLOW THE AGENCY ADDITIONAL TIME TO RECRUIT AND TRAIN 46.53 NEW POSITIONS. THE SUBCOMMITTEE AUTHORIZED FUNDING TO CONTINUE THE WESTCARE CONTRACT FROM JUNE 30 TO SEPTEMBER 30, 2007. GENERAL FUND APPROPRIATIONS TOTAL \$7.67 MILLION IN THE 2007-09 BIENNIUM TO SUPPORT THE 22 NEW BEDS.

MHDS ADMINISTRATION (101-3168) MHDS-1:

THE SUBCOMMITTEE APPROVED 3.51 NEW POSITIONS, INCLUDING TWO MANAGEMENT ANALYSTS, AN ADMINISTRATIVE ASSISTANT AND A PART-TIME PERSONNEL TECHNICIAN, THAT THE CENTRAL OFFICE WILL UTILIZE TO ADDRESS THE CONTINUING EXPANSION OF THE DIVISION ALONG WITH THE ADDITIONAL RESPONSIBILITIES ASSOCIATED WITH THE TRANSFER OF SAPTA FROM THE HEALTH DIVISION TO MHDS EFFECTIVE JULY 1, 2007. THE NEW POSITIONS ARE FUNDED WITHIN THE ADMINISTRATIVE CAP OF THE FEDERAL SUBSTANCE ABUSE PREVENTION AND TREATMENT (SAPT) GRANT.

NORTHERN NEVADA ADULT MENTAL HEALTH SERVICES (101-3162) MHDS-13:

THE SUBCOMMITTEE TOOK A NUMBER OF CLOSING ACTIONS REGARDING CASELOAD CHANGES AT NNAMHS:

- APPROVED THE GOVERNOR'S REVISED RECOMMENDATION THAT APPROPRIATES GENERAL FUNDS OF \$2.52 MILLION TO SERVE AN ADDITIONAL 170 CLIENTS IN THE MEDICATION CLINIC, INCLUDING 8.53 POSITIONS AND THE OPENING OF A NEW CLINIC IN RENO. THE SUBCOMMITTEE, HOWEVER, DID NOT APPROVE THE OPENING OF A SECOND CLINIC IN FY 2008-09 CONSISTENT WITH THE GOVERNOR'S PROPOSED BUDGET REDUCTIONS.
- CONCURRED WITH THE GOVERNOR'S REVISED RECOMMENDATION TO DELAY THE START OF RESIDENTIAL PLACEMENTS FOR 30 ADDITIONAL CLIENTS WITH A GENERAL FUND COST OF \$896,414 IN THE 2007-09 BIENNIUM.
- APPROVED THE GOVERNOR'S RECOMMENDATION FOR GENERAL FUND APPROPRIATIONS OF \$3.92 MILLION TO SUPPORT AN ADDITIONAL 2,712 CLIENTS ANNUALLY IN THE WALK-IN PSYCHIATRIC AMBULATORY SERVICES (PAS) UNIT.

- ALTHOUGH THE SUBCOMMITTEE AGREED WITH THE GOVERNOR'S RECOMMENDATION TO SUPPORT CASELOAD INCREASES FOR THE MENTAL HEALTH COURT IN NORTHERN NEVADA, THE SUBCOMMITTEE VOTED TO REMOVE GENERAL FUND APPROPRIATIONS OF \$1.24 MILLION IN THE 2007-09 BIENNIUM FROM THE NNAMHS BUDGET AND PLACE THE FUNDING ON AN ADD LIST. THE SUBCOMMITTEE WISHES TO CONSIDER THE MENTAL HEALTH COURT CASELOAD FOR NNAMHS IN CONSIDERATION WITH POSSIBLE CASELOAD INCREASES AT SNAMHS.
- THE ASSEMBLY MEMBERS OF THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S REVISED RECOMMENDATION FOR 3.51 NEW POSITIONS TO SUPPORT THE 10-BED PSYCHIATRIC OBSERVATION UNIT AT DINI-TOWNSEND HOSPITAL.

THE SUBCOMMITTEE ALSO VOTED TO PLACE ON AN ADD LIST FUNDING COSTS OF \$444,805 IN THE 2007-09 BIENNIUM (**NOT INCLUDED IN THE EXECUTIVE BUDGET**) TO SUPPORT A MOBILE OUTREACH PROGRAM IN COOPERATION WITH THE RENO POLICE DEPARTMENT, INCLUDING TWO MENTAL HEALTH COUNSELORS AND A HALF-TIME ADMINISTRATIVE ASSISTANT. THE NEW POSITIONS WOULD ASSIST LAW ENFORCEMENT WITH INITIATING CALLS FOR SERVICE, SUICIDAL PERSONS AND CITIZEN WELFARE CHECKS.

LAKES CROSSING CENTER (101-3645) MHDS-26:

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION FOR 12 NEW POSITIONS, INCLUDING NINE FORENSIC SPECIALISTS, ONE QUALITY ASSURANCE SPECIALIST, ONE INFORMATION TECHNOLOGY TECHNICIAN AND ONE ADMINISTRATIVE ASSISTANT. THE NEW POSITIONS SUPPORT THE 28-BED EXPANSION OF THE FACILITY WHICH WAS APPROVED BY THE IFC IN RESPONSE TO A LAWSUIT BY THE NEVADA DISABILITY ADVOCACY AND LAW CENTER. THE SUBCOMMITTEE ALSO VOTED TO PLACE ON AN ADD LIST FUNDING COSTS OF \$336,989 IN THE 2007-09 BIENNIUM, INCLUDING TWO PSYCHIATRIC CASEWORKERS POSITIONS, THAT WOULD SUPPORT A CONDITIONAL RELEASE PROGRAM FOR UP TO 30 INDIVIDUALS WHO HAVE BEEN FOUND NOT GUILTY BY REASON OF INSANITY OR ARE UNRESTORABLE DEFENDANTS WHO ARE COMMITTED TO THE DIVISION SUBSEQUENT TO BEING CHARGED WITH A SERIOUS CRIME.

RURAL CLINICS (101-3648) MHDS-32:

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE 28.51 POSITIONS IN OUTPATIENT COUNSELING SERVICES BASED UPON CASELOAD PROJECTIONS DEVELOPED BY THE AGENCY. THE CASELOAD PROJECTIONS FOR RURAL CLINICS REFLECTED THE ONGOING DIFFICULTY IN RECRUITING AND RETAINING CLINICAL STAFF, AND WAS FURTHER IMPACTED BY A "DATA CLEANSING PROJECT" THAT CLOSED A NUMBER OF FILES THAT WERE CONSIDERED INACTIVE. THE SUBCOMMITTEE AGREED TO PLACE A NUMBER OF ITEMS ON AN ADD LIST (**NOT INCLUDED**)

IN THE EXECUTIVE BUDGET) SHOULD ADDITIONAL FUNDING
BECOME AVAILABLE:

- RESTORE 13 OF THE 28.51 POSITIONS THAT WERE ELIMINATED IN OUTPATIENT COUNSELING SERVICES BASED UPON A HIGHEST NEED PRIORITY AT THE CLINICS, WITH SALARY AND FRINGE COSTS TOTALING \$2.24 MILLION IN THE 2007-09 BIENNIUM,
- ADD FUNDING OF \$75,500 EACH YEAR TO RETAIN AN ADVERTISING CONTRACTOR TO CONDUCT MEDIA AND INTERNET MARKETING STRATEGIES IN RECRUITING COUNSELING STAFF FOR THE AGENCY.
- INCREASE CONTRACT PSYCHIATRIST DIRECT SERVICE COMPENSATION FROM \$135 PER HOUR CURRENTLY TO \$180 PER HOUR IN FY 2007-08 AND \$200 PER HOUR IN FY 2008-09, AND TO INCREASE TRAVEL COMPENSATION FROM \$60 PER HOUR TO \$75 AND \$90 PER HOUR, RESPECTIVELY. GENERAL FUND APPROPRIATIONS WOULD TOTAL \$898,773 IN THE 2007-09 BIENNIUM.

SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES
(101-3161) MHDS-43:

THE SUBCOMMITTEE TOOK A NUMBER OF CLOSING ACTIONS REGARDING CASELOAD CHANGES AT SNAMHS:

- THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO REDUCE FUNDING FOR MEDICATIONS BY \$4.92 MILLION IN THE 2007-09 BIENNIUM, AND INSTEAD RESTORED FUNDING TO SERVE 7,548 CLIENTS AS APPROVED BY THE 2005 LEGISLATURE. THE SUBCOMMITTEE VOTED TO PLACE ADDITIONAL MEDICATION FUNDING OF \$3.52 MILLION ON AN ADD LIST THAT WOULD PROVIDE MEDICATIONS FOR ANOTHER 552 CLIENTS IN ORDER TO SATISFY BOTH THE CURRENT CLIENTS AND THOSE THE DIVISION INDICATES ARE ON A WAIT LIST.
- APPROVED THE GOVERNOR'S REVISED RECOMMENDATION TO DELAY THE START OF RESIDENTIAL PLACEMENTS FOR 85 ADDITIONAL CLIENTS WITH A GENERAL FUND COST OF \$1.35 MILLION, INCLUDING A HALF-TIME MENTAL HEALTH COUNSELOR.
- CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO SERVE AN ADDITIONAL 49 CLIENTS IN THE PROGRAM FOR ASSERTIVE COMMUNITY TREATMENT, INCLUDING FOUR NEW POSITIONS, WITH GENERAL FUND APPROPRIATIONS TOTALING \$457,241 IN THE 2007-09 BIENNIUM.
- THE SUBCOMMITTEE VOTED TO RESTORE A CLINICAL SOCIAL WORKER POSITION THAT WAS RECOMMENDED FOR ELIMINATION BY THE GOVERNOR IN OUTPATIENT COUNSELING SERVICES. ALTHOUGH THE NUMBER OF CLIENTS WAS DECREASING DURING THE DEVELOPMENT OF THE GOVERNOR'S BUDGET, RECENT CASELOAD DATA SUGGESTS THE NUMBER OF CLIENTS RECENTLY SERVED IS APPROACHING THE LEVEL APPROVED BY THE 2005 LEGISLATURE.
- THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ELIMINATE FOUR PSYCHIATRIST

POSITIONS IN THE PSYCHIATRIC AMBULATORY SERVICES UNIT (PAS). HOWEVER, THE ASSEMBLY MEMBERS OF THE SUBCOMMITTEE APPROVED ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$538,179 TO FUND TWO PSYCHIATRIC CASEWORKER AND THREE MENTAL HEALTH COUNSELOR POSITIONS AS A RESULT OF THE SUBCOMMITTEE'S DIRECTIVE TO THE DIVISION TO IDENTIFY ALTERNATIVE POSITIONS TO SUPPORT RECENT CASELOAD INCREASES IN THE PAS UNIT.

LASTLY, THE SUBCOMMITTEE VOTED TO PLACE FUNDING FOR COSTS TOTALING \$2.4 MILLION ON AN ADD LIST ASSOCIATED WITH MENTAL HEALTH COURT CASELOAD FOR 77 CLIENTS THAT WAS REQUESTED BY THE AGENCY AS AN ITEM FOR SPECIAL CONSIDERATION.

DEVELOPMENTAL SERVICES – COMMON ISSUES

THE SUBCOMMITTEE APPROVED ADDITIONAL SERVICE COORDINATION CASELOAD INCREASES BASED UPON REVISED PROJECTIONS PROVIDED BY THE DIVISION. THE REVISED CASELOAD DECREASES FROM 640 CLIENTS AS RECOMMENDED BY THE GOVERNOR TO 518 CLIENTS AS APPROVED BY THE SUBCOMMITTEE: 340 AT DESERT REGIONAL CENTER, 85 AT RURAL REGIONAL CENTER AND 93 AT SIERRA REGIONAL CENTER. GENERAL FUND APPROPRIATIONS ARE REDUCED BY \$3.96 MILLION OVER THE BIENNIUM AS A RESULT OF THE REVISED CASELOAD PROJECTIONS.

THE SUBCOMMITTEE APPROVED GENERAL FUND APPROPRIATIONS OF \$4.8 MILLION TO SUPPORT AN ADDITIONAL 278 CLIENTS IN RESIDENTIAL SUPPORTS AT DRC (151) AND SRC (127), AND 35 ADDITIONAL CLIENTS IN JOBS AND DAY TRAINING PLACEMENTS AT DRC (23) AND SRC (12) WHO HAVE BEEN ON WAIT LISTS FOR MORE THAN 90 DAYS. SINCE SRC RECENTLY REPORTED NO WAIT LIST FOR JOBS AND DAY TRAINING, THE SUBCOMMITTEE APPROVED TRANSFERRING FUNDING FOR THE 12 JOBS AND DAY TRAINING SLOTS FROM SRC TO DRC TO FURTHER REDUCE THE WAIT LIST IN THAT AGENCY.

THE SUBCOMMITTEE AGREED WITH THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE REMAINING 20 INTERMEDIATE CARE FACILITY/MENTAL RETARDATION (ICF/MR) BEDS AT SRC AND 6 BEDS AT DRC, WITH FUNDING PROVIDED TO SUPPORT COMMUNITY RESIDENTIAL PLACEMENTS. THE ICF/MR BED REDUCTIONS CONTINUE THE DIVISION'S EFFORTS AT COMPLYING WITH THE SUPREME COURT'S OLMSTEAD DECISION. A TOTAL OF 52.97 POSITIONS ARE ELIMINATED AT SRC AND 5.52 POSITIONS AT DRC. THE SUBCOMMITTEE ALSO CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ESTABLISH CRISIS PREVENTION INTERVENTION TEAMS FOR ALL THREE REGIONS WHO WILL ASSIST AGENCY STAFF IN BOTH PREVENTING AND TRIAGING CRISIS EPISODES WITH CLIENTS AND SERVICE PROVIDERS. THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT FOR THE DIVISION TO PROVIDE

SIX-MONTH STATUS REPORTS FOR THE CRISIS PREVENTION INTERVENTION TEAMS TO THE IFC.

THE DIVISION IMPLEMENTED A PILOT PROGRAM IN FY 2005-06 THAT CURRENTLY PROVIDES MONTHLY ASSISTANCE PAYMENTS TO 52 FAMILIES WITH CHILDREN AGES TWO TO TEN WHO ARE BOTH MENTALLY RETARDED AND DIAGNOSED WITH AUTISM DISORDERS. THE SUBCOMMITTEE APPROVED ADDITIONAL TRANSFERS FROM TANF OF \$666,600 IN FY 2007-08 AND \$997,920 IN FY 2008-09 (**NOT INCLUDED IN THE EXECUTIVE BUDGET**) TO SERVE AN ADDITIONAL 54 FAMILIES IN THE 2007-09 BIENNIUM. IN ADDITION, THE ADDITIONAL FUNDING INCREASES THE AVERAGE MONTHLY ASSISTANCE TO THESE FAMILIES FROM \$1,100 PER MONTH TO \$1,320 PER MONTH.

SIERRA REGIONAL CENTER (101-3280) MHDS-64; RURAL REGIONAL CENTER (101-3167) MHDS-84:

THE SUBCOMMITTEE CLOSED THE REMAINDER OF THE SRC AND RRC BUDGETS AS RECOMMENDED BY THE GOVERNOR WITH MINOR OR TECHNICAL ADJUSTMENTS.

DESERT REGIONAL CENTER (101-3279) MHDS-72:

THE SUBCOMMITTEE AGREED WITH THE GOVERNOR'S RECOMMENDATION TO TRANSITION 24 INDIVIDUALS IN PRIVATE ICF/MR BEDS CURRENTLY SUPPORTED IN THE MEDICAID ACCOUNT TO RESIDENTIAL AND JOBS AND DAY TRAINING PLACEMENTS AT DRC, BUT REDUCED GENERAL FUND APPROPRIATIONS BY \$373,086 IN FY 2008-09 TO REFLECT THE CORRECT NUMBER OF PLACEMENTS. THE SUBCOMMITTEE ALSO CONCURRED WITH THE GOVERNOR'S RECOMMENDATION FOR ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$3.96 MILLION IN THE 2007-09 BIENNIUM TO SUPPORT 76 CHILDREN AND YOUTH DIAGNOSED WITH BOTH MENTAL RETARDATION AND MENTAL ILLNESS AND/OR SEVERELY EMOTIONALLY DISTURBED. THESE YOUTH HAVE BEEN REFERRED THROUGH THE CHILD WELFARE SYSTEM, HAVE BEEN PLACED IN MULTIPLE SETTINGS AND PROGRAMS WITHOUT SUCCESS, HAVE LIMITED OR NO FAMILY SUPPORT, AND HAVE COMPLEX EMOTIONAL, MEDICAL AND BEHAVIORAL ISSUES.

FAMILY PRESERVATION PROGRAM (101-3166) MHDS-81:

THE SUBCOMMITTEE AGREED WITH THE GOVERNOR'S REVISED RECOMMENDATION TO SERVE AN ADDITIONAL 62 FAMILIES IN THE FAMILY PRESERVATION PROGRAM THAT INCREASES THE TOTAL NUMBER OF FAMILIES SERVED TO 528 BY THE END OF THE 2007-09 BIENNIUM. THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO INCREASE THE MONTHLY ASSISTANCE PAYMENT TO EACH FAMILY FROM \$350 PER MONTH CURRENTLY TO \$362 IN FY 2007-08 AND TO \$374 IN FY 2008-09.

ALCOHOL AND DRUG REHABILITATION (101-3170) MHDS-98:

THE GOVERNOR RECOMMENDED IN THE EXECUTIVE BUDGET \$17 MILLION IN THE 2007-09 BIENNIUM TO FIGHT METHAMPHETAMINE USE IN NEVADA. OF THAT AMOUNT, \$12.1 MILLION WAS DIRECTED TO SAPTA FOR VARIOUS INITIATIVES AND \$2 MILLION WAS DIRECTED TO THE DHHS DIRECTOR'S OFFICE FOR METHAMPHETAMINE EDUCATION PROGRAMS. THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATIONS TOTALING \$14.1 MILLION IN THE SAPTA ACCOUNT AS FOLLOWS:

- APPROVED GENERAL FUND APPROPRIATIONS OF \$5.3 MILLION TO REPLACE FEDERAL STATE INCENTIVE GRANT FUNDS THAT EXPIRE IN SEPTEMBER 2007 TO SUPPORT GRANTS TO 13 COMMUNITY COALITIONS AND 45 DRUG PREVENTION PROGRAMS.
- APPROVED GENERAL FUND APPROPRIATIONS OF \$3.8 MILLION TO SERVE AN ADDITIONAL 1,417 INDIVIDUALS IN COMMUNITY TREATMENT PROGRAMS.
- APPROVED GENERAL FUND APPROPRIATIONS OF \$3 MILLION TO INITIATE A PILOT PROGRAM TO SERVE 90 INDIVIDUALS WITH CO-OCCURRING SUBSTANCE ABUSE AND MENTAL ILLNESS DISORDERS.
- APPROVED MOVING GENERAL FUND APPROPRIATIONS OF \$2 MILLION FROM THE DHHS DIRECTOR'S OFFICE TO THE SAPTA ACCOUNT TO ESTABLISH AND ADMINISTER METHAMPHETAMINE EDUCATION PROGRAMS.

AS A RESULT OF THE SUBCOMMITTEE'S ACTION, THE MAINTENANCE OF EFFORT REQUIREMENT FOR THE FEDERAL SAPT GRANT INCREASES FROM \$3.7 MILLION CURRENTLY TO \$12.1 MILLION ANNUALLY BY FY 2010-11.

THE SUBCOMMITTEE ALSO APPROVED A NEW ACCOUNTANT TECHNICIAN POSITION AND INCREASING A HALF-TIME ADMINISTRATIVE ASSISTANT TO A FULL-TIME POSITION AS A RESULT OF THE TRANSFER OF THE SAPTA ACCOUNT FROM THE HEALTH DIVISION AND THE EXPANSION OF THE PROGRAMS APPROVED BY THE SUBCOMMITTEE. LASTLY, THE SUBCOMMITTEE RECOMMENDED ISSUING A LETTER OF INTENT TO MHDS REQUIRING THE SUBMISSION OF SIX-MONTH STATUS REPORTS TO THE IFC ADDRESSING THE USE OF THE ADDITIONAL \$14.1 MILLION IN APPROPRIATIONS FOR METHAMPHETAMINE EDUCATION, PREVENTION PROGRAMS, INCREASED TREATMENT SERVICES FOR INDIVIDUALS AND THE CO-OCCURRING PILOT PROGRAM.

THE SUBCOMMITTEE CLOSED THE FOLLOWING ACCOUNTS AS RECOMMENDED BY THE GOVERNOR WITH MINOR OR TECHNICAL ADJUSTMENTS:

- SOUTHERN NEVADA FOOD SERVICE (101-3159) MHDS-59
- MENTAL HEALTH INFORMATION SYSTEM (101-3164) MHDS-91
- HEALTH ALCOHOL TAX PROGRAM (101-3255) MHDS-106

FOLLOWING THIS REPORT ARE TWO SCHEDULES: THE FIRST SCHEDULE ([Exhibit C](#)) IDENTIFIES THE GENERAL FUND

CHANGES, AND THE SECOND SCHEDULE ([Exhibit D](#)) IDENTIFIES THOSE ITEMS PLACED ON AN ADD LIST, AS RECOMMENDED BY THE SUBCOMMITTEE.

Assemblyman Marvel asked whether rural clinics lacked the caseload to maintain staffing levels or whether recruiting was difficult in those areas.

