

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

**Seventy-Fourth Session
May 24, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 8:08 a.m., on Thursday, May 24, 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
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

COMMITTEE MEMBERS EXCUSED:

Assemblywoman Barbara E. Buckley

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Jeff Ferguson, Program Analyst
Linda Blevins, Committee Secretary
Patti Adams, Committee Assistant

Chairman Arberry called the meeting to order and opened the hearing on Assembly Bill (A.B.) 613.

Assembly Bill 613: Makes an appropriation to the Family Development Foundation for domestic violence prevention programs. (BDR S-1450)

Dr. Tracy Cotton, President, Family Development Foundation (FDF), provided the Committee with an overview of Assembly Bill (A.B.) 613. He distributed ([Exhibit C](#)) which described the services offered by the Foundation. Accompanying Dr. Cotton were Sherri Sullivan, Director for the Domestic



Violence Prevention Program, and Shirley Burgess, Youth Program Manager. The bill requested funding for the domestic violence prevention program at FDF.

For the past five years the program had been operating in southern Nevada with the assistance of federal government earmarked appropriations. Unfortunately, according to Dr. Cotton, the domestic violence prevention program appropriation was slated for elimination by the federal government.

Dr. Cotton requested Ms. Sullivan continue the presentation by describing the services and programs offered by the FDF.

Ms. Sullivan testified that her responsibilities included leadership and management of the domestic violence programs. The FDF services included research-based programs, collaborative efforts with Clark County Neighborhood Justice Center, and peer mediation programs which had served over 12,000 youth and 2,800 adults.

Ms. Sullivan further noted that FDF had an excellent leadership history in the community, successful community-sponsored projects, and numerous affiliations with political, business and media leaders. One successful program sponsored by FDF was the Parenting Wisely Program. Through this program, parents learned child management skills, problem solving techniques to improve family relationships, and techniques to improve communication for all family members.

Dr. Cotton stressed that the programs offered at FDF were unique because they began working with youth as young as kindergarten age and focused on the prevention of negative behavior. The programs valued interaction with adult clients, but Dr. Cotton believed working with youth to address, for example, anti-bullying techniques and methods to diffuse volatile situations were more effective methods for teaching prevention skills.

In his opinion, the program did not duplicate efforts of those domestic violence prevention agencies throughout the State, but rather used a new research-based approach. In 2004, Dr. Cotton began working with the federal government to create this program by using federal earmarked funds and to develop techniques that would be replicated across the country. Unfortunately, the political climate had changed, and the earmarked funds were no longer available for the program.

In the opinion of Dr. Cotton, there was a critical need for an aggregate database warehousing system for domestic violence records. He requested that Ms. Burgess explain the recommendations to the Committee.

As the Youth Coordinator for FDF, Ms. Burgess worked with school teachers and assisted with the Second Step Program. Her programs provided assistance in teaching children how to deal with emotions and conflict resolution issues. The goal was to provide the necessary skills to teach children to make rational, appropriate decisions when handling conflict issues as they grew to adulthood.

In 1996, the National Institute of Justice submitted a research report to Congress. Information gathered from 35 states, including Nevada, indicated that although domestic violence statistics were gathered, there was not a centralized database or statistical analysis center to house data for agencies and legislators to use in the decision-making process.

Ms. Burgess continued, noting the FDF wanted to set up a centralized system to gather the statistics and use the aggregate numbers to benefit the Foundation, participating agencies, board members, stakeholders and community partners, law enforcement and juvenile justice officials, and others. The information could also be used for the legislative process, the grant application process, and other numerous projects and programs.

Assemblywoman Weber was appreciative of the services the FDF provided and was interested in learning whether the FDF did collaborative work with congregations, religious organizations, or pastoral officials.

Ms. Sullivan noted that the FDF worked closely with the faith-based community, especially in the parenting programs. Many pastors had requested the FDF expand services to cover more churches.

Assemblyman Denis inquired whether the FDF had applied for Community Development Block Grant (CDBG) funding.

Dr. Cotton responded that the FDF was unable to apply for the current grant year. The FDF was not notified about the loss of federal funding until after the grant application closing date.

In response to a question from Assemblywoman Smith, Dr. Cotton stated that the FDF did not receive funding from the State domestic violence grant program. All funding had come from the federal government, small donations, and in-kind services from the local jurisdictions.