Ms. Leslie explained that low staffing levels were a result of both issues. She noted that recruiting for positions in rural areas was difficult and that, according to the CLEO projection model, caseload was lower accordingly. However, she noted that the Subcommittee was concerned with the Elko area in particular where the suicide rate had increased significantly.

Mr. Marvel asked where persons were getting treatment.

Ms. Leslie noted that persons were, for the most part, not getting treatment.

Mr. Marvel said it seemed like whenever there were reductions in mental health expenditures, the rural areas were cut, and it was difficult to maintain the necessary level of service there.

Ms. Leslie noted that 18 new positions had been added in 2005, but those were unable to be filled. She explained, however, that there was a bill currently moving through the Legislature that established a new category of licensure for licensed professional counselors. This new category was for professionals with both mental health and substance-abuse backgrounds. Ms. Leslie believed that, once this new category was approved by the Legislature, more individuals could be hired in rural Nevada for those licenses.

Mr. Marvel noted that maintaining staff had always been difficult in rural areas and contract employees had been used as a result.

Ms. Leslie explained that 13 positions were placed on the add list in the amount of approximately \$1 million annually. She said that the rural clinics had prioritized positions and that Elko had been made the second priority on the list. She noted that if funds were available, the 13 positions should help to increase caseload and provide the needed mental health services.

Assemblywoman Buckley commented to Mr. Marvel that she believed it would be more effective, with respect to recruiting, to find individuals within the rural communities, such as high school students, to provide scholarships with agreements to return and work in their respective communities. She noted that money had been spent on recruiting, but that the people most likely to stay in the communities were those already living there who were not actively recruited. Ms. Buckley said "every time we allocate the positions, which are so needed, they don't get filled, and we need to get more services out there . . . I think we need a new approach."

Mr. Marvel said that efforts had been made in that regard with the WICHE program, making agreements with students receiving loans so they would return and work in rural areas and, in turn, have student loans forgiven. He noted that this approach had been attractive to some people in various professions.

Ms. Buckley said she believed more could be done. For example, when she was personally considering using the WICHE program before Nevada had a law school, she explained that it was more beneficial to seek scholarships for law

school than to pursue loans from the WICHE program. She suggested that for rural communities the Legislature could consider an "additional add."

Mr. Marvel said "If you had gone to Battle Mountain, we'd have forgiven it."

Chairman Arberry asked how the Committee wished to act on the budgets in question.

ASSEMBLYWOMAN BUCKLEY MOVED THAT THE COMMITTEE CLOSE THE DIVISION OF MENTAL HEALTH SERVICES BUDGETS AS OUTLINED BY THE SUBCOMMITTEE IN THE CLOSING REPORT.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Chairman Arberry opened discussion on budget accounts for the Department of Motor Vehicles and recognized Assemblyman Parks, Assembly District No. 41, Co-Chair of the Joint Subcommittee on Public Safety, Natural Resources and Transportation.

Mr. Parks read the following closing report:

THE SUBCOMMITTEE FOR PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION DEVELOPED THE FOLLOWING RECOMMENDATIONS FOR THE DEPARTMENT OF MOTOR VEHICLES.

22 PERCENT CAP

UNDER NRS 408.235, THE DEPARTMENT OF MOTOR VEHICLES MAY NOT EXPEND MORE THAN 22 PERCENT OF THE FEES COLLECTED (EXCLUDING GASOLINE TAX) FROM THE HIGHWAY FUND ON ADMINISTRATION.

THE SUBCOMMITTEE, THROUGH HIGHWAY FUND REDUCTIONS IN OTHER AREAS OF THE DEPARTMENT'S BUDGETS, HAS MAINTAINED THE 22 PERCENT CAP AT 18.2 PERCENT IN FISCAL YEAR 2008 AND 18.4 PERCENT IN FISCAL YEAR 2009, LEAVING FUNDING AUTHORITY OF APPROXIMATELY \$10.9 MILLION UNDER THE CAP IN FY 2008 AND \$10.6 MILLION UNDER THE CAP IN FY 2009.

DMV, DIRECTOR'S OFFICE, (BA 201-4744) DMV-1:

THE SUBCOMMITTEE RECOMMENDED CONTINUATION OF FUNDING FOR KIOSKS, WITH REDUCTIONS OF APPROXIMATELY \$750,000 IN FY 2008 AND \$1.1 MILLION IN FY 2009 BASED ON REVISED PROJECTIONS.

DMV, REAL ID (BA 201-4746) DMV-13:

THE REAL ID ACT WAS SIGNED INTO LAW BY PRESIDENT BUSH ON MAY 11, 2005, AND IS SCHEDULED TO TAKE EFFECT ON MAY 11, 2008, UNLESS THE STATE REQUESTS AN EXTENSION FROM THE U.S. DEPARTMENT OF HOMELAND SECURITY (DHS). THE DMV HAS INDICATED IT WILL ASK FOR AN EXTENSION AND BEGIN TO ISSUE REAL IDs IN OCTOBER 2008. THE FEDERAL REGULATIONS ARE ESTIMATED TO BE RELEASED SOMETIME IN AUGUST OR SEPTEMBER 2007. AS THERE ARE NO FEDERAL REQUIREMENTS ON WHICH TO BASE FUNDING, THE AGENCY HAS HAD TO ESTIMATE FUNDING FOR ITEMS THAT MAY OR MAY NOT BE REQUIRED.

THE GOVERNOR RECOMMENDS APPROXIMATELY \$26.5 MILLION IN HIGHWAY FUNDS OVER THE 2007-09 BIENNIUM TO IMPLEMENT THE REAL ID ACT BASED ON THE OCTOBER 2008 ISSUANCE DATE.

BASED ON UNCERTAINTY OF THE REQUIREMENTS OF THE REAL ID ACT, WHICH WILL BE DELINEATED IN FINAL REGULATIONS ANTICIPATED FOR RELEASE SUBSEQUENT TO THE END OF THE 2007 LEGISLATIVE SESSION, THE SUBCOMMITTEE WAS NOT ABLE TO DETERMINE IF FUNDING LEVELS RECOMMENDED BY THE GOVERNOR REPRESENT THE COST OF IMPLEMENTING THE REAL ID ACT. IN ADDITION, THE SUBCOMMITTEE WAS CONCERNED THAT CONGRESS MIGHT CHANGE SOME OF THE REQUIREMENTS OF THE REAL ID ACT AND DID NOT WANT TO PROVIDE FUNDING THAT MAY BE UNNECESSARY. THEREFORE, THE SUBCOMMITTEE APPROVED \$100,000 IN FY 2008 AND \$200,000 IN FY 2009 FOR A CONTRACT PROJECT MANAGER TO HELP THE DMV SUBMIT REQUIRED INFORMATION TO DHS REGARDING NEVADA'S COMPLIANCE WITH REAL ID. ONCE FINAL REGULATIONS ARE RELEASED AND THE REQUIREMENTS OF THE REAL ID ACT ARE FINALIZED, THE AGENCY MAY APPROACH THE INTERIM FINANCE COMMITTEE OR A SPECIAL SESSION OF THE LEGISLATURE TO SEEK THE NECESSARY FUNDING TO IMPLEMENT THE REAL ID ACT.

DMV, AUTOMATION (BA 201-4715) DMV-22:

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO FUND FOUR NEW POSITIONS. THE FOUR NEW POSITIONS INCLUDE ONE NEW MOTOR CARRIER PROGRAMMER FOR CONTINUED DEVELOPMENT OF AN IN-HOUSE MOTOR CARRIER SYSTEM TO REPLACE A SYSTEM PROVIDED UNDER CONTRACT; A MANAGEMENT ANALYST POSITION TO CONTROL, MAINTAIN AND MONITOR THE ONGOING CHANGES THAT OCCUR WITHIN THE AGENCY'S SECURITY USER PROFILES; A NETWORK SPECIALIST POSITION AT THE GALLETTI FIELD OFFICE IN RENO THAT WILL BE RESPONSIBLE FOR THE ADMINISTRATION OF THE AGENCY'S LOCAL AREA NETWORK AND WILL ASSIST WITH MAINTAINING RURAL AREA NETWORKS; AND A NEW INFORMATION SYSTEMS SPECIALIST TO ENFORCE ESTABLISHED STANDARDS AND PROCEDURES FOR THE PROGRAMMING STAFF, AND BE

RESPONSIBLE FOR THE INTERNAL AND QUALITY CONTROL OF THE DEPARTMENT'S DATABASE SYSTEM.

DMV, ADMINISTRATIVE SERVICES (201-4745) DMV-32:

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO IMPLEMENT CENTRAL ISSUANCE OF DRIVER'S LICENSES AND IDENTIFICATION CARDS THROUGH THE DEPARTMENT'S OUTSIDE VENDOR. THE AGENCY CURRENTLY COLLECTS \$2.25 FROM EACH CITIZEN RECEIVING A DRIVER'S LICENSE OR IDENTIFICATION CARD AS ESTABLISHED BY REGULATION TO DIRECTLY OFFSET THE COST TO PHYSICALLY PRODUCE THE DRIVER'S LICENSE OR IDENTIFICATION CARD. CENTRAL ISSUANCE WILL RAISE THE COST TO PRODUCE A DRIVER'S LICENSE TO \$2.55, AND THE AGENCY INDICATES IT WOULD CHARGE THE CITIZEN \$2.75 TO RECOVER THE COST. THE GOVERNOR RECOMMENDS FUNDING THE INCREASE IN THE COST OF PRODUCING THE DRIVER'S LICENSE OR IDENTIFICATION CARD WITH HIGHWAY FUNDS OF \$171,865 IN FY 2008 AND \$353,698 IN FY 2009 RATHER THAN INCREASE THE FEE THE CITIZEN PAYS AS REQUIRED UNDER NRS 483.347. TO REMOVE THE REQUIREMENT FOR THE FEE INCREASE, ASSEMBLY BILL 582 HAS BEEN INTRODUCED TO ALLOW, BUT NOT REQUIRE, AN INCREASE IN THE FEE CHARGED TO COVER THE ACTUAL COST OF PRODUCTION OF THE DRIVER'S LICENSE OR IDENTIFICATION CARD.

DMV, COMPLIANCE ENFORCEMENT (201-4740) DMV-42:

THE SUBCOMMITTEE DID NOT APPROVE EIGHT NEW POSITIONS TO ADDRESS THE STOLEN VEHICLE PROBLEM IN NEVADA AS RECOMMENDED BY THE GOVERNOR. THE SUBCOMMITTEE DID EXPRESS CONCERN OVER THE INCREASES IN STOLEN VEHICLES, PRIMARILY IN LAS VEGAS, AND APPROVED TWO INVESTIGATORS FOR THE DECATUR AND HENDERSON FIELD OFFICES IN LAS VEGAS THAT CURRENTLY DO NOT HAVE INVESTIGATORS.

THE GOVERNOR PROPOSED, THROUGH A BUDGET AMENDMENT, TO MOVE SEVEN POSITIONS RECOMMENDED IN THE REAL ID BUDGET TO THE COMPLIANCE ENFORCEMENT BUDGET TO SUPPORT INVESTIGATIONS OF POTENTIAL INCREASES IN INSTANCES OF FRAUD. THE SUBCOMMITTEE DID NOT SUPPORT THIS TRANSFER AND DECIDED TO ELIMINATE THE SEVEN POSITIONS AS THE AGENCY HAS NOT EXPERIENCED SIGNIFICANT INCREASES IN FRAUD EVEN THOUGH THE DEPARTMENT HAS EXPERIENCED GROWTH IN VEHICLE REGISTRATIONS, DRIVER'S LICENSES, AND IDENTIFICATION CARDS.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ADD TWO NEW COMPLIANCE ENFORCEMENT INVESTIGATOR POSITIONS TO CORRECT AN INEQUITY IN THE WORKLOAD DISTRIBUTION BETWEEN THE COMPLIANCE ENFORCEMENT DIVISION AND THE POLLUTION CONTROL ACCOUNT. BASED ON INFORMATION PROVIDED BY THE AGENCY, TWO POLLUTION CONTROL INVESTIGATORS

HAVE BEEN PERFORMING WORK FOR THE COMPLIANCE ENFORCEMENT DIVISION RATHER THAN THE POLLUTION CONTROL ACCOUNT. WITH THE ADDITION OF THE TWO NEW INVESTIGATORS, THE TWO POLLUTION CONTROL INVESTIGATORS WILL BE ABLE TO FOCUS ON THE WORKLOAD IN THE POLLUTION CONTROL ACCOUNT RATHER THAN THE COMPLIANCE ENFORCEMENT DIVISION.

THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO FUND OFF-SITE LOCATIONS FOR STAFF NOT DIRECTLY RELATED TO HANDLING CRIMINAL INVESTIGATIONS AT THE FIELD OFFICES IN LAS VEGAS AND RENO BASED ON THE ELIMINATION OF POSITIONS FROM THE COMPLIANCE ENFORCEMENT ACCOUNT AS RECOMMENDED BY THE SUBCOMMITTEE. EXISTING SPACE WITHIN THE FIELD OFFICES CAN ACCOMMODATE THE FOUR NEW POSITIONS IN THE COMPLIANCE ENFORCEMENT ACCOUNT APPROVED BY THE SUBCOMMITTEE.

DMV, SALVAGE WRECKERS/BODY SHOPS (B/A 101-4690)
DMV-52:

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO TRANSFER THE SALVAGE WRECKERS/BODY SHOPS PROGRAM TO THE COMPLIANCE ENFORCEMENT ACCOUNT AND PHASE-IN PROGRAM SUPPORT FROM THE HIGHWAY FUND IN FY 2009 BASED ON THE INABILITY OF THE PROGRAM TO SUPPORT ITSELF WITH FEES OVER THE NEXT BIENNIUM. ASSEMBLY BILL 393 HAS BEEN INTRODUCED WHICH PROVIDES THAT REGULATION OF GARAGES WOULD BE A JOINT RESPONSIBILITY OF THE DMV AND COMMISSIONER OF CONSUMER AFFAIRS. THE SUBCOMMITTEE APPROVED AN ADDITIONAL COMPLIANCE ENFORCEMENT INVESTIGATOR POSITION IN LAS VEGAS TO COMPLY WITH THE PROVISIONS OF A.B. 393. TO IMPLEMENT THE FISCAL IMPACT OF A.B. 393, THE SUBCOMMITTEE APPROVED APPROXIMATELY \$83,000 IN FY 2008 AND \$89,000 IN FY 2009 FOR THE NEW INVESTIGATOR POSITION.

DMV, POLLUTION CONTROL (201-4722) DMV-63:

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO TRANSFER FOUR EMISSION STAFF FROM THE RESEARCH AND DEVELOPMENT BUDGET ACCOUNT TO THE POLLUTION CONTROL ACCOUNT. THESE POSITIONS SUPPORT AND ARE FUNDED FROM THE POLLUTION CONTROL PROGRAM.

THE SUBCOMMITTEE APPROVED STAFF'S RECOMMENDATION TO TRANSFER ONE TRAINING OFFICER THAT IS DEDICATED TO EMISSION CONTROL TRAINING FROM THE RESEARCH AND DEVELOPMENT BUDGET ACCOUNT TO THE POLLUTION CONTROL ACCOUNT. THE GOVERNOR HAD RECOMMENDED THIS POSITION BE TRANSFERRED TO THE DIRECTOR'S OFFICE AS THIS POSITION WAS ORIGINALLY PART OF THE TRAINING UNIT WHICH IS BEING TRANSFERRED TO THE DIRECTOR'S OFFICE.

THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO FUND OFF-SITE LOCATIONS FOR STAFF NOT DIRECTLY RELATED TO HANDLING CRIMINAL INVESTIGATIONS AT THE FIELD OFFICES IN LAS VEGAS AND RENO BASED ON THE ELIMINATION OF POSITIONS FROM THE COMPLIANCE ENFORCEMENT ACCOUNT AS RECOMMENDED BY THE SUBCOMMITTEE. EXISTING SPACE WITHIN THE FIELD OFFICES CAN ACCOMMODATE THE FOUR NEW POSITIONS IN THE COMPLIANCE ENFORCEMENT ACCOUNT APPROVED BY THE SUBCOMMITTEE.

DMV, CENTRAL SERVICES (201-4741) DMV-72:

THE SUBCOMMITTEE APPROVED THE FUNDING FOR FIVE NEW MICROFILM OPERATORS TO HELP ELIMINATE THE BACKLOG OF DOCUMENTS THAT NEED TO BE SCANNED FOR RECORD RETENTION PURPOSES. IN ADDITION, THE SUBCOMMITTEE APPROVED THE NEW POSITIONS ONLY FOR THE 2007-09 BIENNIUM AND DIRECTED THE AGENCY TO PLACE THE FIVE MICROFILM OPERATORS IN AN ENHANCEMENT DECISION UNIT IF IT IS DETERMINED THE POSITIONS WOULD BE REQUIRED DURING THE 2009-11 BIENNIUM.

DMV, FIELD SERVICES (201-4735) DMV-94:

THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO ADD A TECHNICIAN TO THE PAHRUMP FIELD OFFICE IN FY 2008 BUT APPROVED THE ADDITION OF ONE TECHNICIAN IN FY 2009 AS THE POPULATION IN NYE COUNTY IS PROJECTED TO INCREASE BY 15 PERCENT BY CALENDAR YEAR 2009.

THE SUBCOMMITTEE DID NOT SUPPORT THE ADDITION OF ONE TECHNICIAN POSITION AT THE MINDEN FIELD OFFICE. WHILE THE POPULATION IN DOUGLAS COUNTY HAS INCREASED OVER THE PAST THREE YEARS, THE NUMBER OF WINDOW TRANSACTIONS HAS DECREASED DUE TO ALTERNATIVE METHODS OF CONDUCTING TRANSACTIONS.

THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO FUND EIGHT NEW INFORMATION WINDOW TECHNICIANS AT THE WEST FLAMINGO OFFICE AS THE AVERAGE WAIT TIME AT THE INFORMATION WINDOW IS ONLY 11 MINUTES; HOWEVER, THE SUBCOMMITTEE DID APPROVE FUNDING TO REMODEL THE DRIVE TEST DISPATCH AREA, THE CAMERA STATION, AND THE INFORMATION WINDOW SPACE AT THE WEST FLAMINGO OFFICE. THE REMODEL WILL STREAMLINE THE CUSTOMER FLOW IN THE OFFICE AND UTILIZE SPACE MORE EFFECTIVELY.

THE SUBCOMMITTEE DID SUPPORT THE GOVERNOR'S RECOMMENDATION TO ADD A MOTOR VEHICLE INSPECTOR AT THE GALLETTI FIELD OFFICE IN RENO. THE NEW POSITION WILL ASSIST IN PROVIDING COVERAGE DURING THE SIX-DAY WORKWEEK AND ACT AS A WORKING SUPERVISOR.

THE SUBCOMMITTEE DID NOT APPROVE RESERVE STAFFING FOR THE DECATUR OFFICE (EIGHT POSITIONS) AS THE WAIT TIMES ARE AT 45 MINUTES, WELL WITHIN THE 60 MINUTE WAIT TIME AVERAGE TARGETED BY THE AGENCY. THE SUBCOMMITTEE DID APPROVE RESERVE STAFFING FOR THE SAHARA OFFICE (SIX POSITIONS) IN FY 2009 AS THE CURRENT AVERAGE WAIT TIME FOR SAHARA IS 59 MINUTES. THE AGENCY WOULD APPROACH THE IFC TO REQUEST FUNDING TO ADD THE POSITIONS IF JUSTIFIED BASED ON WAIT TIMES.

THE SUBCOMMITTEE APPROVED THE ESTABLISHMENT OF A NEW FIELD OFFICE WITH THREE POSITIONS FOR FERNLEY RATHER THAN A FULL-SERVICE FIELD OFFICE WITH SIX POSITIONS AS RECOMMENDED BY THE GOVERNOR. THE SUBCOMMITTEE NOTED, IF AFTER THE FIELD OFFICE IS OPENED AND IT IS DETERMINED FULL SERVICES ARE REQUIRED IN FERNLEY, THE AGENCY CAN REQUEST ADDITIONAL POSITIONS DURING THE 2009 LEGISLATIVE SESSION.

DMV, MOTOR CARRIER (201-4717) DMV-105:

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO FUND A LEAD REVENUE OFFICER POSITION TO FUNCTION AS A FIRST-LINE SUPERVISOR IN THE MOTOR CARRIER DIVISION AND INCREASE REVENUE COLLECTION ACTIVITIES RELATED TO LICENSED TAXPAYERS. BASED ON INFORMATION PROVIDED BY THE DEPARTMENT, THIS POSITION SHOULD BE ABLE TO REDUCE THE DELINQUENCIES AND GENERATE ADDITIONAL REVENUES FOR THE AGENCY.

DMV, MANAGEMENT SERVICES (201-4742) DMV-115:

THE SUBCOMMITTEE DID NOT SUPPORT THE GOVERNOR'S RECOMMENDATION TO ADD A PROGRAM OFFICER TO CREATE NEW POLICIES AND PROCEDURES AND HELP REDUCE THE NUMBER OF OPEN PROJECTS IN THE MANAGEMENT SERVICES ACCOUNT. BASED ON INFORMATION PROVIDED BY THE AGENCY, EXISTING STAFF IS ABLE TO REDUCE THE BACKLOG OF PROJECTS.

THE SUBCOMMITTEE ALSO REVIEWED ALL REMAINING BUDGETS FOR THE DEPARTMENT (201-4711 RECORDS SEARCH; 201-4731 VERIFICATION OF INSURANCE; AND 201-4732 HEARINGS) AND RECOMMENDS THESE BUDGETS BE CLOSED AS RECOMMENDED BY THE GOVERNOR, WITH TECHNICAL ADJUSTMENTS.

Mr. Parks noted there was an attached page ([Exhibit E](#)) to his testimony that showed the changes the Subcommittee made when it closed these budget accounts.

Assemblywoman McClain noted that she believed the DMV budget accounts were acceptable with the exception of central issuance for drivers' licenses and identification cards; however, she would not vote against this budget for that sole concern. She believed central issuance was unnecessary and increased the possibility of identity theft.

Mr. Marvel asked whether the Pahrump field office would have adequate staff given Pahrump's rapid growth.

Mr. Parks explained that staffing levels in Pahrump were examined by the Subcommittee and a projected 15 percent population increase was noted; nonetheless, many Pahrump residents traveled to Las Vegas frequently and would visit DMV offices while there, according to Mr. Parks.

Mr. Marvel noted that if he lived in Pahrump, he would prefer to visit a DMV office in Pahrump rather than a DMV office in Las Vegas.

Mr. Parks explained that the Department of Transportation was paving the last section of highway and dividing it so the drive would be easier.

Chairman Arberry recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division.

Mr. Stevens noted that there were some items with the DMV's budget that the Committee needed to carefully consider before it took action on the report. First, the Subcommittee recommended the DMV receive \$100,000 in FY 2008 and \$200,000 in FY 2009 for a contract manager to help DMV submit information to the federal government with regard to Nevada's plan to comply with the Real ID Act. The remaining funding was eliminated from the budget by the Subcommittee. Mr. Stevens noted that if Nevada was required to comply with the Real ID Act, a special session of the Legislature would be required to appropriate the needed funds and to pass any required legislation to allow compliance with the Act.

Mr. Stevens suggested there were alternatives for the Committee to avoid the need for a special session to resolve this issue. First, the Committee could appropriate funds to the Interim Finance Committee and the DMV could then have that money released when it was known how much was needed to comply. This would reserve the funds in an appropriation, which was a disadvantage to this option.

Second, Mr. Stevens noted an unusual way for the Committee to provide for the needed funding without the need for a special session. He explained the Department of Transportation had direct access to the Highway Fund and if additional funding was needed during the interim, IFC could be approached and the funds would be released. Mr. Stevens suggested that this could also apply in a very specific instance to the DMV, such as compliance with the Real ID Act. If the Committee chose this option, language to that effect could be included in legislation. He also suggested that it could be written with a "self-destructing mechanism" so DMV's access to the Highway Fund would end if the Real ID issue was resolved without needing to comply. Mr. Stevens noted that this option would not "tie up the money" if it was not needed, but would still allow for access to it through the IFC and not a special session. He noted that legislation would have to be passed in anticipation of compliance with the Real ID Act, including legislation that was currently with the Committee.

Mr. Marvel asked how much money was involved in this decision.

Mr. Stevens noted that the exact amount was unknown, but the Subcommittee believed the amount recommended by the Governor was too high. He explained that there were varying opinions on what the funding level should be.

([Exhibit E](#)) contained a table which showed the Real ID budget was cut by \$11.6 million in FY 2008 and \$18.1 million in FY 2009.

Mr. Marvel asked whether DMV would still be under the spending cap if the Highway Fund was used.

Mr. Stevens explained that the \$18.1 million in FY 2009 would cause DMV to exceed the spending cap by approximately \$7 million. However, Assembly Bill 547 proposed changes to the cap with relation to compliance with the Real ID Act and allow for spending beyond the 22 percent cap. Mr. Stevens reminded the Committee that this bill would have to be passed out of the Committee for this suggested usage of Highway Fund monies to occur. If the Committee adopted the Subcommittee's recommendation, the funding of Real ID would be handled in a special session.

Mr. Marvel asked what would happen if the federal government did not approve an extension of time for Nevada to comply with Real ID.

Mr. Stevens believed that Nevada already had an extension of time for the implementation of Real ID; however, there was not yet an extension for when the Act had to be fully complied with. He also noted that all of the necessary regulations were not yet released either. Mr. Stevens explained that the United States Congress was discussing lessening the impact of Real ID on the states, but he was unaware whether that would come to fruition.

Mr. Marvel asked whether the Interim Finance Committee (IFC) could handle this issue rather than requiring a special session.

Mr. Stevens said the Committee could appropriate funds to IFC for the purpose of Real ID compliance. He also explained that the Committee could allow for access to the Highway Fund without making an appropriation that would encumber the funds.

Mr. Marvel asked whether legislation was needed for the second option or whether the Committee could approve that avenue without legislation.

Mr. Stevens explained that specific legislation was needed. This could be in its own bill or could be attached to the appropriations act.

Mr. Marvel believed this option should be considered.

Assemblywoman Leslie concurred with Mr. Marvel and believed the Subcommittee made the right decision in approving funding for a program manager. She noted that it was necessary to wait for the federal government to take action and make all regulations pertaining to Real ID available. Ms. Leslie said that other states were unwilling to comply with Real ID. She hoped that the federal government would reexamine this issue, but thought that a special session should be avoided. Ms. Leslie was interested in adopting the second option outlined that would allow the DMV specific access to the Highway Fund for this purpose. She then asked whether language could be included in legislation to limit the Highway Fund access to this specific circumstance.

Mr. Stevens noted that Assembly Bill 547 proposed such specific access.

Chairman Arberry recognized Assemblywoman McClain.

Ms. McClain explained that Nevada was one of the states protesting the Real ID Act. She refused to fully fund Real ID without more direction from the federal government. She noted that DMV was almost \$11 million under the 22 percent cap each year and asked whether the legislation would allow for DMV to spend Highway Funds up to the cap through the IFC.

Mr. Stevens explained that the first option he presented was for the Committee to appropriate to IFC whatever funds it believed reasonable. If the second option was chosen, the Committee would not have to choose a specific dollar amount to appropriate. That number would be determined when the Board of Examiners and IFC were approached for the funds.

Ms. McClain asked whether the \$10.8 million spent under the cap in FY 2008 could be carried over to FY 2009.

Mr. Stevens said the money could not carry forward to the next year.

Ms. McClain noted that she would like to see DMV spend less than the 22 percent cap because she believed Real ID implementation was not going to be required soon enough to justify the funding. She noted that it might have to be implemented in the following budget cycle.

Assemblywoman Buckley applauded the efforts of Assemblyman Parks and Assemblywoman McClain with regard to Real ID. She noted that at the beginning of the session, she did not believe that the Senate could be persuaded to protest this issue, but it appeared that Mr. Parks and Ms. McClain had so persuaded them. Ms. Buckley agreed that it was necessary to protest Real ID. With regard to funding it, she believed a special session should be avoided. Instead, she supported the second option of granting specific access to the Highway Fund. This option accomplished the goal of protesting this to the federal government, but still allowed for implementation if needed. Ms. Buckley believed that exceeding the 22 percent cap for the purposes of Real ID was acceptable because IFC would still have to be approached for the funds. At that time, if the implementation plan was not correct, IFC could still make appropriate decisions regarding the funding. However, she was concerned that if the option of approaching IFC was not available, a special session would have to be convened.

Mr. Parks explained that ([Exhibit F](#)) contained a chart that showed the Governor's recommendation for Real ID implementation, the Real ID budget with staff reductions, and the minimum requirements set forth by the agency. He stated that if the minimum requirements were approved, DMV would still remain below the 22 percent cap.

Ms. Leslie said this information was helpful, but noted that final regulations were not yet available. Therefore, Ms. Leslie believed the second option of granting the DMV specific access to the Highway Fund was most advantageous.

Chairman Arberry applauded the efforts made in this regard and acknowledged that there was no way of knowing what the federal government was going to ultimately decide about Real ID. He then asked the Committee how it wished to address this issue.

ASSEMBLYWOMAN LESLIE MOVED FOR APPROVAL OF THE
SUBCOMMITTEE'S ACTION REGARDING REAL ID TO HIRE A
CONTRACT PROJECT MANAGER AND ALLOW DMV SPECIFIC

ACCESS TO THE HIGHWAY FUND FOR THE PURPOSE OF
IMPLEMENTING REAL ID THROUGH THE BOARD OF EXAMINERS
AND INTERIM FINANCE COMMITTEE.

Mr. Marvel asked whether the minimum requirements of \$8.8 million presented by the DMV in [Exhibit F](#) would be sufficient.

Mr. Stevens said DMV staff believed more funding was needed. He noted that the final amount would depend on what the final regulations from the federal government required.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

Chairman Arberry asked whether there would be significant opposition to granting such access to the Highway Fund.

Mr. Stevens stated that the Governor's recommendation currently contained Highway Fund expenditures of \$12 million in FY 2008 and \$18 million in FY 2009 for this purpose. These expenditures were eliminated by the Subcommittee, so the Committee had to decide whether those funds would be restored in like amounts or in different amounts.

Ms. McClain noted that the federal government might provide some funding for Real ID implementation later. She said the lack of federal funding was the major issue that the states had with this issue.

THE MOTION PASSED UNANIMOUSLY.

Chairman Arberry asked Mr. Stevens to continue.

Mr. Stevens noted that he believed the Committee should also consider the fees involved with drivers licenses. He noted that the Governor recommended additional costs be paid from the Highway Fund, which appropriations were included in the Subcommittee's report. He said [Assembly Bill 582](#), which had not yet been passed by the Committee, would change language in current law that required DMV to charge persons receiving licenses or identification cards the cost of producing those cards. If this bill did not pass, there were Highway Fund appropriations in the budget for the extra cost involved which were not needed because the DMV would have to charge the customer for the increase. Mr. Stevens reiterated that the decision before the Committee was whether to approve the Highway Fund appropriations included in [The Executive Budget](#). If the Committee so acted, [Assembly Bill 582](#) should also be passed with revised language that would give authority to the DMV to charge the customer. If [Assembly Bill 582](#) did not pass, Mr. Stevens suggested that the Committee remove the Highway Fund appropriations from the budget and include fees to pay for the cost.

Ms. Leslie noted that the increased fee per customer was minimal, and this fee had historically always been passed on to the customer. She believed that the Highway Fund appropriations should be removed from the budget, and the customer should pay for the increase.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE
REMOVE THE HIGHWAY FUND APPROPRIATIONS INCLUDED IN
THE DMV BUDGET FOR INCREASED PRODUCTION COSTS OF
DRIVERS LICENSES AND IDENTIFICATION CARDS.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chairman Arberry noted that before the DMV budgets would be closed, he wished to discuss funding for a DMV express field office in inner-city Las Vegas. He mentioned a handout ([Exhibit G](#)) that contained details on the funding for this office. Chairman Arberry noted that new DMV offices had opened on the outskirts of Las Vegas and were far away from downtown. Additionally, many DMV patrons went to the field office on Sahara and it had become inundated. This new proposed express office was to alleviate some of that traffic and was to receive funding in FY 2009 to allow time to find a good location for it in the inner city.

Ms. Leslie believed this was a good proposal. She asked for clarification on how much funding was needed and when it was needed.

Mr. Stevens explained that the \$381,213 shown on the handout would have to be adjusted slightly for a pay raise.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE
APPROVE THE REQUESTED FUNDING FOR THE DMV EXPRESS
OFFICE.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

Ms. Buckley asked whether there would be flexibility in the funding to allow for an earlier or later opening date of the office.

Chairman Arberry said there would be flexibility to allow for a different opening date.

Ms. Buckley noted that she had been to a new DMV office in the northwest section of the Las Vegas valley and that it was very far away from downtown. She agreed that this was a good proposal.

Assemblyman Denis commented that there were many homeless individuals in the downtown area who needed to get identification cards, and it was difficult for them to get to a DMV office to do so. Mr. Denis noted that this would help alleviate this problem.

Mr. Parks added that the Sahara office was in his district and that wait times were close to one hour. He believed this express office would alleviate that.

THE MOTION PASSED UNANIMOUSLY.

Ms. Leslie thanked the Subcommittee for its hard work with DMV's budgets.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE
ACCEPT THE REST OF THE SUBCOMMITTEE REPORT.

Chairman Arberry thanked the Subcommittee for its hard work.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Chairman Arberry opened discussion on the Department of Health and Human Services, Director's Office budget accounts, and recognized Assemblywoman Sheila Leslie, Assembly District No. 27 and Co-Chair of the Joint Subcommittee on K-12/Human Resources.

Ms. Leslie read the following report:

THE JOINT SUBCOMMITTEE ON K-12/HUMAN SERVICES HAS DEVELOPED THE FOLLOWING RECOMMENDATIONS FOR THE DIRECTOR'S OFFICE OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES. THE RECOMMENDATIONS REDUCE GENERAL FUND APPROPRIATIONS FOR THE OFFICE BY \$2,156,182 IN FY 2008 AND \$3,471,991 IN FY 2009.

HHS - ADMINISTRATION (101-3150) - DHHS DIRECTOR'S OFC-1:

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO PROVIDE GENERAL FUND APPROPRIATIONS TOTALING \$200,000 IN EACH YEAR OF THE 2007-09 BIENNIUM TO ALLOW THE NEVADA 211 SYSTEM TO MAINTAIN ITS CURRENT HOURS OF OPERATION. THE SUBCOMMITTEE ALSO VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO APPROPRIATE \$1 MILLION FOR THE METHAMPHETAMINE EDUCATION PROGRAM, BUT ELECTED TO APPROPRIATE THE FUNDING TO THE SUBSTANCE ABUSE PREVENTION AND TREATMENT AGENCY OF THE DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL SERVICES INSTEAD OF THE DIRECTOR'S OFFICE SO THAT THE FUNDS COULD BE ALLOCATED IN A MANNER SIMILAR TO THE MANNER IN WHICH STATE INCENTIVE GRANT FUNDS ARE CURRENTLY ALLOCATED BY THAT AGENCY.

THE SUBCOMMITTEE VOTED NOT TO APPROVE THE NEW PERSONNEL OFFICER POSITION RECOMMENDED BY THE GOVERNOR FOR THE DIRECTOR'S OFFICE. THE POSITION WAS RECOMMENDED TO ASSIST WITH THE RECRUITMENT AND RETENTION EFFORTS OF THE DEPARTMENT, BUT THE SUBCOMMITTEE DID NOT BELIEVE THE APPROVAL OF THE POSITION WOULD SOLVE THE DEPARTMENT'S DIFFICULTY IN ATTRACTING AND RETAINING PEOPLE TO FILL DIFFICULT-TO-RECRUIT POSITIONS, ESPECIALLY IN THE RURAL AREAS OF THE STATE.

THE SUBCOMMITTEE VOTED TO APPROVE ADDITIONAL TRAVEL AND TRAINING FUNDS FOR THE DIRECTOR'S OFFICE STAFF, BUT REDUCED THE INCREASED EXPENDITURES RECOMMENDED BY THE GOVERNOR FROM \$51,492 IN FY 2008 AND \$48,114 IN FY 2009 TO \$23,968 IN FY 2008 AND TO \$28,448 IN FY 2009. THE DECREASE WAS BASED ON THE AGENCY'S REEVALUATION OF ITS TRAVEL AND TRAINING REQUIREMENTS AND THE SUBCOMMITTEE'S DETERMINATION NOT TO FUND TRAVEL FOR

NON-STATE EMPLOYEES TO ATTEND SUICIDE PREVENTION SUMMIT AND TRAINING SESSIONS.

**COMMUNITY BASED SERVICES (101-3266) DHHS DIRECTOR'S
OFC-13:**

THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR ADDITIONAL GENERAL FUNDS TOTALING \$263,499 IN FY 2008 AND \$725,283 IN FY 2009 TO PROVIDE PERSONAL ASSISTANCE SERVICES FOR 63 ADDITIONAL CLIENTS OVER THE 2007-09 BIENNIUM.

THE SUBCOMMITTEE VOTED TO DECREASE THE FUNDING RECOMMENDED BY THE GOVERNOR FOR THE TRAUMATIC BRAIN INJURY PROGRAM BASED ON THE AGENCY'S DETERMINATION THAT THE COST PER CLIENT FOR THE PROGRAM SHOULD BE DECREASED FROM \$29,659 TO \$25,578 FOR THE 2007-09 BIENNIUM. THE SUBCOMMITTEE ALSO VOTED TO REDUCE THE NUMBER OF TBI CLIENTS FOR WHICH SERVICES WILL BE PROVIDED FROM 100 OVER THE BIENNIUM AS RECOMMENDED BY THE GOVERNOR TO 92 OVER THE BIENNIUM. THE SUBCOMMITTEE BASED ITS DECISION ON THE FACT THAT PROVIDING SERVICES FOR 92 CLIENTS WOULD REDUCE THE WAIT TIME FOR THE PROGRAM TO APPROXIMATELY 90 DAYS.

THE SUBCOMMITTEE VOTED TO DECREASE THE FUNDING RECOMMENDED BY THE GOVERNOR FOR THE POSITIVE BEHAVIORAL SUPPORT-NEVADA PROGRAM FROM \$191,981 IN EACH FISCAL YEAR OF THE 2007-09 BIENNIUM TO \$100,000 IN EACH FISCAL YEAR. THE REDUCTION WAS INCLUDED IN THE GOVERNOR'S ORIGINAL PROPOSED BUDGET REDUCTIONS, BUT WAS REMOVED FROM THE FINAL LIST OF PROPOSED REDUCTIONS. THE SUBCOMMITTEE DETERMINED THAT THE REDUCTION IN FUNDING WAS APPROPRIATE, BASED ON THE POTENTIAL FOR THE ORGANIZATION TO OBTAIN FUNDS FROM OTHER SOURCES TO EXPAND ITS OPERATIONS IN SOUTHERN NEVADA.

THE SUBCOMMITTEE VOTED TO REDUCE THE FUNDING RECOMMENDED BY THE GOVERNOR FOR THE INDEPENDENT LIVING PROGRAM BY \$323,775 OVER THE 2007-09 BIENNIUM, BASED ON TECHNICAL ADJUSTMENTS RECOMMENDED BY THE FISCAL ANALYSIS DIVISION AND ITS DETERMINATION THAT THE NUMBER OF CLIENTS RECEIVING SERVICES DURING THE 2007-09 BIENNIUM COULD BE REDUCED FROM 403 CLIENTS AS RECOMMENDED BY THE GOVERNOR TO 374 CLIENTS. THE SUBCOMMITTEE DETERMINED THAT SERVING 374 CLIENTS DURING THE 2007-09 BIENNIUM WOULD REDUCE THE WAIT TIME FOR THE PROGRAM TO APPROXIMATELY 140 DAYS AND THAT SUCH A WAIT TIME FOR THE PROGRAM WAS REASONABLE BASED ON THE MANNER IN WHICH THE AGENCY MEASURES THE TIME SPENT ON THE WAITING LIST. THE AGENCY INDICATED THAT IT MEASURES THE TIME ON THE WAITING LIST TO INCLUDE THE TIME SPENT BY CONTRACTORS IN COMPLETING VEHICLE AND HOME MODIFICATIONS FOR PERSONS WITH DISABILITIES.

THE SUBCOMMITTEE APPROVED THE SOCIAL SERVICES PROGRAM SPECIALIST POSITION RECOMMENDED BY THE GOVERNOR FOR THE INDEPENDENT LIVING PROGRAM, BASED ON THE GROWTH IN THE NUMBER OF PEOPLE SERVED BY THE PROGRAM.

HEALTHY NEVADA FUND (262-3261) DHHS DIRECTOR'S OFC-21:

BECAUSE THE SUBCOMMITTEE DETERMINED THAT THE IMPLEMENTATION OF MEDICARE PART D ON JANUARY 1, 2006, HAD SIGNIFICANTLY DECREASED SENIOR RX PROGRAM EXPENDITURES DURING THE CURRENT BIENNIUM, THE SUBCOMMITTEE VOTED TO REDUCE THE EXPENDITURES RECOMMENDED FOR THE PROGRAMS IN THE EXECUTIVE BUDGET. THE SUBCOMMITTEE VOTED TO REDUCE THE BUDGETED EXPENDITURES FOR THE SENIOR RX PROGRAM FROM \$7,303,246 IN FY 2008 AND \$8,256,723 IN FY 2009, AS RECOMMENDED BY THE GOVERNOR, TO \$3,530,012 IN FY 2008 AND \$3,967,160 IN FY 2009. THE SUBCOMMITTEE VOTED TO REDUCE THE BUDGETED EXPENDITURES FOR THE DISABILITY RX PROGRAM FROM \$391,363 IN FY 2008 AND \$443,743 IN FY 2009, AS RECOMMENDED BY THE GOVERNOR, TO \$296,625 IN FY 2008 AND TO \$332,790 IN FY 2009. THE REDUCTIONS IN EXPENDITURES ELIMINATED THE NEED FOR GENERAL FUND APPROPRIATIONS IN THE EXECUTIVE BUDGET TOTALING \$1.1 MILLION IN FY 2009.

THE ASSEMBLY MEMBERS OF THE SUBCOMMITTEE VOTED TO ALLOW THE NEVADA MEDICAID ACCOUNT (BA 3243) TO ABSORB WITHIN ITS LEGISLATIVELY-APPROVED BUDGET APPROXIMATELY \$325,000 IN EACH FISCAL YEAR FOR THE COSTS OF PRESCRIPTION CO-PAYS FOR MEDICARE AND FULL MEDICAID BENEFICIARIES (DUAL ELIGIBLES). THE GOVERNOR'S RECOMMENDED BUDGET INCLUDED ONLY \$221,198 EACH YEAR IN GENERAL FUNDS FOR TRANSFER TO THE MEDICAID ACCOUNT FOR THE PAYMENT OF CO-PAYS THAT ARE PROJECTED TO TOTAL APPROXIMATELY \$546,000 PER YEAR. THE ASSEMBLY MEMBERS BASED THEIR DECISION ON THE FACT THAT THE DIRECTOR'S OFFICE INDICATED THAT THE ADDITIONAL COSTS COULD BE ABSORBED WITHIN THE MEDICAID ACCOUNT AND THE FACT THAT THEY PREFERRED USING AVAILABLE TOBACCO SETTLEMENT FUNDS FOR THE EXPANSION OF SERVICES UNDER THE SENIOR RX PROGRAMS RATHER THAN FUNDING CO-PAYS FOR DUAL ELIGIBLES.