There being no response from Chairman Arberry's request for further comments or questions, the hearing was closed on A.B. 613. Chairman Arberry opened the hearing on A.B. 620.

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

Ms. Willia Chaney, representing Ethel-Willia, Inc., (DBA Smart Start Child Care) of Las Vegas, testified in support of Assembly Bill (A.B. 620). The Smart Start Child Care facility served low to moderate income families. The facility was the only 24-hour child care center located in the area and had been in business for 14 years. Primarily the center catered to people of color and Hispanics.

Ms. Chaney provided a prepared statement to the Committee (Exhibit D). Her testimony indicated that parents served by the Smart Start Child Care facility did not qualify for child care assistance from any other program.

Assemblyman Denis inquired whether the Center had applied for Community Development Block Grant (CDBG) funding.

According to Ms. Chaney, the Center had not applied because the Center had recently expanded and had received a \$200,000 award from the city. Therefore, the Center was advised not to apply for the current grant year.

Ms. Chaney continued to explain that the expansion of the facility had been completed with assistance from funds received with the support of U.S. Senator Harry Reid's office.

There being no further comments or questions, Chairman Arberry closed the hearing on A.B. 620 and opened the hearing on Senate Bill (S.B.) 251 (R1).

Senate Bill 251 (1st Reprint): Makes appropriations to the State Department of Conservation and Natural Resources for the Division of Water Resources, Division of Forestry, Forestry Conservation Camps and Division of State Parks. (BDR S-1221)

Kay Scherer, Deputy Director, Department of Conservation and Natural Resources (DCNR), presented the Committee with a brief overview of Senate Bill (S.B.) 251 (R1) and ([Exhibit E](#)), a list of the requested one-shot appropriations. Ms. Scherer was accompanied by Scott Sisco, Administrative Services Officer, Division of Forestry, and David Morrow, Administrator, Division of State Parks.

Ms. Scherer testified that the vehicles being replaced in the one-shot were all driven on rugged, remote roads. Many times the vehicles were driven in emergency situations, including, for example, by park rangers during an apprehension, or were driven in the conservation camps and forestry programs. The majority of the vehicles met or surpassed the recommendations outlined in the state replacement schedules.

Under Budget Account (BA) 4171 ([Exhibit E](#)), Division of Water Resources, an appropriation was requested for replacement of three pickup trucks which had been driven an average of 109,000 miles each. Additionally there was a request for a heavy duty color laser printer, a high-speed document scanner for public documents, a laptop PC for public hearing exhibits and presentations, and a replacement printer for the State Engineer.

Ms. Scherer pointed out that in Section 2 of S.B. 251 (R1), there was a request to restore the balance in the Channel Clearance Account. The Account was established in 1973 and was greatly used by communities throughout the State. The \$250,000 in the account was committed to four projects that were underway. In addition, there were requests for funding filed with the Division of Water Resources by the Mason Valley Conservation District for \$34,000, the Lahontan Conservation District for \$30,000, and the Walker River Irrigation District for \$100,000, all pending the replenishment of the revolving account.

Mr. Sisco addressed Section 1, subsection 2, of the bill which related to budget account (BA) 4195 and the Division of Forestry (NDF) request for 22 replacement vehicles. The vehicles in question ranged in mileage from 100,000 to 219,000 miles. The vehicles were used by foresters throughout the State

He also indicated that BA 4195 had a hardware and software replacement request in decision unit E711. The request was made in accordance with Department of Information Technology's (DoIT) four-year replacement schedule. Replacement computers and software were critical to continuing foundational NDF operations and were especially important because the Division was an emergency response agency where communication, flow of information, complex billing and other matters were crucial.

Mr. Sisco continued his justification for the requested appropriation, explaining that Forestry Conservation Camps had requested replacement of 15 vehicles with mileage ranging from 145,000 to 385,000 and exceeding 10 years in age. The NDF required safe, reliable vehicles to respond to wildfires and emergency incidents.

The second part of the one-shot for the Conservation Camps included 12 PCs and software. Mr. Sisco noted that all of the requests were included in the Governor's budget recommendations.

Mr. Morrow addressed the replacement of 61 high-mileage vehicles for the Division of State Parks (DSP) in BA 4162. The mileage on the vehicles identified for replacement ranged from 118,000 to 295,000 miles. The vehicles were used in remote areas and under severe conditions. The vehicles were operated in the remote Nevada state park system, usually by solo operators, and often in rugged, remote terrain under extreme weather and temperature conditions where radio or cell phone coverage was not available.