THE SUBCOMMITTEE VOTED TO APPROVE THE NEW ACCOUNTING ASSISTANT POSITION RECOMMENDED BY THE GOVERNOR TO COORDINATE MONTHLY PREMIUM BENEFIT PAYMENTS WITH THE MEDICARE PART D PRESCRIPTION DRUG PLANS AND MEDICARE ADVANTAGE PLANS ON BEHALF OF SENIOR RX AND DISABILITY RX MEMBERS, BUT ELECTED TO FUND THE POSITION WITH TOBACCO SETTLEMENT FUNDS RATHER THAN GENERAL FUNDS AS RECOMMENDED BY THE GOVERNOR. ALTHOUGH THE USE OF TOBACCO SETTLEMENT

FUNDS TO FUND THE COSTS OF THE POSITION WILL RESULT IN THE NEED TO ADJUST THE DEPARTMENT'S ADMINISTRATIVE CAPS FOR THE HEALTHY NEVADA FUND PROGRAMS, THE SUBCOMMITTEE DID NOT WANT TO CONTINUE THE PRACTICE OF FUNDING POSITIONS WITH GENERAL FUND TO AVOID THE ADMINISTRATIVE CAPS.

THE SUBCOMMITTEE VOTED TO ISSUE A LETTER OF INTENT REQUIRING THE DEPARTMENT TO PRESENT ANY PLANS IT DEVELOPS FOR EXPANDING THE SENIOR RX PROGRAM TO INCLUDE VISION OR DENTAL BENEFITS TO THE INTERIM FINANCE COMMITTEE FOR ITS APPROVAL PRIOR TO IMPLEMENTING ANY SUCH EXPANSION. ALTHOUGH THE SUBCOMMITTEE IS SUPPORTIVE OF THE EXPANSION OF THE SENIOR RX PROGRAM, IT IS CONCERNED THAT THE COSTS FOR VISION AND DENTAL BENEFITS COULD RESULT IN THE NEED TO LIMIT THE BENEFITS TO A SUBGROUP OF THE SENIOR RX MEMBERSHIP.

**GRANTS MANAGEMENT UNIT (101-3195) DHHS DIRECTOR'S
OFC – 30:**

BASED ON THE AVAILABILITY OF ONE-TIME TITLE XX REVENUES THAT WERE NOT INCLUDED IN THE EXECUTIVE BUDGET, THE SUBCOMMITTEE VOTED TO INCREASE THE EXPENDITURES FOR TITLE XX GRANTS TO NON-STATE AGENCIES BY \$176,025 IN EACH FISCAL YEAR OF THE 2007-09 BIENNIUM. THE SUBCOMMITTEE ALSO INCREASED THE FY 2008 TITLE XX TRANSFER TO THE SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES ACCOUNT (BA 3161) BY \$665,669 AND INCREASED THE FY 2008 TITLE XX TRANSFER TO THE DIVISION OF CHILD AND FAMILY SERVICES CHILD WELFARE INTEGRATION ACCOUNTS BY \$665,668. THE ACTIONS OF THE SUBCOMMITTEE REDUCED GENERAL FUND NEED FOR SNAMHS AND THE DCFS CHILD WELFARE INTEGRATION ACCOUNTS BY MORE THAN \$1.3 MILLION IN FY 2008.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO APPROVE FUNDING TO ALLOW THE STATE'S FAMILY RESOURCE CENTERS (FRCS) TO ASSIST WITH CHILD WELFARE CASES THAT DO NOT WARRANT INVESTIGATIVE ACTIONS BY CHILD PROTECTION AGENCIES SO THAT THOSE AGENCIES ARE BETTER ABLE TO RESPOND TO MORE SEVERE CASES. THE DEPARTMENT HAS TERMED THIS EFFORT "DIFFERENTIAL RESPONSE." THE SUBCOMMITTEE REDUCED THE NEED FOR GENERAL FUNDS FOR IMPLEMENTING THE DIFFERENTIAL RESPONSE PROGRAM BY ACCEPTING THE GOVERNOR'S PROPOSED BUDGET REDUCTION TO DELAY IMPLEMENTING DIFFERENTIAL RESPONSE FOR 5 OF THE 18 FRC SERVICE AREAS UNTIL THE 2009-11 BIENNIUM AND BY USING \$300,000 IN AVAILABLE ONGOING TITLE XX FUNDS IN EACH YEAR TO SUPPORT THE PROGRAM. THE SUBCOMMITTEE'S ACTIONS REDUCED GENERAL FUND NEED BY \$300,000 IN FY 2008 AND BY \$493,733 IN FY 2009.

THE SUBCOMMITTEE VOTED TO ELIMINATE APPROXIMATELY \$99,000 IN GENERAL FUND APPROPRIATIONS RECOMMENDED

BY THE GOVERNOR FOR THE CONTINUATION OF THE PREVENTION AND TREATMENT OF PROBLEM GAMBLING PROGRAM IN EACH FISCAL YEAR OF THE 2007-09 BIENNIUM. THE SUBCOMMITTEE BELIEVES THAT THE PROGRAM SHOULD BE CONTINUED BUT THAT THE ADMINISTRATIVE COSTS FOR THE PROGRAM SHOULD BE FUNDED ENTIRELY WITH SLOT TAX REVENUES IN FUTURE BIENNIA. ALTHOUGH THE SUBCOMMITTEE APPROVED THE NEW SOCIAL SERVICES PROGRAM SPECIALIST POSITION RECOMMENDED BY THE GOVERNOR FOR THE PROBLEM GAMBLING PROGRAM, THE SUBCOMMITTEE APPROVED THE POSITION TO MANAGE THE PROBLEM GAMBLING PROGRAM AND TO MANAGE THE GRANTS AWARDED TO FAMILY RESOURCE CENTERS TO ENABLE THEM TO ASSIST CHILD PROTECTIVE SERVICES AGENCIES WITH CHILD WELFARE CASES. THE SUBCOMMITTEE DID NOT BELIEVE THAT EITHER PROGRAM REQUIRED A FULL-TIME POSITION, BUT THAT BETWEEN THE TWO PROGRAMS, A FULL-TIME POSITION WAS WARRANTED.

INDIAN AFFAIRS COMMISSION (101-2600) INDIAN COMMISSION-1:

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO PROVIDE ADDITIONAL OUT-OF-STATE TRAVEL AND IN-STATE TRAVEL AUTHORITY FOR THE EXECUTIVE DIRECTOR OF THE COMMISSION TO ATTEND THE ANNUAL GOVERNOR'S INTERSTATE INDIAN COUNCIL (GIIC) MEETING AND TO ALLOW ADDITIONAL IN-STATE TRAVEL FOR THE TWO POSITIONS IN THIS ACCOUNT AND THE MEMBERS OF THE INDIAN COMMISSION. THE SUBCOMMITTEE MADE MINOR TECHNICAL ADJUSTMENTS TO REDUCE THE INCREASED FUNDING RECOMMENDED BY THE GOVERNOR FROM \$7,040 IN EACH FISCAL YEAR TO \$5,883 IN FY 2008 AND \$6,683 IN FY 2009.

PUBLIC DEFENDER (101-1499) PUBLIC DEFENDER – 1:

THE SUBCOMMITTEE VOTED TO CLOSE THE PUBLIC DEFENDER'S WINNEMUCCA OFFICE AND TO ELIMINATE THE THREE POSITIONS IN THAT OFFICE AS A RESULT OF HUMBOLDT AND PERSHING COUNTIES ELECTING NOT TO USE THE SERVICES OF THE OFFICE DURING THE 2007-09 BIENNIUM. BASED ON THE FACT THAT HUMBOLDT AND PERSHING COUNTIES WILL NOT BE USING THE SERVICES OF THE OFFICE, THE ALLOCATION OF ALL NON POST-CONVICTION RELIEF COSTS PAID BY THE STATE AND THE COUNTIES WAS ADJUSTED FROM 79 PERCENT COUNTY AND 21 PERCENT STATE IN THE GOVERNOR'S BUDGET TO 75 PERCENT COUNTY AND 25 PERCENT STATE AS RECOMMENDED BY THE SUBCOMMITTEE. THE SUBCOMMITTEE DID NOT APPROVE A NEW INVESTIGATOR POSITION RECOMMENDED BY THE GOVERNOR FOR THE ELY OFFICE BASED ON THE DECISION OF HUMBOLDT AND PERSHING COUNTIES NOT TO USE THE SERVICES OF THE OFFICE DURING THE 2007-09 BIENNIUM. THE PUBLIC DEFENDER INDICATED THAT THE NEW INVESTIGATOR POSITION FOR THE ELY OFFICE WOULD NOT BE REQUIRED DUE TO THE FACT THAT THE AGENCY'S CURRENT INVESTIGATORS

WOULD NO LONGER NEED TO PROVIDE SERVICES IN HUMBOLDT OR PERSHING COUNTIES.

THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION FOR \$14,500 IN PRIVATE GRANT FUNDS IN EACH YEAR OF THE 2007-09 BIENNIUM TO SUPPORT THE COSTS OF CREATING A PUBLIC DEFENDER COMMISSION AS RECOMMENDED IN AN EXECUTIVE BRANCH AUDIT REPORT THAT WAS COMPLETED DURING SEPTEMBER 2004. THE DIRECTOR'S OFFICE INDICATED THAT A RELIABLE FUNDING SOURCE FOR THE COSTS ASSOCIATED WITH THE COMMISSION HAD NOT BEEN IDENTIFIED.

INDIGENT SUPPLEMENTAL ACCOUNT (628-3244) ADMIN – 25
INDIGENT ACCIDENT ACCOUNT (628-3245) ADMIN – 27:

THE SUBCOMMITTEE VOTED TO COMBINE THE REVENUES AND EXPENDITURES IN THE INDIGENT SUPPLEMENTAL ACCOUNT AND THE INDIGENT ACCIDENT ACCOUNT INTO A SINGLE ACCOUNT BASED ON THE PROVISIONS OF AB 493 (2005 SESSION) AND THE APPROVAL OF THE NEVADA'S HIFA WAIVER PROGRAM DURING THE 2005-07 BIENNIUM. BECAUSE THE HIFA WAIVER WAS APPROVED, A PORTION OF THE PROPERTY TAX REVENUES DEPOSITED TO THE NEW ACCOUNT WILL BE USED TO FUND THE HIFA WAIVER, WHILE THE REMAINING FUNDS WILL BE AVAILABLE TO REIMBURSE HOSPITALS FOR CLAIMS FOR CARE PROVIDED TO PERSONS WHO HAVE BEEN INJURED IN MOTOR VEHICLE ACCIDENTS AND TO COUNTIES FOR UNPAID CHARGES FOR HOSPITAL CARE IN EXCESS OF \$25,000 TO ANY ONE INDIGENT PERSON WHOSE NEED FOR CARE DID NOT RESULT FROM A MOTOR VEHICLE ACCIDENT.

BASED ON THE FACT THAT FUNDS FROM THE NEW COMBINED ACCOUNT WILL BE USED TO SUPPORT A PORTION OF THE COSTS OF THE HIFA WAIVER PROGRAM, THE SUBCOMMITTEE VOTED TO TRANSFER THE RESPONSIBILITY FOR ACCOUNTING SERVICES FROM THE ADMINISTRATIVE SERVICES DIVISION TO THE DHHS DIRECTOR'S OFFICE.

THE FOLLOWING BUDGETS WERE CLOSED BY THE SUBCOMMITTEE AS RECOMMENDED BY THE GOVERNOR OR AS RECOMMENDED BY THE FISCAL ANALYSIS DIVISION WITH ONLY TECHNICAL ADJUSTMENTS:

DEVELOPMENTAL DISABILITIES (101-3154) DHHS DIRECTOR'S
OFC – 9
BCBS SETTLEMENT (101-3241) DHHS DIRECTOR'S OFC – 28
CHILDREN'S TRUST ACCOUNT (101-3201) DHHS DIRECTOR'S
OFC – 38
PROBLEM GAMBLING (101-3200) DHHS DIRECTOR'S OFC – 40

Chairman Arberry asked the Committee for a motion.

ASSEMBLYMAN PARKS MOVED THAT THE COMMITTEE APPROVE THE SUBCOMMITTEE'S RECOMMENDATIONS FOR THE DIRECTOR'S OFFICE BUDGETS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Chairman Arberry opened discussion on the Peace Officer Standards and Training Commission budgets and recognized Assemblyman David Parks, Assembly District No. 41 and Co-Chair of the Joint Subcommittee on Public Safety, Natural Resources, and Transportation.

Mr. Parks read the following closing report:

THE JOINT SUBCOMMITTEE FOR PUBLIC SAFETY NATURAL RESOURCES AND TRANSPORTATION COMPLETED ITS REVIEW OF THE BUDGETS FOR THE PEACE OFFICERS STANDARDS AND TRAINING COMMISSION AND DEVELOPED THE FOLLOWING CLOSING RECOMMENDATIONS.

**PEACE OFFICERS STANDARDS AND TRAINING COMMISSION
(BA 101-3774):**

THE SUBCOMMITTEE CONCURS WITH THE GOVERNOR'S RECOMMENDATION TO DEVELOP A PROFESSIONAL DEVELOPMENT BUREAU WITH TWO NEW POSITIONS TO PROVIDE MANAGEMENT AND LEADERSHIP TRAINING TO SWORN FIRST-LINE SUPERVISORS, MIDDLE MANAGERS, AND EXECUTIVE OFFICERS THROUGHOUT THE STATE. THE GOVERNOR PROPOSED TO FUND THE ENTIRE PROGRAM WITH COURT ASSESSMENTS OVER THE 2007-09 BIENNIUM; HOWEVER, THE SUBCOMMITTEE APPROVED A REGISTRATION FEE OF \$300 PER PARTICIPANT TO OFFSET THE COST OF THE PROGRAM WHICH IS PROJECTED TO GENERATE \$72,000 FOR THE BIENNIUM COMPARED WITH THE PROGRAM COST OF \$256,599. THE SUBCOMMITTEE DECIDED TO CHARGE THE REGISTRATION FEE TO BE CONSISTENT WITH POST'S BASIC ACADEMY PROGRAM WHICH CHARGES A REGISTRATION FEE OF \$500 FOR CATEGORY I CADETS AND \$350 FOR CATEGORY II CADETS, AND THE CERTIFIED PUBLIC MANAGER PROGRAM OFFERED BY THE DEPARTMENT OF PERSONNEL WHICH CHARGES \$300 FOR EACH OF THE SIX CLASSES REQUIRED TO RECEIVE A CERTIFIED PUBLIC MANAGER CERTIFICATE.

THE SUBCOMMITTEE SUPPORTS THE GOVERNOR'S RECOMMENDATION TO ADD COURT ASSESSMENTS OF \$150,000 IN FY 2008 FOR A JOB TASK ANALYSIS AND STUDY OF PHYSICAL FITNESS STANDARDS FOR PEACE OFFICERS. THE ESTABLISHMENT OF A PHYSICAL FITNESS STANDARD SHOULD ALLEVIATE THE POTENTIAL LIABILITY TO THE STATE IF THE PHYSICAL FITNESS STANDARD WAS CHALLENGED BY A PEACE OFFICER CANDIDATE WHO COULD NOT MEET THE PHYSICAL FITNESS STANDARDS.

THE SUBCOMMITTEE CONCURS WITH THE GOVERNOR'S RECOMMENDATION TO FUND THE EMERGENCY VEHICLE

OPERATIONS COURSE WITH COURT ASSESSMENTS OF APPROXIMATELY \$975,000 IN FY 2008 AND \$1.7 MILLION IN FY 2009 SUBJECT TO THE APPROVAL OF THE CAPITAL IMPROVEMENT PROJECT BY THE JOINT SUBCOMMITTEE ON HIGHER EDUCATION AND CAPITAL IMPROVEMENTS.

Mr. Parks said that since these budgets were closed by the Subcommittee, a number of requests were made from various sheriffs and chiefs, including former Assembly Speaker Perkins, with regard to the \$300 registration fee for the Professional Development Bureau.

Assemblyman Grady noted that he had heard from rural sheriffs and chiefs on this issue as well. Those individuals understood that the fee had been recommended to be paid for from court assessments and were not pleased with the fee.

Chairman Arberry asked the Committee what course of action it wished to take.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE APPROVE THE SUBCOMMITTEE REPORT AND CLOSE THIS BUDGET AS RECOMMENDED.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Grady dissented.)

BUDGET CLOSED.

Chairman Arberry opened discussion on the Department of Corrections budget accounts and recognized Assemblyman David Parks, Assembly District No. 41, Co-Chair of the Joint Subcommittee on Public Safety, Natural Resources, and Transportation.

Mr. Parks read the following closing report:

THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION DEVELOPED RECOMMENDATIONS FOR 28 BUDGETS WITHIN THE DEPARTMENT OF CORRECTIONS. THE SUBCOMMITTEE'S RECOMMENDATIONS RESULT IN A GENERAL FUND SAVINGS OF APPROXIMATELY \$1.2 MILLION IN FY 2007-08 AND \$1.8 MILLION IN FY 2008-09 NET OF FUNDS RECOMMENDED FOR APPROPRIATION TO THE INTERIM FINANCE COMMITTEE.

THE DEPARTMENT'S BUDGET IS PRIMARILY DRIVEN BY THE PROJECTED NUMBER OF INMATES TO BE HOUSED. THE EXECUTIVE BUDGET PROVIDED FUNDING TO HOUSE AN AVERAGE OF 13,337 INMATES IN FY 2007-08 AND 13,900 INMATES IN FY 2008-09. THE BUDGET, AS MODIFIED BY THE SUBCOMMITTEE, WILL PROVIDE FUNDING TO HOUSE AN AVERAGE OF 12,753 INMATES IN FY 2007-08 AND 13,383 INMATES IN FY 2008-09. THIS BUDGET MODIFICATION WAS THE RESULT OF AN UPDATED PROJECTION OF THE INMATE POPULATION PROVIDED IN MARCH 2007 THAT REFLECTED AN INCREASE IN THE INMATE POPULATION OF 66 IN FY 2007-08 AND 246 IN FY 2008-09 AND A PROPOSAL TO

INCREASE THE AMOUNT OF GOOD TIME AND PROGRAM CREDITS THAT INMATES WOULD BE ELIGIBLE TO EARN, WHICH WOULD REDUCE THE INMATE POPULATION. THE SUBCOMMITTEE APPROVED DELETING THE FUNDING FOR INMATE DRIVEN COSTS FOR 50 PERCENT OF THE PROJECTED REDUCTION IN THE INMATE POPULATION (650 INMATES IN FY 2007-08 AND 763 INMATES IN FY 2008-09), CONTINGENT ON APPROVAL OF LEGISLATION ADDRESSING GOOD TIME AND PROGRAM CREDITS FOR INMATES, PROBATIONERS, AND PAROLEES, AND APPROPRIATING THOSE FUNDS TOTALING APPROXIMATELY \$1.5 MILLION IN FY 2007-08 AND \$1.8 MILLION IN FY 2008-09 TO THE IFC CONTINGENCY FUND. THE SUBCOMMITTEE APPROVED HAVING THOSE FUNDS MADE AVAILABLE FOR ALLOCATION TO THE DEPARTMENT OF CORRECTIONS AND/OR THE DIVISION OF PAROLE AND PROBATION FOR INMATE-DRIVEN COSTS IF THE ACTUAL INMATE POPULATION REDUCTION IS LESS THAN EXPECTED; FOR ADDITIONAL STAFFING TO SUPERVISE PROBATIONERS AND PAROLEES RELATED TO THE INCREASE IN THE NUMBER OF INMATES ELIGIBLE FOR PAROLE OR A REDUCTION IN PROBATION VIOLATORS; AND FOR TREATMENT PROGRAMS FOR OFFENDERS.

NDOC DIRECTOR'S OFFICE (101-3710) CORRECTIONS-1:

ADDITIONAL STAFFING OF SIX NEW POSITIONS FOR THE OPERATIONS OF THE NEVADA OFFENDER TRACKING INFORMATION SYSTEM (NOTIS) PROPOSED BY THE GOVERNOR WAS APPROVED BY THE SUBCOMMITTEE. THIS INFORMATION SYSTEM COVERS THE ENTIRE SCOPE OF THE DEPARTMENT'S OPERATIONS AND IS EXPECTED TO BE OPERATIONAL BY JUNE 2007. TO IMPLEMENT THE PROVISIONS OF THE FEDERAL PRISON RAPE ELIMINATION ACT, THE SUBCOMMITTEE APPROVED THE ADDITION OF THREE POSITIONS IN THE OFFICE OF THE INSPECTOR GENERAL WITHIN THE DEPARTMENT FOR THE INVESTIGATION AND REPORTING OF SEXUAL ASSAULT ALLEGATIONS AND TO INCREASE AWARENESS OF THIS ISSUE AMONG STAFF AND THE INMATE POPULATION. THE GOVERNOR HAD ORIGINALLY RECOMMENDED THE ADDITION OF FOUR INVESTIGATOR POSITIONS, BUT LATER MODIFIED THAT PROPOSAL TO TWO INVESTIGATORS AND ONE ADMINISTRATIVE POSITION DUE TO THE TRAINING, SURVEYING, AND REPORTING PROCESSES DETERMINED TO BE NECESSARY AND THE INABILITY TO ASSESS THE FULL IMPACT OF THE LEGISLATION UNTIL NATIONAL STANDARDS ARE FINALIZED IN 2008. THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATIONS TO PROVIDE FUNDING OF \$795,305 IN FY 2007-08 AND \$470,000 IN FY 2008-09 FOR ADDITIONAL AND REPLACEMENT COMPUTER HARDWARE AND SOFTWARE AND TWO PASSENGER BUSES FOR INMATE TRANSPORTATION, WITH ONE BUS BEING A REPLACEMENT AND ONE BUS AUGMENTING THE CURRENT FLEET OF TWO BUSES AND MULTIPLE VANS UTILIZED FOR INMATE TRANSPORTATION.

PRISON MEDICAL CARE (101-3706) CORRECTIONS-12:

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ADD 16.02 FTE POSITIONS TO STAFF THE MEDICAL UNITS AT HIGH DESERT STATE PRISON AND SOUTHERN NEVADA WOMEN'S CORRECTIONAL CENTER DUE TO PROJECTED INMATE POPULATION INCREASES AT THOSE FACILITIES RELATED TO PROPOSED FACILITY EXPANSIONS. THE SUBCOMMITTEE ALSO APPROVED TWO NEW POSITIONS TO PROVIDE MEDICAL STAFFING AT THE CASA GRANDE TRANSITIONAL HOUSING FACILITY, AS THE CURRENT PROVISION OF MEDICAL SERVICES AT THIS FACILITY WAS DEEMED INSUFFICIENT CONSIDERING THE TRANSITIONAL NATURE OF THE INMATE POPULATION. CONSIDERATION WAS GIVEN BY THE SUBCOMMITTEE TO THE GOVERNOR'S RECOMMENDED INFLATIONARY INCREASES IN THE MEDICAL CARE BUDGET. WHILE THE SUBCOMMITTEE AGREED THAT INFLATIONARY INCREASES SHOULD BE INCLUDED IN THE BUDGET, IT FELT THAT UTILIZING A FIVE-YEAR AVERAGE MEDICAL CPI AND ACTUAL INFLATIONARY COST INCREASES EXPERIENCED BY THE DEPARTMENT WAS MORE APPROPRIATE THAN THE PROJECTED INCREASES BY THE CENTER FOR MEDICARE AND MEDICAID SERVICES (CMS) THAT REFLECTED DEMOGRAPHIC, INFLATIONARY AND UTILIZATION CHANGES, AS RECOMMENDED BY THE GOVERNOR. AS A RESULT, GENERAL FUND COSTS WERE REDUCED BY A TOTAL OF \$391,000 OVER THE BIENNIUM.

CORRECTIONAL PROGRAMS (101-3711) CORRECTIONS-20:

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO PROVIDE FUNDING TO CONTINUE FOUR POSITIONS THAT PROVIDE PRE-RELEASE AND RE-ENTRY SERVICES TO INMATES, WHICH WERE SUPPORTED WITH FEDERAL GRANT FUNDING WHEN THEY WERE ORIGINALLY ESTABLISHED. IN APPROVING THE FUNDING, THE SUBCOMMITTEE RECOMMENDED THE ISSUANCE OF A LETTER OF INTENT DIRECTING THE DEPARTMENT TO DEVELOP PERFORMANCE INDICATORS TO MEASURE THE EFFECTIVENESS OF THESE SERVICES AND TO REPORT THE ACTUAL RESULTS TO THE INTERIM FINANCE COMMITTEE ON A QUARTERLY BASIS. THE SUBCOMMITTEE APPROVED THE PROPOSAL TO CONSOLIDATE THE REPORTING STRUCTURE FOR PROGRAMS AND OPERATIONS WITHIN THE DEPARTMENT BY RECLASSIFYING THE DEPUTY DIRECTOR OF PROGRAMS TO A DEPUTY DIRECTOR OF OPERATIONS. THE DEPARTMENT INDICATED THE PROPOSAL IS INTENDED TO REFLECT PROGRAMS AS AN INTEGRAL PART OF OPERATIONS THAT ENHANCES SECURITY AND THE MANAGEMENT OF INMATES.

ALTHOUGH NOT INCLUDED IN THE EXECUTIVE BUDGET, THE SUBCOMMITTEE APPROVED FUNDING TOTALING \$832,690 OVER THE 2007-09 BIENNIUM TO CONTINUE A 172-BED SUBSTANCE ABUSE TREATMENT PROGRAM AT NORTHERN NEVADA CORRECTIONAL CENTER THAT WAS SLATED TO TERMINATE AT THE END OF FY 2006-07 DUE TO A DECREASE IN FEDERAL FUNDING AVAILABLE. THE RECOMMENDED

FUNDING TO CONTINUE THE PROGRAM CONSISTS PRIMARILY OF GENERAL FUND APPROPRIATIONS, WITH \$93,000 ANNUALLY IN FEDERAL FUNDS AND 25 PERCENT MATCHING FUNDING FROM THE INMATE WELFARE ACCOUNT.

ELY STATE PRISON (101-3751) CORRECTIONS-27:

THE SUBCOMMITTEE CONCURRED WITH A BUDGET REVISION SUBMITTED BY THE GOVERNOR TO ADD A CORRECTIONAL CASEWORKER POSITION FOR THIS FACILITY TO MAINTAIN THE LEGISLATIVELY-APPROVED CASEWORKER-TO-INMATE STAFFING RATIO OF 1 TO 125. THE BIENNIUM FUNDING OF \$125,847 FOR THE NEW POSITION WAS PROVIDED THROUGH BUDGET REDUCTIONS IN OTHER AREAS WITHIN THE DEPARTMENT'S OVERALL BUDGET.

HIGH DESERT STATE PRISON (101-3762) CORRECTIONS-32:

THE GOVERNOR RECOMMENDED FUNDING OF \$13.5 MILLION FOR 212 NEW POSITIONS AND OPERATIONAL COSTS FOR THE PHASE IV AND PHASE V EXPANSION OF THIS CORRECTIONAL FACILITY AND THE CONVERSION OF FOUR EXISTING HOUSING UNITS TO CLOSE CUSTODY. IN APPROVING FUNDING FOR STAFFING, THE SUBCOMMITTEE APPROVED STAFFING FOR THREE HOUSING UNITS TO BE CONVERTED TO CLOSE CUSTODY, BASED ON THE DEPARTMENT'S HOUSING PLAN INDICATING THAT THERE WOULD BE SUFFICIENT CLOSE CUSTODY BEDS WITHOUT THE CONVERSION OF THE FOURTH HOUSING UNIT. THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO ADD THREE POSITIONS FOR STAFFING HOUSING UNITS 7 AND 8, AS THEY WERE NOT PART OF THE CONVERSION OF HOUSING UNITS TO CLOSE CUSTODY. BASED ON THE DEPARTMENT'S HOUSING PLAN, THE SUBCOMMITTEE APPROVED FUNDING FOR PHASE V THAT REFLECTED A DELAY IN THE OPENING BY TWO MONTHS, TO MARCH 2009. TO PROVIDE FOR CONTINUED STAFFING OF CORRECTIONAL CASEWORKERS AT THE LEGISLATIVELY-APPROVED STAFFING RATIO, THE SUBCOMMITTEE APPROVED MODIFYING THE EFFECTIVE DATE OF TWO NEW CORRECTIONAL CASEWORKER POSITIONS RECOMMENDED BY THE GOVERNOR FROM AUGUST 2008 TO OCTOBER 2007. THE SUBCOMMITTEE ALSO APPROVED ADJUSTMENTS TO THE OPERATING AND UTILITY COSTS FOR PHASES IV AND V TO REFLECT THE ACTUAL PERIOD OF TIME THESE FACILITY EXPANSIONS WOULD BE OPERATIONAL IN FY 2008-09.

NORTHERN NEVADA CORRECTIONAL CENTER (101-3717) CORRECTIONS-38:

THE SUBCOMMITTEE APPROVED FUNDING OF \$1,022,392 FOR 11 NEW POSITIONS AND OPERATING COSTS FOR A 240-BED PRE-ENGINEERED HOUSING UNIT AT THIS FACILITY. BASED ON A REVISED CONSTRUCTION TIMELINE PROVIDED BY THE STATE PUBLIC WORKS BOARD AND A REVISION TO THE DEPARTMENT'S INMATE HOUSING PLAN, THE SUBCOMMITTEE MODIFIED THE GOVERNOR'S FUNDING RECOMMENDATION TO

REFLECT OPENING OF THE HOUSING UNIT IN MAY 2008, RESULTING IN A GENERAL FUND SAVINGS OF \$271,344 IN FY 2007-08. INCLUDED IN THE FUNDING RECOMMENDED BY THE SUBCOMMITTEE IS THE ADDITION OF A CORRECTIONAL CASEWORKER POSITION FOR THIS FACILITY EFFECTIVE JULY 2008 TO MAINTAIN THE LEGISLATIVELY-APPROVED CASEWORKER- TO-INMATE STAFFING RATIO OF 1 TO 125 AND UTILITY COSTS FOR THE HOUSING UNIT THAT WAS NOT INCLUDED IN THE EXECUTIVE BUDGET .

THE SUBCOMMITTEE APPROVED FUNDING OF \$309,150 FOR VARIOUS BUILDING MAINTENANCE PROJECTS AT THIS FACILITY BUT DID NOT APPROVE \$166,084 IN FUNDING RECOMMENDED BY THE GOVERNOR FOR MAINTENANCE PROJECTS THAT DUPLICATED FUNDING IN THE RECOMMENDED 2007 CIP OR PROJECTS COMPLETED BY THE DEPARTMENT IN FY 2006-07.

SOUTHERN DESERT CORRECTIONAL CENTER (101-3738)
CORRECTIONS-51:

THE SUBCOMMITTEE APPROVED FUNDING OF \$2.5 MILLION OVER THE 2007-09 BIENNIUM FOR 20 CUSTODY POSITIONS, 2 MAINTENANCE POSITIONS, 3 CORRECTIONAL CASEWORKER POSITIONS AND OPERATING COSTS FOR TWO 240-BED PRE-ENGINEERED HOUSING UNITS AT THIS FACILITY. THE SUBCOMMITTEE MODIFIED THE FUNDING RECOMMENDED BY THE GOVERNOR TO INCLUDE UTILITY COSTS NOT INCLUDED IN THE EXECUTIVE BUDGET AND TO REFLECT OPENING OF THESE TWO HOUSING UNITS IN JANUARY AND FEBRUARY 2008, BASED ON REVISED CONSTRUCTION TIMELINES PROVIDED BY THE STATE PUBLIC WORKS BOARD AND THE DEPARTMENT'S REVISED INMATE HOUSING PLAN. THE ADDITION OF THREE CORRECTIONAL CASEWORKER POSITIONS FOR THIS FACILITY EFFECTIVE JULY 2008 WAS APPROVED TO MAINTAIN THE LEGISLATIVELY-APPROVED CASEWORKER-TO-INMATE STAFFING RATIO.

LOVELOCK CORRECTIONAL CENTER (101-3759)
CORRECTIONS-57:

THE SUBCOMMITTEE CONCURRED WITH A BUDGET REVISION SUBMITTED BY THE GOVERNOR TO ADD A CORRECTIONAL CASEWORKER POSITION FOR THIS FACILITY TO MAINTAIN THE LEGISLATIVELY-APPROVED STAFFING RATIO OF CASEWORKERS TO INMATES. THE BIENNIUM FUNDING OF \$125,847 FOR THE NEW POSITION WAS PROVIDED THROUGH BUDGET REDUCTIONS IN OTHER AREAS WITHIN THE DEPARTMENT'S OVERALL BUDGET AS PROPOSED BY THE GOVERNOR. THESE BUDGET REDUCTIONS INCLUDED THE ELIMINATION OF \$225,000 IN THIS BUDGET FOR CONSTRUCTION OF A MAINTENANCE BUILDING AND STORAGE AREA FENCING. THE SUBCOMMITTEE DID APPROVE FUNDING OF \$130,000 FOR MAINTENANCE PROJECTS CONSISTING OF THE REPLACEMENT OF WINDOWS WITH TINTED SAFETY GLASS AND THE REPLACEMENT OF EVAPORATIVE COOLER PADS THROUGHOUT THE FACILITY TO MITIGATE CORROSION OF AIR HANDLING EQUIPMENT.

SOUTHERN NEVADA CORRECTIONAL CENTER (101-3715)
CORRECTIONS-63:

THE SUBCOMMITTEE DID NOT APPROVE FUNDING FOR STAFFING AND OPERATING A 240-BED PRE-ENGINEERED HOUSING UNIT AT THIS FACILITY, AS THE STATE PUBLIC WORKS BOARD INDICATED THAT SOUTHERN DESERT CORRECTIONAL CENTER PROVIDED BETTER SITE CONDITIONS FOR THE HOUSING UNIT AND THERE WAS EXISTING UTILITY INFRASTRUCTURE IN PLACE AT THAT SITE. THE SUBCOMMITTEE ALSO DID NOT APPROVE FUNDING OF \$60,000 TO REPLACE EXTERIOR LIGHTING FIXTURES AT THIS FACILITY, AS THE DEPARTMENT RECOMMENDED THIS MAINTENANCE PROJECT BE DEFERRED AS PART OF THE RECOMMENDED GENERAL FUND BUDGET REDUCTIONS. THE DEPARTMENT INDICATED THE PROJECT COULD BE COMPLETED IN THE FUTURE THROUGH AN ENERGY RETROFIT CONTRACT WITH FUNDING PROVIDED BY THE ENERGY SAVINGS.

WARM SPRINGS CORRECTIONAL CENTER (101-3716)
CORRECTIONS-69:

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION FOR FUNDING IN THIS BUDGET, WITH THE EXCEPTION OF FUNDING OF \$24,570 FOR PAVING THE PARKING LOT AND PERIMETER ROAD, WHICH WAS NOT APPROVED BECAUSE IT DUPLICATES FUNDING RECOMMENDED IN THE 2007 CIP.

SOUTHERN NEVADA WOMEN'S CORRECTIONAL CENTER (101-3761) CORRECTIONS-74:

THE GOVERNOR RECOMMENDED FUNDING OF \$2.7 MILLION FOR 45 NEW POSITIONS AND OPERATIONAL COSTS FOR A 400-BED EXPANSION OF THIS CORRECTIONAL FACILITY, WHICH WAS SUBSEQUENTLY MODIFIED BY \$322,398 FOR THE COSTS OF EIGHT ADDITIONAL POSITIONS FOR STAFFING ONE HOUSING UNIT THAT WAS NOT INCLUDED IN THE EXECUTIVE BUDGET. DUE TO A REVISED CONSTRUCTION TIMELINE PROVIDED BY THE STATE PUBLIC WORKS BOARD FOR THE 100-BED TRANSITIONAL HOUSING CENTER COMPONENT OF THE EXPANSION, THE SUBCOMMITTEE REDUCED THE LEVEL OF FUNDING RECOMMENDED BY THE GOVERNOR BY \$675,524 AND REDUCED THE NUMBER OF NEW POSITIONS BY 11 TO COINCIDE WITH THE DEPARTMENT'S REVISED INMATE HOUSING PLAN, REFLECTING A DELAY IN OPENING THE 100 BEDS TO OCTOBER 2009. THE SUBCOMMITTEE APPROVED FUNDING OF \$1.1 MILLION FOR 11 NEW POSITIONS AND OPERATING COSTS FOR A 240-BED PRE-ENGINEERED HOUSING UNIT AT THIS FACILITY. BASED ON A REVISED CONSTRUCTION TIMELINE PROVIDED BY THE STATE PUBLIC WORKS BOARD AND A REVISION TO THE DEPARTMENT'S INMATE HOUSING PLAN, THE SUBCOMMITTEE MODIFIED THE GOVERNOR'S FUNDING RECOMMENDATION TO REFLECT OPENING OF THE HOUSING UNIT IN FEBRUARY 2008, RESULTING IN GENERAL FUND SAVINGS OF \$161,103 IN FY 2007-08.

**INDIAN SPRINGS CONSERVATION CAMP (101-3725)
CORRECTIONS-98:**

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO PROVIDE FUNDING FOR STAFFING AND OPERATING A 192-BED EXPANSION OF THIS FACILITY, BUT MODIFIED THE RECOMMENDED FUNDING AMOUNTS. THESE MODIFICATIONS INCLUDED ELIMINATING THREE POSITIONS RECOMMENDED FOR STAFFING THE VISITATION POST AND FOR THE BOOT CAMP PROGRAM, AS IT WAS DETERMINED THESE POSITIONS WERE NOT NECESSARY UNTIL THE SECOND PHASE OF THE FACILITY EXPANSION WAS COMPLETED IN THE 2009-11 BIENNIUM. THE FUNDING MODIFICATIONS ALSO INCLUDED ADJUSTMENTS TO THE OPERATING, MAINTENANCE AND UTILITY COSTS TO REFLECT THE ACTUAL PERIOD OF TIME THE FACILITY EXPANSION WOULD BE OPERATIONAL IN FY 2008-09.

WELLS CONSERVATION CAMP (101-3739) CORRECTIONS-103:

AS THE GOVERNOR'S RECOMMENDED 2007 CIP INCLUDED FUNDING TO ADDRESS AGENCY PAVING NEEDS, THE SUBCOMMITTEE RECOMMENDED ELIMINATION OF FUNDING IN THIS BUDGET FOR REPAVING THE PARKING LOT AND ACCESS ROAD AT THIS FACILITY AND RECOMMENDED COMPLETION OF THE PROJECT WITH FUNDING APPROVED FOR THE 2007 CIP STATEWIDE PAVING PROGRAM.

**HUMBOLDT CONSERVATION CAMP (101-3741)
CORRECTIONS-108:**

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION FOR FUNDING IN THIS BUDGET WITH ADJUSTMENTS TO ELIMINATE DUPLICATE FUNDING OF \$37,434 FOR INTERIOR BUILDING LIGHTING AND TO ELIMINATE FUNDING OF \$126,000 TO INSTALL ADDITIONAL EXTERIOR POLE LIGHTING AT THIS FACILITY, AS THE DEPARTMENT RECOMMENDED THIS MAINTENANCE PROJECT BE DEFERRED AS PART OF THE RECOMMENDED GENERAL FUND BUDGET REDUCTIONS. THE DEPARTMENT INDICATED THE PROJECT COULD BE COMPLETED IN THE FUTURE THROUGH AN ENERGY RETROFIT CONTRACT WITH FUNDING PROVIDED BY THE ENERGY SAVINGS.

JEAN CONSERVATION CAMP (101-3748) CORRECTIONS-118:

THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO ADD A CORRECTIONAL CASEWORKER POSITION AT THIS FACILITY, AS THE PROJECTED INMATE POPULATION FOR THE 2007-09 BIENNIUM DID NOT JUSTIFY ADDITIONAL CASEWORKER STAFFING TO MAINTAIN THE LEGISLATIVELY-APPROVED CASEWORKER-TO-INMATE STAFFING RATIO OF 1 TO 125.

CARLIN CONSERVATION CAMP (101-3752) CORRECTIONS-128:

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION FOR FUNDING IN THIS BUDGET WITH ADJUSTMENTS TO ELIMINATE FUNDING OF \$147,931 TO REPLACE INTERIOR BUILDING LIGHTING AND INSTALL ADDITIONAL EXTERIOR POLE LIGHTING AT THIS FACILITY, AS THE DEPARTMENT RECOMMENDED THIS MAINTENANCE PROJECT BE DEFERRED AS PART OF THE RECOMMENDED GENERAL FUND BUDGET REDUCTIONS.

TONOPAH CONSERVATION CAMP (101-3754) CORRECTIONS-133:

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION FOR FUNDING IN THIS BUDGET WITH ADJUSTMENTS TO ELIMINATE FUNDING OF \$10,570 TO REPLACE INTERIOR BUILDING LIGHTING AT THIS FACILITY, AS THE DEPARTMENT RECOMMENDED THIS MAINTENANCE PROJECT BE DEFERRED AS PART OF THE RECOMMENDED GENERAL FUND BUDGET REDUCTIONS.

OFFENDERS' STORE FUND (240-3708) CORRECTIONS-138:

THE SUBCOMMITTEE APPROVED THE ADDITION OF 1.51 FTE STOREKEEPER POSITIONS AS RECOMMENDED BY THE GOVERNOR. THESE POSITIONS ARE INTENDED TO ADDRESS THE HIGH STOREKEEPER-TO-INMATE RATIO AT SOUTHERN DESERT CORRECTIONAL CENTER AND THE SPECIAL REQUIREMENTS FOR DISTRIBUTING PRODUCTS TO INMATES AT THE ELY STATE PRISON DUE TO THE MAXIMUM SECURITY NATURE OF THAT FACILITY. THE SUBCOMMITTEE ALSO APPROVED FUNDING OF \$767,856 FOR TWO ADD-ON MODULES FOR THE DEPARTMENT'S NOTIS APPLICATION TO REPLACE THE EXISTING INMATE BANKING SYSTEM, WHICH IS DEEMED TECHNOLOGICALLY OBSOLETE. THE SUBCOMMITTEE REDUCED THE GOVERNOR'S RECOMMENDED FUNDING AMOUNT FOR THESE MODULES BY \$25,000 TO DELETE ONE OF THE TWO RECOMMENDED COMPUTER SERVERS, AS THE DEPARTMENT INDICATED ONE SERVER COULD BE UTILIZED FOR BOTH MODULES.