According to Mr. Morrow, the *State Administrative Manual* (SAM) recommended vehicle replacement at 80,000 miles or three years. The vehicles DSP was asking to be replaced were well beyond that recommendation. He further noted the comparisons on 10 newer and 10 older vehicles in the DSP fleet which showed a cost of 17 cents per mile for newer vehicles versus 79 cents per mile for the older vehicles. Details were outlined in the exhibit provided to the Committee.

Additionally, DSP was requesting replacement of 11 PCs eight- to ten-years old and software for computers throughout the remote park system. Also included were three AutoCAD and GIS (Graphical Interface System) stations for technical (architectural and engineering) staff.

Assemblywoman Weber was interested in learning why 101 vehicles needed replacement at one time instead of being replaced on a rotating basis over the years.

Ms. Scherer explained that attempts had been made over the biennia to meet the SAM replacement schedule, but funding had not been approved. The Budget Division, in coordination with fiscal staff, had recommended rolling all of the vehicles into a one-shot appropriation to get back onto the replacement schedule. There was clearly a liability issue to the State, and the DCNR was anxious to correct the situation.

Responding to Ms. Weber's question regarding the percentage of the fleet being replaced, Mr. Morrow stated it represented approximately one-third of the fleet for DSP. He directed the Committee to BA 4162, Page 6 of the exhibit, which outlined the DSP vehicle replacements since fiscal year (FY) 2000.

Mr. Sisco added that BA 4195, the NDF firefighting budget, was requesting replacement of approximately 12 percent of the fleet and approximately 10 percent of the fleet for the Conservation Camps. The NDF was anticipating a minimum of \$30,000 for critical vehicle repairs.

Chairman Arberry thanked the DCNR for their testimony and asked whether there were further comments or questions regarding S.B. 251 (R1).

Mr. Edwin James, General Manager, Carson Water Subconservancy District (CWSD), testified in support of the Channel Clearance Account, Section 2 of the bill. The account was used by the conservation districts for work along the rivers. The State claimed ownership to the riverbed of the Carson River, but all river maintenance was performed by the conservation districts. The CWSD provided some funding to the conservation districts which was matched with federal funds and with the Channel Clearance Account. The Account was critical seed money for maintenance along the rivers. Without the funding from

the Account, there would not be the benefit of federal match money, and the CWSD funding would not go as far. The removal of excess sediment and sand bars in the Carson River following the 2005 flooding was performed with money from the Channel Clearance Account.

There being no further comments or questions, Chairman Arberry closed the hearing on S.B. 251 (R1) and opened the hearing on S.B. 455 (R1).

Senate Bill 455 (1st Reprint): Revises provisions governing the issuance of revenue bonds and other obligations by the Nevada System of Higher Education. (BDR34-273)

Executive Vice Chancellor Dan Klaich, Nevada System of Higher Education (NSHE), described the biennial authorization bill, Senate Bill (S.B.) 455 (R1), which was brought before the Committee every legislative session to report on the revenue bonding capacity available. He distributed ([Exhibit F](#)), which listed the proposed projects, to the Committee. The projects would not be brought to the State for funding and, therefore, required bonding authorization.

Mr. Klaich noted there was one difference in S.B. 455 (R1) from bills presented in prior legislative sessions, and that was a request to delegate final signature authority for small bank loans to the Chancellor or Vice Chancellor for Finance. There was similar authority for most governmental entities in other statutes, according to Mr. Klaich. Approval allowed the NSHE to take advantage of the market and close on the best terms possible without returning to the Board of Regents for approval and signatures.

Chairman Arberry opened the floor for questions. There being no questions or comments, Chairman Arberry closed the hearing on S.B. 455 (R1) and called a brief recess.

Chairman Arberry reconvened the meeting and advised the Committee that they would be closing budgets for elected officials.

OFFICE OF THE GOVERNOR (BA 1000)
Elected-1, Volume 1

Mr. Mark Stevens, Assembly Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau (LCB) announced the Committee would be closing budgets for the Governor's Office, Mansion Maintenance, Controller's Office, and Nevada College Savings Plan.

There were two budget amendments for budget account (BA) 1000.