THE SUBCOMMITTEE ALSO REVIEWED ALL REMAINING BUDGETS FOR THE DEPARTMENT (101-3718 NEVADA STATE PRISON; 101-3722 STEWART CONSERVATION CAMP; 101-3723 PIOCHE CONSERVATION CAMP; 101-3724 NORTHERN NEVADA RESTITUTION CENTER; 101-3747 ELY CONSERVATION CAMP; 101-3749 SILVER SPRINGS CONSERVATION CAMP; 101-3760 CASA GRANDE TRANSITIONAL HOUSING; 240-3763 INMATE WELFARE ACCOUNT; 525-3719 PRISON INDUSTRY; AND 525-3727 PRISON DAIRY) AND RECOMMENDS THAT THESE BUDGETS BE CLOSED AS RECOMMENDED BY THE GOVERNOR, WITH ADJUSTMENTS FOR INMATE POPULATION CHANGES, CORRECTION IN THE INMATE-DRIVEN RATE AND MINOR TECHNICAL ADJUSTMENTS. THE ATTACHED CHART ([Exhibit H](#)) SUMMARIZES THE GENERAL FUND COST AND SAVINGS OF THE SUBCOMMITTEE'S ACTIONS.

Mr. Parks noted there was one more budget account with the Department of Corrections budgets and read the following closing statement:

FORESTRY CONSERVATION CAMPS (101-4198) DCNR-166:

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO PROVIDE GENERAL FUNDS FOR EQUIPMENT, SUPPLIES, AND SEVENTEEN NEW POSITIONS AND ASSOCIATED COSTS RELATED TO THE EXPANSION OF THE INDIAN SPRINGS CONSERVATION CAMP. THE SUBCOMMITTEE REDUCED THE GOVERNOR'S RECOMMENDED OPERATING COSTS FOR THE CAMP IN FY 2008-09, PROVIDING GENERAL FUND SAVINGS OF \$77,864 IN FY 2008-09. THE PLANNED EXPANSION OF THE INDIAN SPRINGS CONSERVATION CAMP BY THE DEPARTMENT OF CORRECTIONS – WHICH IS SCHEDULED TO BE COMPLETED IN JUNE 2009 – WILL ADD 192 BEDS AND RESULT IN 16 NEW CONSERVATION CREWS. THE SUBCOMMITTEE APPROVED ADDING LANGUAGE TO THE APPROPRIATIONS ACT THAT WOULD ALLOW THE AGENCY TO BALANCE FORWARD ANY UNSPENT EQUIPMENT FUNDS FROM FY 2007-08 TO FY 2008-09 WITH IFC APPROVAL.

Assemblywoman Leslie asked whether this report incorporated projections from the Council of State Governments and noted that Mr. Parks had stated that some savings from reduced caseload projections were to be appropriated to IFC to cover unanticipated increases in the number of inmates, or to pay for additional staff for Parole and Probation, or to pay for more treatment programs.

Mr. Parks said staff's plan allowed for additional funding within the budget to handle unforeseen changes in caseload. He noted that there was sufficient savings for this purpose. He said half of the savings would be placed in an IFC contingency fund that would allow for the Department of Corrections or Parole and Probation to use the funds in the future if needed.

Ms. Leslie agreed that this was a "good, cautious approach." She asked for clarification that half of the savings were placed in the budget while the other half would be placed in the IFC contingency fund.

Mr. Parks said that was the case.

Ms. Leslie noted that this resulted in a savings to the General Fund. She then asked whether the Subcommittee considered placing the entire amount in the IFC contingency fund.

Mr. Parks deferred such determinations to fiscal staff that had more expertise in that area.

Ms. Leslie asked Tracy Raxter, Senior Program Analyst, Fiscal Analysis Division, how close the budgeted amount would be to the actual expenditures.

Mr. Raxter explained that the money recommended for placement in the IFC contingency fund was tied to inmate-driven costs. The other savings of \$1.2 million in FY 2008 and \$1.8 million in FY 2009 were savings from costs that the Department of Corrections was not going to incur because of delays in the opening of housing units or positions the Subcommittee eliminated. These funds were not needed for operations.

Assemblywoman Weber supported the Subcommittee, but was still concerned with the recommendation to reclassify the deputy director of programs to the position of deputy director of operations. She believed the job functions were too dissimilar and that needed attention would be taken away from programs, so she did not support this request.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, noted that there were recommendations from the Council of State Governments that had been incorporated into the Department of Corrections budget closings. Because of these recommendations, Assembly Bill 510 (R1) needed to be amended, which would be heard by the Committee the following day. Mr. Stevens said the recommendations included expanding good time credits and also program credits for successfully completing education or drug treatment programs while incarcerated. In order for the budget closings to match the provisions of Assembly Bill 510 (R1), a number of changes to the bill needed to be made. Mr. Stevens noted that these budget closings could have some impact on the provisions of Assembly Bill 416(R1) as well.

Assemblywoman Leslie was appreciative of the hard work the Subcommittee did with these budgets and was also appreciative of the "sea change" that the Department of Corrections was making with regard to rehabilitating inmates instead of just housing them. She believed this would save the State billions of dollars in the years to come. Ms. Leslie suggested that the Committee include the General Fund savings of \$1.2 million in FY 2008 and \$1.8 million in FY 2009 in the appropriation to the Interim Finance Committee for additional flexibility in caseload and also for additional treatment for inmates in regard to mental health and substance abuse. She believed these funds could also be used to work with organizations that assist inmates when released.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE APPROVE THE SUBCOMMITTEE CLOSING REPORT AND APPROPRIATE THE ADDITIONAL SAVINGS OF \$1.2 MILLION IN FY 2008 AND \$1.8 MILLION IN FY 2009 TO THE INTERIM FINANCE COMMITTEE FOR THE DEPARTMENT OF CORRECTIONS TO USE FOR ADDITIONAL TREATMENT AND REHABILITATION PROGRAMS FOR INMATES AND RELEASED INMATES.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

BUDGET CLOSED.

Chairman Arberry thanked Mr. Parks for the hard work the Subcommittee did on these budgets.

Mr. Parks thanked Mr. Raxter and Jeff Ferguson, Program Analyst, Fiscal Analysis Division, for their hard work as well.

* * * * *

BDR S-1506: Makes an appropriation to Ethel-Willia, Inc., to provide child care services. (Assembly Bill 620)

Chairman Arberry suggested that the Committee introduce Bill Draft Request S-1506 to the Assembly for consideration. This made an appropriation to Ethel-Willia, Inc. for child care services.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE
INTRODUCE BDR S-1506 TO THE ASSEMBLY FOR
CONSIDERATION.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Assembly Bill 612: Revises provisions governing the Public Employees' Deferred Compensation Program. (BDR 23-1491)

Chairman Arberry opened discussion on Assembly Bill (A.B.) 612 and recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division.

Mr. Stevens explained that this bill resulted from work performed by the Subcommittee on General Government. When hearing the budget on deferred compensation, the Subcommittee requested a bill be drafted to allow the deferred compensation committee to choose either one or two vendors to provide services to state and local government employees. Currently, it was required that two vendors be used.

Chairman Arberry asked Mr. Stevens to verify that existing law required two vendors for deferred compensation plans be used while this new law would allow for the choice of just one.

Mr. Stevens verified the Chairman's observation and noted that this new law would allow the committee to choose whether one vendor would be used or whether multiple vendors would be used.

Chairman Arberry asked Assemblywoman McClain whether this would be beneficial for government employees.

Ms. McClain said it would be beneficial.

Chairman Arberry noted that Ms. McClain said this bill was "a good idea."

Assemblywoman Buckley asked why it was a good idea.

Mr. Stevens explained that the deferred compensation committee believed that using one vendor would allow for more benefits and lower costs because of the larger pool of assets that would be placed with that vendor. Currently, that pool amounted to approximately \$450 million, but was split between two vendors. The deferred compensation committee wished to explore the possibility of combining the entire asset base to see if there would be cost advantages and additional services for participants.

ASSEMBLYWOMAN MCCLAIN MOVED THAT THE COMMITTEE
DO PASS A.B. 612.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Assembly Bill 615: Makes various changes concerning local financial administration. (BDR 30-1474)

Chairman Arberry opened discussion on Assembly Bill (A.B.) 615 and recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division.

Mr. Stevens noted that A.B. 615 was heard by the Committee the previous week. This bill made various changes concerning local financial administration and involved school district bonds. Mr. Stevens said that the language included in this bill concerning school district bonds was also included in A.B. 554, which was currently in the Senate Committee on Finance.

Chairman Arberry asked Assemblywoman Smith to provide the Committee with more information on this bill.

Mrs. Smith explained that A.B. 615 contained language that had been worked on extensively with bond counsel, local school district finance staff who were well aware of the issues surrounding this bill, and the State Treasurer. According to Mrs. Smith, this bill allowed some school districts to better access funds for school construction without increasing taxes or changing fiscal mechanisms and allowed for getting funds at better interest rates.

ASSEMBLYMAN HARDY MOVED THAT THE COMMITTEE DO
PASS A.B. 615.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Assembly Bill 616: Makes a supplemental appropriation to the Department of Public Safety, Dignitary Protection, for unanticipated shortfalls in Fiscal Year 2006-2007 for dignitary protection. (BDR S-1424)

Chairman Arberry opened discussion on Assembly Bill (A.B.) 616 and recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division.

Mr. Stevens explained that this bill contained a supplemental appropriation request that was not included in The Executive Budget but that staff recommended passage of the bill. The request was for \$62,733 in General Fund appropriations for the Dignitary Protection program. Mr. Stevens noted that the agency had testified that the amount could be modified to \$50,240 and staff recommended so amending and passing the bill.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE
AMEND AND DO PASS AS AMENDED A.B. 616.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Assembly Bill 618: Makes a contingent appropriation to the Tahoe Regional Planning Agency for replacement of vehicles. (BDR S-1222)

Chairman Arberry opened discussion on Assembly Bill (A.B.) 618 and recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division.

Mr. Stevens noted that this bill made an appropriation to the Tahoe Regional Planning Agency that was contained in The Executive Budget for replacement of vehicles in the amount of \$79,763 and required a two-thirds matching amount from California. Staff recommended the Committee pass this bill.

ASSEMBLYMAN DENIS MOVED THAT THE COMMITTEE DO PASS
A.B. 618.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Senate Bill 182 (1st Reprint): Makes a supplemental appropriation to the Department of Education, other state education programs, to fund the Counselor National Board Certification Program and teacher signing bonuses. (BDR S-1250)

Chairman Arberry opened discussion on Senate Bill (S.B.) 182 (R1) and recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division.

Mr. Stevens explained that S.B. 182 (R1) proposed a supplemental appropriation that was included in The Executive Budget for teacher signing bonuses and also provided additional funding for the Counselor National Board Certification Program. The amounts were adjusted by the Senate Committee on Finance. Mr. Stevens noted that the agency needed the funds to complete the fiscal year, and staff recommended passage of this bill.

ASSEMBLYWOMAN SMITH MOVED THAT THE COMMITTEE DO
PASS S.B. 182 (R1).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Senate Bill 187 (1st Reprint): Makes a supplemental appropriation to the Nevada Highway Patrol Division of the Department of Public Safety to pay the increased costs of vehicle fuel. (BDR S-1264)

Chairman Arberry opened discussion on Senate Bill (S.B.) 187 (R1) and recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division.

Mr. Stevens explained that this bill made a supplemental appropriation that was included in The Executive Budget to the Highway Fund for additional fuel costs for the Nevada Highway Patrol.

ASSEMBLYWOMAN MCCLAIN MOVED THAT THE COMMITTEE
DO PASS S.B. 187 (R1).

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Senate Bill 339 (1st Reprint): Makes supplemental appropriations to the Department of Cultural Affairs for anticipated budgetary shortfalls for Fiscal Year 2006-2007. (BDR S-1248)

Chairman Arberry opened discussion on Senate Bill (S.B.) 339 (R1) and recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division.

Mr. Stevens said this bill contained a supplemental appropriation included in The Executive Budget for the Department of Cultural Affairs. The amount was amended by the Senate Committee on Finance, and staff recommended the Committee do pass this bill.

ASSEMBLYMAN DENIS MOVED THAT THE COMMITTEE DO PASS
S.B. 339 (R1).

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Senate Bill 340 (1st Reprint): Makes a supplemental appropriation to the Department of Taxation for outstanding Fiscal Year 2005-2006 information technology costs. (BDR S-1247)

Chairman Arberry opened discussion on Senate Bill (S.B.) 340 (R1) and recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division.

Mr. Stevens explained that this bill was for a supplemental appropriation contained in The Executive Budget for the Department of Taxation. The amount had been adjusted by the Senate Committee on Finance, and staff recommended that the Committee pass this bill.

ASSEMBLYMAN MARVEL MOVED THAT THE COMMITTEE DO
PASS S.B. 340 (R1).

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Chairman Arberry advised the Committee on Assembly floor protocol regarding the Speaker's invitation for comments. He then recognized Mr. Stevens.

Mr. Stevens explained that there were two additional Subcommittee budget reports that staff wished to present to the Committee, but that they were still being printed. He suggested a short recess.

Chairman Arberry agreed that a recess was appropriate.

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

Mr. Stevens noted that one other issue needed to be addressed before the recess. He explained that Senate Bill (S.B.) 517 (R1) involved electronic payments to the State in excess of \$10,000. However, the Committee had adopted an amendment, and he wished to clarify for the Committee the changes that had been made. Originally, Mr. Stevens understood that the amendment required a person using a credit or debit card for the payment to be responsible for the transaction fee involved. However, page 2 of the bill with the proposed amendment contained the following language in a new subsection 4:

Any fee charged for a payment of money by a method of electronic transfer of money pursuant to this section must be paid by the person who owed the money to the state agency.

Chairman Arberry asked whether this applied to any electronic payment, regardless of amount.

Mr. Stevens noted that earlier language in the Section indicated that it only applied to payments in excess of \$10,000.

Assemblyman Hardy noted that the \$10,000 minimum was first mentioned in Section 1, subsection 1. He believed that because subsection 4 was new, the \$10,000 amount did not apply unless the language in subsection 4 specifically mentioned it again.

Mr. Stevens reread subsection 4 and emphasized the language "pursuant to this section." Therefore, he stated that all the subsections fell under that provision, including subsection 4.

Dr. Hardy noted that he believed the bill could be written more concisely to remove the confusion.

Mr. Stevens said he was not legal counsel, but that he could relate concerns the Committee had to the Legal Division.

Assemblywoman Gansert asked whether credit card transactions constituted part of the electronic payments referred to.

Mr. Stevens noted two issues that he would present to legal counsel. First, he would verify whether this bill applied only to transactions above \$10,000. Second, he would verify whether this included credit and debit card transactions and not just electronic wire transfers.

Chairman Arberry called the meeting back to order after a brief recess and opened discussion on the Department of Public Safety's budgets, and recognized Assemblyman David Parks, Assembly District No. 41 and Co-Chair

of the Joint Subcommittee on Public Safety, Natural Resources, and Transportation.

Mr. Parks read the following closing report:

THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION HAS COMPLETED ITS REVIEW OF THE BUDGETS FOR THE DEPARTMENT OF PUBLIC SAFETY AND DEVELOPED THE FOLLOWING CLOSING RECOMMENDATIONS. THE SUBCOMMITTEE'S CLOSING ACTIONS RESULTED IN AN OVERALL DECREASE TO THE GENERAL FUND OF \$297,802 IN FY 2008 AND \$21,611 IN FY 2009 WHEN COMPARED TO THE GOVERNOR'S RECOMMENDED BUDGET.

DIRECTOR'S OFFICE - PUBLIC SAFETY (201-4706) PUBLIC SAFETY-1:

THE SUBCOMMITTEE CONCURRED WITH THE RECOMMENDATION FROM THE GOVERNOR TO FUND UNIFORMS AND TRAVEL EXPENSES FOR A 39-MEMBER HONOR GUARD. THE HONOR GUARD WOULD REPRESENT THE DEPARTMENT OF PUBLIC SAFETY AT MEMORIALS, FUNERALS AND OTHER SPECIAL EVENTS, BOTH WITHIN AND OUTSIDE NEVADA.

OFFICE OF PROFESSIONAL RESPONSIBILITY (201-4707) PUBLIC SAFETY-16:

THE SUBCOMMITTEE SUPPORTED THE GOVERNOR'S RECOMMENDATION TO ADD A SERGEANT TO BE LOCATED IN LAS VEGAS TO ASSIST WITH THE VOLUME OF ADMINISTRATIVE INVESTIGATIONS REQUIRED OF THE OFFICE. THE NEW SERGEANT POSITION WILL REDUCE TRAVEL TO LAS VEGAS FOR EXISTING SERGEANTS LOCATED IN CARSON CITY WHEN INVESTIGATION NEEDS ARISE.

TECHNOLOGY DIVISION (201-4733) PUBLIC SAFETY-22:

THE SUBCOMMITTEE SUPPORTED THE RECOMMENDATION FROM THE GOVERNOR TO ADD FUNDING OF APPROXIMATELY \$2.0 MILLION OVER THE 2007-09 BIENNIUM TO UPGRADE DISASTER RECOVERY CAPABILITIES FOR THE NEVADA CRIMINAL JUSTICE INFORMATION SYSTEM AND THE COMPUTER AIDED DISPATCH SYSTEMS. ADDITIONAL FUNDING WILL PROVIDE FOR ADDITIONAL NETWORK HARDWARE AND TELECOMMUNICATIONS CIRCUITS.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ADD SIX NEW POSITIONS OVER THE 2007-09 BIENNIUM, WHICH INCLUDE: AN INFORMATION SYSTEMS SPECIALIST TO SUPPORT THE DEPARTMENT'S JUSTICE LINK SYSTEM; ONE SECURITY OFFICER TO ENSURE SECURE ACCESS TO THE CRIMINAL JUSTICE INFORMATION SYSTEM IS MAINTAINED BY SYSTEM USERS IN LAS VEGAS; TWO INFORMATION SYSTEMS SPECIALIST POSITIONS TO ASSIST WITH RECORDS AND IDENTIFICATION PROJECTS OVER THE NEXT BIENNIUM; ONE DATABASE ADMINISTRATOR TO

PROVIDE TECHNICAL SUPPORT AND MAINTENANCE FOR THE DEPARTMENT'S EXISTING DATABASES; AND ONE ADMINISTRATIVE ASSISTANT TO PROVIDE ROUTINE ADMINISTRATIVE SUPPORT.

CRIMINAL HISTORY REPOSITORY (101-4709) PUBLIC SAFETY-55:

THE SUBCOMMITTEE CONCURRED WITH THE RECOMMENDATION FROM THE GOVERNOR TO ADD A MANAGER TO OVERSEE THE OPERATION OF THE RECORDS BUREAU. THE RECORDS BUREAU INCLUDES RESOURCES AND POSITIONS FROM THE CRIMINAL HISTORY REPOSITORY, WHICH HAS BEEN RENAMED THE RECORDS BUREAU AND COMBINED WITH THE TECHNOLOGY DIVISION TO FORM A RECORDS AND TECHNOLOGY DIVISION FOR THE DEPARTMENT.

THE SUBCOMMITTEE SUPPORTED THE ADDITION OF THREE POSITIONS TO THE SEX OFFENDER REGISTRY TO PROVIDE FOR A SECOND SUPERVISOR, ADDRESS THE PROJECTED VOLUME OF NEW SEX OFFENDER CASES REQUIRING TIER ASSESSMENTS, AND ASSIST IN STAFFING HEARINGS CONDUCTED TO RECONSIDER TIER LEVEL DESIGNATIONS AS REQUESTED FROM SEX OFFENDERS.

THE SUBCOMMITTEE SUPPORTED THE ADDITION OF TWO POSITIONS TO ASSIST WITH THE PROJECTED INCREASE IN THE NUMBER OF BACKGROUND CHECKS FOR INDIVIDUALS SEEKING TO PURCHASE A FIREARM.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ADD NEW FINGERPRINT TECHNICIAN POSITIONS TO ADDRESS THE VOLUME OF CIVIL AND CRIMINAL FINGERPRINTS RECEIVED EACH MONTH; HOWEVER, THE SUBCOMMITTEE SUPPORTED A REDUCTION FROM THREE POSITIONS RECOMMENDED BY THE GOVERNOR TO TWO POSITIONS, BASED ON REVISED CALCULATIONS REGARDING THE NUMBER OF EXISTING POSITIONS AVAILABLE TO PROCESS FINGERPRINTS. THE SUBCOMMITTEE SUPPORTED THE GOVERNOR'S RECOMMENDATION TO ADD FIVE POSITIONS TO THE FINGERPRINT SUPPORT UNIT TO ASSIST WITH DATA ENTRY AND THE TRANSMITTAL OF FINGERPRINT RESPONSES TO EMPLOYERS.

DIGNITARY PROTECTION (101-4738) PUBLIC SAFETY-68:

THE SUBCOMMITTEE DID NOT SUPPORT A PROPOSED AMENDMENT FROM THE GOVERNOR TO ADD FUNDING OF \$72,004 OVER THE BIENNIUM TO PROVIDE FOR TRAINING EXPENSES FOR OFFICERS WHO ARE NEW TO THE DIGNITARY PROTECTION UNIT; REPLACEMENT EQUIPMENT, INCLUDING A FULL-SIZE SUV; AND EQUIPMENT RELATED TO THE SAFETY OF THE GOVERNOR, FIRST LADY AND OFFICERS ASSIGNED TO THE UNIT.

HIGHWAY PATROL (201-4713) PUBLIC SAFETY-73:

THE GOVERNOR RECOMMENDS THE ADDITION OF 71 SWORN AND 7 CIVILIAN SUPPORT POSITIONS OVER THE NEXT BIENNIUM BASED ON A MANPOWER ALLOCATION ASSESSMENT COMPLETED BY THE UNIVERSITY OF NEVADA RENO IN 2006. THE SUBCOMMITTEE SUPPORTED THE ADDITION OF THE NEW POSITIONS; HOWEVER, IN REVIEWING THIS RECOMMENDATION MORE CLOSELY, THE SUBCOMMITTEE EXAMINED EXISTING STAFFING LEVELS IN THE HIGHWAY PATROL, PARTICULARLY AMONG SUPERVISORY AND COMMAND-LEVEL POSITIONS, OFFICERS ASSIGNED TO ADMINISTRATIVE DUTIES WHICH COULD OTHERWISE BE PERFORMED CIVILIAN POSITIONS, AND OVERTIME OF APPROXIMATELY \$1.6 MILLION INCLUDED FOR THE NEW POSITIONS OVER THE BIENNIUM. BASED ON REVIEW OF THESE ISSUES, THE SUBCOMMITTEE RECOMMENDED ELIMINATION OF ONE CAPTAIN AND ONE SERGEANT POSITION FROM THE RECOMMENDATION; THE CONVERSION OF TWO SWORN OFFICER POSITIONS TO CIVILIAN POSITIONS; AND REDUCTIONS IN OVERTIME OF APPROXIMATELY \$1.1 MILLION DURING THE BIENNIUM, BASED ON CURRENT TRENDS REGARDING OVERTIME EXPENSES IN FY 2007.

HOMEOWNERS DISASTER ASSISTANCE PROGRAM (101-3672):

THE SUBCOMMITTEE RECOMMENDED THE INCLUSION OF FUNDING OF APPROXIMATELY \$4.9 MILLION IN FY 2008 AND \$4.8 MILLION IN FY 2009 IN THE AUTHORIZATIONS ACT, REPRESENTING THE BALANCE OF THE APPROPRIATION APPROVED BY THE 2005 LEGISLATURE UNDER A.B. 572 FOR THE ESTABLISHMENT OF A REVOLVING ACCOUNT WITHIN THE STATE GENERAL FUND FOR GRANTS TO PERSONS WHO OWN OR OCCUPY HOMES DAMAGED BY DISASTER (HOMEOWNERS DISASTER ASSISTANCE PROGRAM). IN APPROVING THE ESTABLISHMENT OF THIS BUDGET ACCOUNT, THE SUBCOMMITTEE RECOMMENDED A LETTER OF INTENT FOR THE AGENCY TO REPORT QUARTERLY TO THE INTERIM FINANCE COMMITTEE ON PROGRAM EXPENDITURES.

OFFICE OF HOMELAND SECURITY (BA 101-3675) ELECTED-16:

THE SUBCOMMITTEE DID NOT APPROVE THE TRANSFER OF THE OFFICE OF HOMELAND SECURITY FROM THE DEPARTMENT OF PUBLIC SAFETY (DPS) TO THE GOVERNOR'S OFFICE BEGINNING IN THE NEXT BIENNIUM. ACCORDING TO THE AGENCY, THE FUNCTION OF THE OFFICE OF HOMELAND SECURITY WILL NOT CHANGE WITH THE TRANSFER TO THE GOVERNOR'S OFFICE.

THE SUBCOMMITTEE DID NOT SUPPORT AN AMENDMENT SUBMITTED BY THE GOVERNOR TO ESTABLISH A STATE FUSION CENTER IN CARSON CITY WITH ADDITIONAL GENERAL FUNDS OF APPROXIMATELY \$500,000 OVER THE BIENNIUM. IN DISCUSSING THIS AMENDMENT, IT WAS IDENTIFIED THAT POTENTIAL FEDERAL FUNDS MAY BE GRANTED IN FEDERAL FISCAL YEAR 2007, WHICH COULD PROVIDE FOR EQUIPMENT AND OPERATING EXPENSES FOR THE STATE FUSION CENTER FOR UP TO TWO YEARS.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO SUPPORT FOUR POSITIONS OVER THE 2007-09 BIENNIUM WITH GENERAL FUNDS. THE RECOMMENDATION BY THE SUBCOMMITTEE ELIMINATES ONE VACANT ADMINISTRATIVE ASSISTANT POSITION RECOMMENDED TO BE CONTINUED WITH GENERAL FUNDS. POSITIONS SUPPORTED BY THE SUBCOMMITTEE FOR CONTINUATION INCLUDE THE HOMELAND SECURITY DIRECTOR, ONE GRANTS PROJECT ANALYST SUPERVISOR WHO SERVES AS A DEPUTY DIRECTOR, AND A GRANTS PROJECT ANALYST AND AN ADMINISTRATIVE ASSISTANT WHO SUPPORT THE COMMISSION ON HOMELAND SECURITY. THE RECOMMENDATION BY THE GOVERNOR REPLACES FUNDING TRANSFERS FROM THE DIVISION OF EMERGENCY MANAGEMENT AND THE HEALTH DIVISION WITH GENERAL FUNDS, SINCE FUNDING FROM THE DIVISION OF EMERGENCY MANAGEMENT AND THE HEALTH DIVISION IS NO LONGER AVAILABLE.

DIVISION OF INVESTIGATIONS (101-3743) PUBLIC SAFETY-96:

THE SUBCOMMITTEE DID NOT SUPPORT THE CONSOLIDATION OF THE NARCOTICS CONTROL ACCOUNT WITH THE INVESTIGATIONS DIVISION ACCOUNT AS RECOMMENDED BY THE GOVERNOR. THE SUBCOMMITTEE SUPPORTED MAINTAINING SEPARATE ACCOUNTS TO ENSURE FUNDS APPROPRIATED BY THE LEGISLATURE ARE USED STRICTLY FOR THE OPERATION OF THE NARCOTICS TASK FORCES.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ADD TEN NEW POSITIONS (TWO SERGEANTS AND EIGHT OFFICER POSITIONS) TO AUGMENT EXISTING NARCOTICS TASK FORCES AND NARCOTICS ENFORCEMENT THROUGHOUT THE STATE. THE SUBCOMMITTEE RECOMMENDED THE ADDITION OF THE POSITIONS TO THE NARCOTICS CONTROL ACCOUNT.

TRAINING DIVISION (101-3775) PUBLIC SAFETY-140:

THE SUBCOMMITTEE RECOMMENDED ADDITIONAL GENERAL FUNDS OF APPROXIMATELY \$500,000, WITH OFFSETTING DECREASES IN HIGHWAY FUNDS BY THE SAME AMOUNT, TO REFLECT THE EFFORTS OF THE TRAINING DIVISION IN PROVIDING BASIC ACADEMY TRAINING TO PAROLE AND PROBATION VERSUS HIGHWAY PATROL CADETS. ADDITIONAL GENERAL FUNDS REFLECT ACTIONS TAKEN BY THE SUBCOMMITTEE WITH RESPECT TO NEW POSITIONS RECOMMENDED FOR THE DIVISION OF PAROLE AND PROBATION AND THE HIGHWAY PATROL.

FIRE MARSHAL (101-3816) PS-172:

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO CONTINUE FIVE POSITIONS THAT HAVE BEEN VACANT OVER THE 2005-07 BIENNIUM AND ELIMINATE THREE POSITIONS, INCLUDING A PLANS EXAMINER, ONE

TRAINING OFFICER AND ONE ADMINISTRATIVE ASSISTANT. BASED ON CONCERNS OVER THE USE OF ITS RESOURCES AND PRODUCTIVITY OF ITS POSITIONS, THE SUBCOMMITTEE RECOMMENDED A LETTER OF INTENT FOR THE DIVISION TO REPORT AT EACH INTERIM FINANCE COMMITTEE MEETING ON THE NUMBER OF FIRE AND LIFE SAFETY AND HAZARDOUS MATERIALS INSPECTIONS CONDUCTED BY EACH POSITION.

PAROLE AND PROBATION (101-3740) PUBLIC SAFETY – 120:

THE SUBCOMMITTEE APPROVED 37 OF THE 40 NEW POSITIONS RECOMMENDED BY THE GOVERNOR OVER THE 2007-09 BIENNIUM TO ADDRESS CASELOAD GROWTH FOR THE DIVISION. BASED ON UPDATED CASELOAD PROJECTIONS PROVIDED BY JFA AND ASSOCIATES IN MARCH 2007, THE SUBCOMMITTEE VOTED TO ELIMINATE THREE PAROLE AND PROBATION SPECIALIST POSITIONS IN M-201 FOR THE NORTHERN COMMAND THAT WERE NOT WARRANTED BASED ON THE CASELOAD PROJECTIONS. THE SUBCOMMITTEE APPROVED THE ADDITION OF 14 NEW DPS OFFICER II POSITIONS IN FY 2008 AND ONE ADDITIONAL DPS OFFICER II POSITION IN FY 2009 TO ADDRESS THE LATEST JFA CASELOAD PROJECTIONS FOR THE DIVISION'S SOUTHERN COMMAND.

BASED IN PART ON THE POTENTIAL FOR LEGISLATION TO INCREASE GOOD-TIME AND PROGRAM CREDITS FOR PRISON INMATES THAT MAY RESULT IN A ONE-TIME BUMP IN THE SUPERVISION CASELOADS FOR THE DIVISION, THE SUBCOMMITTEE ALSO APPROVED STARTING 10 OF THE 14 NEW POSITIONS FOR THE SOUTHERN COMMAND IN FY 2008 ON SEPTEMBER 1, 2007 INSTEAD OF THE TYPICAL START DATE OF OCTOBER 1. SIMILARLY, THE SUBCOMMITTEE APPROVED MOVING THE START DATE FOR THREE DPS OFFICER II POSITIONS IN M-201 FOR THE NORTHERN COMMAND FROM JANUARY 1, 2008 TO SEPTEMBER 1, 2007, AND MOVING THE START DATE FOR ONE ADDITIONAL DPS OFFICER II POSITION IN M-201 FROM OCTOBER 1, 2007 TO SEPTEMBER 1, 2007 TO ASSIST IN GETTING SOME OF THE NEW OFFICERS TRAINED AS QUICKLY AS POSSIBLE. ALSO, TO ADDRESS THE POSSIBLE IMPACT OF THE POTENTIAL LEGISLATION, THE SUBCOMMITTEE VOTED TO ALLOW THE DIVISION ACCESS TO FUNDS SET ASIDE IN THE CONTINGENCY FUND AS A RESULT OF SAVINGS PROJECTED IN THE NEVADA DEPARTMENT OF CORRECTIONS' BUDGETS, IF THE LEGISLATION IS ENACTED.

THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S BUDGET AMENDMENT TO REDUCE FROM 10 TO 3 THE NUMBER OF NEW PAROLE AND PROBATION SPECIALIST POSITIONS RECOMMENDED TO ADDRESS DELAYS IN COMPLETING PSI REPORTS IN THE EIGHTH JUDICIAL DISTRICT. THE THREE POSITIONS ARE IN ADDITION TO TWO POSITIONS APPROVED BY THE SUBCOMMITTEE FOR CASELOAD GROWTH IN M-200 AND WILL ASSIST THE DIVISION IN THE TIMELY COMPLETION OF PSI REPORTS FOR GROSS MISDEMEANORS IN THE EIGHTH JUDICIAL DISTRICT. THE SUBCOMMITTEE VOTED TO APPROVE GENERAL FUNDS TOTALING \$85,000 TO CONDUCT A WORKFLOW STUDY OF THE PSI PROCESS IN NEVADA AS RECOMMENDED BY

BUDGET AMENDMENT, BUT APPROVED APPROPRIATING THE FUNDING TO THE DEPARTMENT OF ADMINISTRATION AND DIRECTING IT TO ADMINISTER THE STUDY. THE SUBCOMMITTEE RECOMMENDS ADDING \$50,000 IN GENERAL FUNDS THAT WERE NOT RECOMMENDED BY THE GOVERNOR FOR A STUDY OF THE DIVISION'S RISK AND NEEDS ASSESSMENT INSTRUMENTS AS RECOMMENDED BY THE COUNCIL OF STATE GOVERNMENTS' JUSTICE CENTER.

THE SUBCOMMITTEE VOTED NOT TO INCLUDE IN THE BUDGET \$297,759 IN FY 2008 AND \$282,119 IN FY 2009 FOR GPS MONITORING OF TIER III SEX OFFENDERS AS RECOMMENDED BY BUDGET AMENDMENT, BUT INDICATED THAT THE FUNDING SHOULD BE INCLUDED IN S.B. 232 OR S.B. 471, WHICH REQUIRE GPS MONITORING OF THOSE OFFENDERS, IF ONE OF THOSE MEASURES IS ENACTED. THE SUBCOMMITTEE RECOMMENDED THAT THE APPROPRIATION TO FUND THE LEGISLATION BE ADJUSTED FOR THE TECHNICAL ADJUSTMENTS RECOMMENDED BY FISCAL ANALYSIS DIVISION STAFF AND FOR AN INCREASE OF \$19,700 IN EACH FISCAL YEAR FOR THE COSTS OF A VENDOR TO PROVIDE THE MONITORING SERVICES. THE SUBCOMMITTEE ALSO RECOMMENDS ADDING TO THE GPS SEX OFFENDER LEGISLATION AN APPROPRIATION TOTALING APPROXIMATELY \$30,000 FOR THE COST TO PURCHASE TWO NEW VEHICLES SO THAT THOSE VEHICLES CAN BE LEASED TO THE DIVISION FOR THE DPS OFFICER II POSITIONS RECOMMENDED FOR THE GPS MONITORING PROGRAM. SIMILARLY, THE SUBCOMMITTEE VOTED NOT TO INCLUDE IN THE BUDGET THE FUNDING RECOMMENDED BY BUDGET AMENDMENT FOR THE COLLECTION AND TESTING OF DNA SAMPLES FROM ALL OUT-OF-STATE SEX OFFENDERS RESIDING IN NEVADA, BUT INDICATED THAT THE FUNDING SHOULD BE INCLUDED IN S.B. 471 IF THAT MEASURE IS ENACTED. THE AMENDMENT ADDED GENERAL FUNDS TOTALING \$366,450 IN FY 2008 AND \$15,000 IN FY 2009.

THE SUBCOMMITTEE VOTED TO ELIMINATE THE EXPENDITURES FOR LEASING 35 NEW VEHICLES FROM THE STATE MOTOR POOL AS RECOMMENDED BY THE GOVERNOR TO PROVIDE THE DIVISION WITH A VEHICLE FOR EACH OF ITS EXISTING 35 SERGEANT POSITIONS. THE SUBCOMMITTEE'S RECOMMENDATION IS BASED ON THE FACT THAT IT WAS ADDING 16 VEHICLES FOR DPS OFFICER II POSITIONS IN THE ACCOUNT AND THE DIVISION HAD NOT PROVIDED SUFFICIENT JUSTIFICATION FOR HAVING A VEHICLE FOR EACH SERGEANT POSITION. THE SUBCOMMITTEE VOTED TO REMOVE EXPENDITURES TOTALING \$27,100 OVER THE 2007-09 BIENNIUM FOR EMERGENCY LIGHTS FOR THE DIVISION'S NEW MOTOR POOL VEHICLES BASED ON THE FACT THAT THE DIVISION DOES NOT CURRENTLY HAVE STATUTORY AUTHORITY TO USE EMERGENCY LIGHTS AND BECAUSE THE AGENCY DOES NOT HAVE EMERGENCY LIGHTS FOR ITS EXISTING VEHICLES.

THE SUBCOMMITTEE APPROVED THE USE OF FORFEITURE FUNDS TO PURCHASE A HAND-HELD RADIO, MOBILE RADIO,

BULLET-PROOF VEST, TASER AND WEAPON FOR EACH OF THE 44 NEW DPS OFFICER II POSITIONS APPROVED BY THE SUBCOMMITTEE. IT ALSO APPROVED FORFEITURE FUNDS TO PURCHASE THE SAME EQUIPMENT, MINUS THE MOBILE RADIO, FOR EACH OF THE THREE SERGEANT POSITIONS APPROVED BY THE SUBCOMMITTEE. THE SUBCOMMITTEE APPROVED THE EXPENDITURE OF FORFEITURE FUNDS TOTALING \$363,462 IN FY 2008 AND \$44,555 IN FY 2009, WHICH REDUCE GENERAL FUND APPROPRIATIONS BY THE SAME AMOUNT IN EACH FISCAL YEAR.

THE SUBCOMMITTEE ALSO REVIEWED ALL REMAINING BUDGETS FOR THE DEPARTMENT (101-3673 EMERGENCY MANAGEMENT DIVISION; 101-3674 EMERGENCY MANAGEMENT ASSISTANCE; 101-4687 TRAFFIC SAFETY; 101-4688 HIGHWAY SAFETY PLANNING & ADMIN; 101-4703 FORFEITURES; 101-4708; JUSTICE ASSISTANCE ACT; 101-4736 JUSTICE GRANT; 201-4689 BICYCLE SAFETY PROGRAM; 201-4691 MOTORCYCLE SAFETY PROGRAM; 201-4714 ADMINISTRATIVE SERVICES; 201-4721 HIGHWAY SAFETY GRANTS; 201-4729 EMERGENCY RESPONSE COMMISSION; 710-4727 CAPITOL POLICE; 101-3744 NARCOTICS CONTROL; 101-3800 PAROLE BOARD; 101-4710 CHILD VOLUNTEER BACKGROUND CHECKS TRUST) AND RECOMMENDS THAT THESE BUDGETS ARE CLOSED WITH TECHNICAL ADJUSTMENTS.

Chairman Arberry asked how the Committee wished to act on this report.

ASSEMBLYWOMAN BUCKLEY MOVED THAT THE COMMITTEE ACCEPT THE SUBCOMMITTEE'S REPORT AND CLOSE THE BUDGETS ACCORDINGLY.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Chairman Arberry opened discussion on the Division of Health Care Financing and Policy budgets and recognized Assemblywoman Sheila Leslie, Assembly District No. 27 and Co-Chair of the Joint Subcommittee on K-12/Human Services.

Ms. Leslie read the following closing report:

THE JOINT SUBCOMMITTEE ON K-12/HUMAN RESOURCES HAS COMPLETED ITS REVIEW OF THE BUDGETS FOR THE DIVISION OF HEALTH CARE FINANCING AND POLICY AND HAS DEVELOPED THE FOLLOWING RECOMMENDATIONS WHICH REDUCE GENERAL FUND SUPPORT FOR THE DIVISION BY APPROXIMATELY \$64 MILLION OVER THE 2007-09 BIENNIUM. DUE TO THE COMPLEXITIES INVOLVED IN BALANCING THE MEDICAID BUDGET UNTIL THE FINAL INPUT OF ALL THE SUBCOMMITTEE'S RECOMMENDATIONS IS COMPLETED AND

REVIEWED, THE GENERAL FUNDS SAVINGS IS ESTIMATED AND IS SUBJECT TO CHANGE.

HEALTH CARE FINANCING AND POLICY – ADMINISTRATION
(101-3158) HCF&P-1:

THE EXECUTIVE BUDGET RECOMMENDED A TOTAL OF 12 NEW POSITIONS THAT INCLUDE 10 POSITIONS TO STRENGTHEN THE DIVISION'S FISCAL MANAGEMENT STRUCTURE; 1 IT POSITION TO PROVIDE PROGRAMMING SUPPORT FOR THE DIVISION'S VARIOUS DATABASES, SOFTWARE APPLICATIONS AND TO COMPLETE THE REWRITE OF THE CHECK-UP DATABASE; AND, 1 NEW POSITION FOR THE COMPLIANCE UNIT TO OVERSEE PROVIDER AND RECIPIENT SUPPORT SERVICES RELATED TO RURAL HEALTH ISSUES, THIRD PARTY LIABILITY, AND PROVIDER AND RECIPIENT HEARINGS.

THE SUBCOMMITTEE RECOMMENDS APPROVING 7 OF THE 12 NEW POSITIONS RECOMMENDED BY THE GOVERNOR WHICH INCLUDE AUDITORS, 2 BUDGET ANALYSTS, 2 ACCOUNTANTS AND 1 INFORMATION SYSTEMS SPECIALIST. THE POSITIONS RECOMMENDED ADDRESS THE DIVISION'S MOST PRESSING NEEDS AND THEIR TOP PRIORITY FOR ADDITIONAL RESOURCES TO DEVELOP A STRONG AUDIT PRESENCE IN THE AREAS OF MEDICAL AND ADMINISTRATIVE EXPENDITURES; TO ENHANCE THEIR BUDGET CAPABILITIES IN LIGHT OF THE COMPLEXITIES OF THE MEDICAID, CHECK-UP AND HIFA MEDICAL PROGRAMS; AND, TO ADD ACCOUNTING SUPPORT TO MANAGE AND PERFORM HIGHER-LEVEL ACCOUNTING FUNCTIONS THAT CURRENTLY ARE NOT PROVIDED BECAUSE THE DIVISION LACKS PROFESSIONAL EXPERTISE. THE SUBCOMMITTEE RECOMMENDS ELIMINATING FIVE POSITIONS, WHICH INCLUDE TWO AUDITORS, ONE BUDGET ANALYST, ONE GRANTS AND PROJECT ANALYST AND ONE SOCIAL SERVICES CHIEF. THE SUBCOMMITTEE FEELS THESE FIVE NEW POSITIONS ARE NOT JUSTIFIED AT THIS TIME BASED ON COMPARISONS TO OTHER AGENCIES AND INFORMATION OBTAINED DURING THE BUDGET HEARING PROCESS.

MEDICAID (101-3243) HCF&P-12:

THE SUBCOMMITTEE ADDRESSED A NUMBER OF MAJOR ISSUES DURING THE PROCESS OF REVIEWING THE MEDICAID BUDGET. MOST SIGNIFICANT WAS THE REPROJECTION OF MEDICAID EXPENDITURES WHICH OCCURRED IN MID-APRIL AND TAKE INTO CONSIDERATION THE MOST RECENT CASELOAD PROJECTIONS, COST PER ELIGIBLE DATA AND MANDATORY INFLATION INCREASES FOR PHARMACY, MANAGED CARE AND TRANSPORTATION SERVICES. THE RESULTS OF THE APRIL REPROJECTION INDICATE MEDICAID EXPENDITURES WOULD DECREASE BY APPROXIMATELY \$53.6 MILLION IN GENERAL FUNDS OVER THE UPCOMING BIENNIUM COMPARED TO THE AMOUNTS RECOMMENDED IN THE EXECUTIVE BUDGET. ADDITIONALLY, A FAVORABLE CHANGE IN THE FEDERAL MATCH ASSISTANCE PERCENTAGE (FMAP) REDUCED GENERAL FUND EXPENDITURES IN FY 2009 BY ANOTHER \$16 MILLION. THE REDUCTION IN THE MEDICAID EXPENDITURES IS BASED ON

SEVERAL FACTORS WHICH INCLUDE A DECREASE IN PROJECTED CASELOAD, A MISCALCULATION IN APPLYING INFLATION RATES WHICH OVERSTATED EXPENDITURES ASSOCIATED WITH MANDATORY RATE INCREASES, AND A REDUCTION IN THE COST PER ELIGIBLE FOR MOST MEDICAID ELIGIBLE GROUPS COMPARED TO THE COSTS INCLUDED IN THE GOVERNOR'S BUDGET.

AFTER MUCH DELIBERATION, THE SUBCOMMITTEE RECOMMENDS APPROVING THE LATEST MEDICAID PROJECTIONS THAT WERE RECOMMENDED BY THE GOVERNOR AS PART OF HIS STATEWIDE BUDGET REDUCTION PLAN. ADDITIONALLY, THE SUBCOMMITTEE RECOMMENDS APPROVING A NUMBER OF GENERAL FUND "ADDS" WHICH REDUCE THE PROJECTED SAVINGS BY APPROXIMATELY \$9.1 MILLION OVER THE UPCOMING BIENNIUM. AS A PRECAUTIONARY MEASURE, THE SUBCOMMITTEE RECOMMENDS RESERVING APPROXIMATELY \$3.3 MILLION IN GENERAL FUNDS AS A CONTINGENCY IF THE LATEST MEDICAID PROJECTIONS UNDERSTATE ACTUAL EXPENDITURES FOR THE UPCOMING BIENNIUM. THE GENERAL FUND THE SUBCOMMITTEE RECOMMENDS RESERVING IS ACTUALLY SAVINGS THAT COULD HAVE BEEN REDUCED IN THE MEDICAID BUDGET FROM THE ELIMINATION OF WAIVER SLOTS AND ICF/MR BEDS IN OTHER AGENCY BUDGETS. THE SUBCOMMITTEE FEELS A MORE PRUDENT COURSE OF ACTION IS TO RETAIN THESE GENERAL FUND SAVINGS IN THE MEDICAID BUDGET AS A SMALL CONTINGENCY.

THE LATEST MEDICAID PROJECTIONS PROVIDE FUNDING TO SUPPORT MEDICAID CASELOADS OF 163,819 AVERAGE MONTHLY RECIPIENTS FOR FY 2008 AND 167,204 AVERAGE MONTHLY RECIPIENTS FOR FY 2009. THE SUBCOMMITTEE ALSO RECOMMENDS APPROVING MANDATORY INFLATION AND RATE INCREASES FOR PHARMACY, MANAGED CARE AND TRANSPORTATION SERVICES BASED ON RECENT INFORMATION PROVIDED BY THE DIVISION'S ACTUARY AND PROJECTIONS DEVELOPED BY EXPRESS SCRIPTS, A NATIONAL PHARMACY BENEFITS MANAGER.

THE SUBCOMMITTEE RECOMMENDS APPROVING A FEE-FOR-SERVICE RATE INCREASE FOR PHYSICIAN AND OTHER MEDICAL PROFESSIONALS EFFECTIVE AUGUST 2008. ALTHOUGH THE GOVERNOR ORIGINALLY RECOMMENDED THE RATE INCREASE TO TAKE EFFECT OCTOBER 2007, THE IMPLEMENTATION TIMEFRAME HAS BEEN MODIFIED NUMEROUS TIMES TO REALIZE SAVINGS TO COVER ERRORS IN THE MEDICAID BUDGET THAT REQUIRE ADDITIONAL GENERAL FUND SUPPORT. THE AUGUST 2008 IMPLEMENTATION TIMEFRAME REPRESENTS THE REVISED RECOMMENDATION FROM THE GOVERNOR. THE RATE INCREASE IS BASED ON UPDATING THE MEDICARE FEE SCHEDULE USED TO REIMBURSE PROVIDERS FROM THE 2002 TO THE 2007 FEE SCHEDULE AND REIMBURSING SURGERY, RADIOLOGY AND OBSTETRICS CODES AT 100 PERCENT OF THE MEDICARE RATE AND EVALUATION AND MANAGEMENT AND MEDICINE CODES AT 90 PERCENT OF THE MEDICARE RATE. CURRENTLY, PROVIDERS THAT BILL

USING THE EVALUATION AND MANAGEMENT AND MEDICINE CODES ARE REIMBURSED AT 85 PERCENT OF THE MEDICARE RATE. ADDITIONALLY, THE SUBCOMMITTEE RECOMMENDS FUNDING TO COVER THE PROJECTED IMPACT THE FEE-FOR-SERVICE RATE INCREASE FOR PHYSICIANS WOULD LIKELY HAVE ON MANAGED CARE PROVIDERS THAT INCLUDE PHYSICIANS WITHIN THEIR NETWORKS.

THE SUBCOMMITTEE RECOMMENDS APPROVING SIX NEW INITIATIVES RECOMMENDED BY THE GOVERNOR DESIGNED TO PROMOTE SAVINGS IN THE MEDICAID BUDGET. THE SIX NEW INITIATIVES INCLUDE STAFFING ENHANCEMENTS FOR THE MEDICAID ESTATE RECOVERY AND SURVEILLANCE AND UTILIZATION REVIEW UNITS; ADDING A CLINICAL CLAIMS EDITOR SOFTWARE PACKAGE TO MMIS; INITIATING A VOLUNTARY MANAGED CARE PROGRAM FOR THE AGED, BLIND AND DISABLED POPULATION; CARE MANAGEMENT AND REGIONAL CARE COORDINATION FOR SPECIALIZED HIGH RISK AND HIGH COST POPULATIONS; AND EXTENDING NON-EMERGENCY DENTAL BENEFITS TO PREGNANT WOMEN AGE 21 AND OLDER FOR THE PREVENTION AND TREATMENT OF PERIODONTAL DISEASE TO REDUCE THE INCIDENCE OF PREMATURE DELIVERIES AND LOW-BIRTH WEIGHT BABIES. ORIGINALLY, THE EXECUTIVE BUDGET INCLUDED GENERAL FUND SAVINGS OF \$8.4 MILLION OVER THE 2007-09 BIENNIUM AS A RESULT OF IMPLEMENTING THESE INITIATIVES. THE GENERAL FUND SAVINGS THE SUBCOMMITTEE RECOMMENDS IS APPROXIMATELY \$3.82 MILLION AND IS BASED ON MORE RECENT INFORMATION THAT WAS NOT APPARENT DURING THE CONSTRUCTION OF THE GOVERNOR'S BUDGET.

THE SUBCOMMITTEE RECOMMENDS TWO NEW INITIATIVES INCLUDED IN THE EXECUTIVE BUDGET THAT EXPAND COVERAGE AND SERVICES. THE FIRST INITIATIVE PROVIDES LONG-TERM COMMUNITY-BASED RESIDENTIAL HABILITATION AND BEHAVIORAL ADULT DAYCARE SERVICES FOR MEDICAID RECIPIENTS OVER THE AGE OF 22 WITH A DIAGNOSIS OF TRAUMATIC BRAIN INJURY (TBI). THE INTENT IS TO ADD THIS PACKAGE OF SERVICES TO THE EXISTING PHYSICALLY DISABLED WAIVER. THE SUBCOMMITTEE RECOMMENDS APPROVING TWO CASE MANAGER POSITIONS FOR THE PROJECTED TBI CASELOAD. THE SECOND INITIATIVE IS TO ELIMINATE THE UNEARNED INCOME LIMIT FOR THE HEALTH INSURANCE FOR WORK ADVANCEMENT (HIWA) PROGRAM. THE UNEARNED INCOME LIMIT IS CONSIDERED A BARRIER AND IS THE PRIMARY REASON ENROLLMENT IN THE HIWA PROGRAM HAS NEVER MET EXPECTATIONS. THE SUBCOMMITTEE FEELS ELIMINATING THIS BARRIER WOULD ALLOW THE HIWA PROGRAM TO EXPAND AS ORIGINALLY INTENDED WHEN THE 2003 LEGISLATURE FIRST APPROVED FUNDING.

FINALLY, THE SUBCOMMITTEE RECOMMENDS APPROVING FIVE AND ELIMINATING THREE NEW POSITIONS RECOMMENDED BY THE GOVERNOR THAT ARE NOT PART OF THE INITIATIVES DESIGNED TO PROMOTE SAVINGS. THE FIVE POSITIONS RECOMMENDED INCLUDE A UNIT SUPERVISOR FOR THE LAS VEGAS DISTRICT OFFICE; AN IT POSITION TO PROVIDE

SUPPORT TO THE MEDICAID STAFF ACCESSING THE ABUNDANCE OF DATA AVAILABLE FROM THE MMIS AND DECISION SUPPORT SYSTEMS; AND, THREE HEALTH CARE COORDINATORS TO MEET THE MORE ONEROUS QUALITY ASSURANCE REQUIREMENTS FOR MEDICAID WAIVERS IMPOSED ON STATES BY CENTERS FOR MEDICARE AND MEDICAID (CMS).

NEVADA CHECK-UP (101-3178) HCF&P-31:

DURING THE REVIEW OF THE CHECK-UP BUDGET, IT BECAME APPARENT CASELOAD GROWTH CONTINUES TO INCREASE, FOLLOWING A TREND THAT BEGAN DURING THE FIRST QUARTER OF FY 2007. THE CASELOAD FOR APRIL 2007 ACTUALLY EXCEEDS THE CASELOADS RECOMMENDED BY THE GOVERNOR FOR FY 2008. IN LIGHT OF THIS GROWTH, THE DIVISION RE-RAN THE CHECK-UP PAYMENT AND CASELOAD PROJECTION MODEL WHICH INDICATE CASELOADS WOULD INCREASE COMPARED TO THE GOVERNOR'S BUDGET BY 1,575 RECIPIENTS PER MONTH FOR FY 2008 AND 1,790 RECIPIENTS PER MONTH FOR FY 2009. THE SUBCOMMITTEE RECOMMENDS APPROVING APPROXIMATELY \$1.2 MILLION IN GENERAL FUNDS OVER THE 2007-09 BIENNIUM TO PROVIDE AVERAGE MONTHLY CASELOADS OF 30,167 RECIPIENTS FOR FY 2008 AND 31,081 RECIPIENTS FOR FY 2009.

THE SUBCOMMITTEE RECOMMENDS APPROVING FOUR OF SIX NEW POSITIONS AND THE TRANSFER OF THREE POSITIONS FROM THE WELFARE DIVISION TO ASSUME ELIGIBILITY AND POLICY RESPONSIBILITY FOR THE EMPLOYEE SPONSORED INSURANCE (ESI) SUBSIDIES PROGRAM. WHEN THE HIFA WAIVER WAS ORIGINALLY APPROVED BY THE 2005 LEGISLATURE, THE DIVISION INTENDED TO CONTRACT WITH A VENDOR TO PERFORM A MAJORITY OF THE ELIGIBILITY WORK RELATED TO THE ESI SUBSIDY PROGRAM. HOWEVER, WHEN BIDS WERE SOLICITED IT BECAME APPARENT THAT IT WOULD BE MORE COST EFFECTIVE AND LESS EXPENSIVE FOR THE DIVISION TO ASSUME THIS RESPONSIBILITY. THE NEW POSITIONS RECOMMENDED WILL PROVIDE THE RESOURCES NECESSARY TO ADMINISTER THE DAY-TO-DAY OPERATIONS OF THE HIFA MEDICAL PROGRAM, CUSTOMER SUPPORT AND CLIENT CONTACT, ELIGIBILITY AND FOLLOW-UP AND FEDERAL REPORTING AND MONITORING AS REQUIRED AS PART OF THE HIFA WAIVER.

THE SUBCOMMITTEE RECOMMENDS ONE NEW COMPLIANCE INVESTIGATOR TO INVESTIGATE SUSPECTED CASES OF FRAUD AND ABUSE WITH FAMILIES ENROLLED IN THE CHECK-UP PROGRAM. THE WELFARE DIVISION HAS PROVIDED INVESTIGATIVE SERVICES ON A LIMITED BASIS; HOWEVER, DOES NOT HAVE THE RESOURCES TO CONTINUE PROVIDING THESE SERVICES LONG-TERM OR AT THE FREQUENCY AND LEVEL OF REVIEW DESIRED, ESPECIALLY IN LIGHT OF THE ACTUAL AND PROJECTED GROWTH IN CASELOAD.

HIFA MEDICAL (101-3247) HCF&P-42:

THE HIFA MEDICAL PROGRAM BEGAN ACCEPTING APPLICATIONS FOR COVERAGE IN DECEMBER 2006 SHORTLY AFTER RECEIVING APPROVAL OF THE HIFA WAIVER FROM THE CMS IN NOVEMBER. SINCE DECEMBER, ENROLLMENT FOR BOTH PREGNANT WOMEN AND COVERAGE FOR EMPLOYEES SUBSIDIES INSURANCE (ESI) HAVE LAGGED IN COMPARISON TO PROJECTIONS AND THE ENROLLMENT ASSUMPTIONS USED IN THE GOVERNOR'S BUDGET. IN LIGHT OF THE SLOWER THAN ANTICIPATED PARTICIPATION, THE SUBCOMMITTEE RECOMMENDS ADJUSTING THE ENROLLMENT PROJECTIONS FOR THE PREGNANT WOMEN AND ESI CASELOAD TO MORE REALISTIC LEVELS BASED ON ACTUAL ENROLLMENT TO DATE. GOING FORWARD, THE SUBCOMMITTEE RECOMMENDS CONTINUING TO USE THE ENROLLMENT ASSUMPTIONS DEVELOPED BY THE CONSULTANT WHO INITIALLY HELPED DESIGN THE HIFA WAIVER. ADDITIONALLY, THE SUBCOMMITTEE RECOMMENDS ADDITIONAL FUNDING TO COVER THE PER-MEMBER PER-MONTH COSTS FOR DENTAL SERVICES FOR PREGNANT WOMEN THAT MISTAKENLY WERE NOT INCLUDED IN THE GOVERNOR'S BUDGET. THE ADJUSTMENTS THE SUBCOMMITTEE RECOMMENDS TO THE ENROLLMENT ASSUMPTIONS PROVIDE FOR A GENERAL FUND SAVINGS OF APPROXIMATELY \$815,000 OVER THE 2007-09 BIENNIUM. THE FUNDING THE SUBCOMMITTEE RECOMMENDS WILL PROVIDE HIFA MEDICAL COVERAGE FOR UP TO 2,048 PREGNANT WOMEN PER MONTH AND ESI COVERAGE FOR 4,025 PARTICIPANTS PER MONTH BY THE END OF FY 2008-09.

THE HIFA HOLDING ACCOUNT WAS CLOSED WITH ADJUSTMENTS TO INCORPORATE THE SAVINGS THE SUBCOMMITTEE RECOMMENDS IN THE HIFA MEDICAL BUDGET AND THE INTERGOVERNMENTAL TRANSFER AND INCREASE QUALITY OF NURSING CARE BUDGETS WERE CLOSED AS RECOMMENDED BY THE GOVERNOR.

Ms. Leslie explained that since these budgets were closed, she and Assemblywoman Buckley had worked to find ways to reinvest the savings from slow enrollment in the HIFA waiver program. She noted that there was a chart ([Exhibit I](#)) that showed the \$815,000 that was cut from the program could be used to pay for more children in the Check-Up Program and more pregnant women to be covered by the HIFA waiver program. Ms. Leslie noted that the pregnant women would increase by 360 women over the biennium in addition to the number approved in the budget. She then introduced Steve Abba, Principal Deputy Fiscal Analyst, Fiscal Analysis Division.

Mr. Abba said there were savings in the HIFA waiver program budget of approximately \$815,000 over the biennium. By splitting that savings, more federal title XXI matching funds could be received to increase enrollment in the Check-Up Program beginning in January 2008. With the available money, it was assumed that an additional 65 children per month could be served. Over the biennium, this would translate into an additional 1,170 children.

Additionally, Mr. Abba explained that the other portion of savings would also receive title XXI matching funds to cover additional pregnant women through the HIFA medical program. This additional funding would provide medical

services to approximately 360 pregnant women over the biennium and increase the total number of women served to approximately 2,500 per month.

Assemblywoman Buckley asked whether funds from one account could be used to assist more individuals, specifically childless adults, in the other account if the number of benefit recipients in one or the other was lower than expected. She also asked whether there was anything that could be done to increase coverage availability for employees of small businesses.

Mr. Abba noted that the HIFA waiver did not allow for coverage of childless adults when title XXI money was used. Therefore, that would require an increase in General Fund expenditures. Additionally, the legislation that created the HIFA waiver did not allow for the use of local money. He explained that the increased numbers of individuals to be assisted were based on matching title XXI funds.

Ms. Buckley asked whether General Fund savings could be used for this purpose.

Mr. Abba said that General Fund savings could be used to pay for this coverage and tracking mechanisms could be placed in the appropriate budgets.

Ms. Buckley noted that the small business portion of the HIFA waiver program had been worked on by many different groups, and it was unknown what the impact on childless adults would be. She said that if there were General Fund savings in these accounts, she would support offering that savings to pay for the coverage. She deferred to Ms. Leslie to surmise what the extent of the benefits would be if savings were so used.

Ms. Leslie suggested that the Committee close the budgets with the amendment she presented and noted that there was legislation pending in the Subcommittee that could possibly fund the need of coverage for these small businesses. She then suggested that a portion of the General Fund savings of \$815,000 could be used as well. Ms. Leslie then noted that Mr. Abba had advised her that the Division could also report to the Interim Finance Committee on the program to use additional savings if it materialized.

ASSEMBLYWOMAN BUCKLEY MOVED THAT THE COMMITTEE APPROVE THE SUBCOMMITTEE REPORT AND ADOPT THE PROPOSED RECOMMENDATION TO COVER MORE CHILDREN AND PREGNANT WOMEN WITH GENERAL FUND SAVINGS AND ALLOW FOR THE INTERIM FINANCE COMMITTEE TO REALLOCATE FUNDS TO COVER CHILDLESS ADULTS WHO DO NOT QUALIFY FOR COVERAGE UNDER THE HIFA WAIVER PROGRAM.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Chairman Arberry recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division.

Mr. Stevens explained that there was one more budget closing item to consider. He referred to a handout ([Exhibit J](#)) that had information regarding deferred maintenance funds for the Department of Conservation and Natural Resources. These funds were removed by the Joint Subcommittee and placed in a one-shot appropriation; however, the Senate Committee on Finance and the Assembly Committee on Ways and Means agreed that the funds should be restored to the budget. Mr. Stevens said that staff needed guidance from the Committee on whether those funds should indeed be placed in the budget. He noted that the third column in the chart contained an original Governor's recommendation for a total of \$1,767,011. Mr. Stevens explained that the Governor had recommended as part of budget reductions that \$131,000 in FY 2008 and \$68,000 in FY 2009 be eliminated from the budget. Mr. Stevens then asked whether the Committee wished to restore the deferred maintenance funds, and if so, at what level should those funds be restored.

ASSEMBLYWOMAN BUCKLEY MOVED THAT THE COMMITTEE
APPROVE THE DEFERRED MAINTENANCE FUNDS AT THE
REVISED GOVERNOR RECOMMENDED LEVEL OF \$1,635,661.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

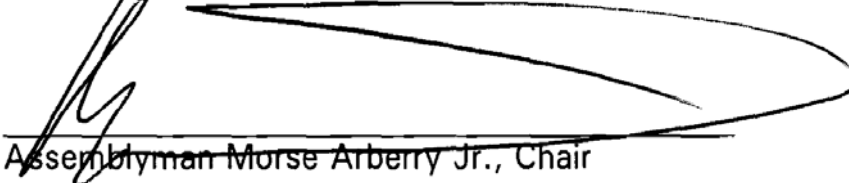
Chairman Arberry and Mr. Stevens reviewed the upcoming meeting schedule for the Committee.

Chairman Arberry adjourned the meeting at 11:47 AM.

RESPECTFULLY SUBMITTED:

Todd Myler
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 21, 2007</u>		Time of Meeting: <u>8:00 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Assemblywoman Leslie	General Fund Changes
	D	Assemblywoman Leslie	Add List
	E	Assemblyman Parks	Highway Fund Changes
	F	Assemblyman Parks	Cost of Real ID table
	G	Chairman Arberry	Proposed North Las Vegas DMV office anaysis
	H	Assemblyman Parks	General Fund adjustments
	I	Assemblywoman Leslie	Check Up caseload table
	J	Mark Stevens / Legislative Counsel Bureau	Deferred Maintenance table