1. Budget amendment 1 proposed:
 - a. The elimination of position numbers 22 and 28 and the addition of position number 24.
 - b. The deletion of longevity pay, since no incumbents in the Governor's Office qualified for longevity pay this biennium.
 - c. The reduction of funds budgeted for fees to the National Governor's Association (overstated by \$3,400 in fiscal year 2008) and reduction in copy machine costs of \$3,495 per fiscal year.
2. Budget amendment 2 proposed:
 - a. The transfer of position 24, as added in budget amendment 1, to the Governor's Office of Energy Conservation.

Staff had implemented budget amendments 1 and 2 as recommended by the Budget Division. The elimination of position numbers 22 and 28 and the transfer of the added position 24 to the Governor's Office of Energy Conservation resulted in the Governor's Office having 22.51 full-time equivalent (FTE) positions, which compared to 19.0 FTEs as approved by the 2005 Legislature. All changes were reflected in the closing sheets.

The reduction in General Fund support over the 2007-09 biennium was \$243,700. However, position number 24, as transferred to the Governor's Office of Energy Conservation, continued to be funded with General Funds in that budget, resulting in a net reduction in General Fund support of \$151,190 over the 2007-09 biennium.

ASSEMBLYMAN MARVEL MOVED TO CLOSE BA 1000 WITH
STAFF RECOMMENDATIONS.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

BUDGET CLOSED.

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CONTROLLER'S OFFICE (BA 1130)
Elected-102, Volume 1

Mr. Mark Stevens, Assembly Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau (LCB), presented the Committee with an overview of budget account (BA) 1130.

One major closing issue for the budget account was the Integrated Financial System (IFS) Server Consolidation. The Executive Budget, in decision unit E225, recommended a total of \$976,649 in General Fund support for the Office of the State Controller's portion of the proposed IFS consolidation. The recommendation proposed to consolidate 15 servers that currently housed the IFS applications into two superservers, one in Carson City and one in Las Vegas.

According to Mr. Stevens, the Controller's Office did not support the recommended proposal. Instead, the Office submitted a Technology Investment Request (TIR) and position paper for an alternative proposal, which included disaster recovery and upgrades to the Controller's portion of IFS, the Advantage Financial System. The issue was referred to the Joint Subcommittee on General Government. The Joint Subcommittee closed the Department of Information Technology (DoIT) budgets and approved the IFS Server Consolidation project without the participation of the Controller's Office in that project.

The Controller's alternative proposal, further explained by Mr. Stevens, requested that the estimated cost of \$593,366 for disaster recovery and system upgrades would be funded from the total of \$976,649 recommended in decision unit E225. The request was approved by the Subcommittee.

A summary breakdown of the \$593,366 was distributed to the Committee as ([Exhibit G](#)). There were also additional enhancements requested by the

Controller's Office in addition to what was requested in The Executive Budget that would spend most or all of that difference.

Mr. Stevens stated that staff had received a revised enhancement request from the Controller's Office. The revised request included:

- Salary upgrades for Comprehensive Annual Financial Report (CAFR) accountants at a cost of \$92,055 in fiscal year (FY) 2008 and \$97,072 in FY 2009.
- Information technology staff upgrades at a total cost of \$65,940 over the biennium. This amount was reduced from the previous request of \$82,468. The request included grade level increases for four positions: a computer operations supervisor 2, computer network specialist 2, database administrator 3, and database administrator. The Office indicated it had received written confirmation from the Department of Personnel supporting three of the requests, with more study required for one of the positions.
- Accountant and information technology staff training at a total cost of \$85,000 over the biennium. This amount was reduced from the previous request of \$162,513. An itemization of the proposed training was included as ([Exhibit H](#)). The \$42,500 requested plus the base funding of \$26,968 provided \$69,468 per year for training, or an increase of 158 percent over the actual expenditures of FY 2006. That represented \$1,544 per employee in the Office. The Committee could choose to approve the request as submitted or reduce it in increments of 25 percent or any other amount.
- Information technology software licensing and maintenance at a total cost of \$56,197. This amount was reduced from the previous request of \$129,166. An itemization of the amounts was included as ([Exhibit I](#)). The listing included \$3,308 for Windows Vista software upgrades. The Joint Subcommittee on General Government had removed the Windows Vista request from other budgets reviewed.
- The Controller had offered to reduce a one-shot appropriation recommended in the budget for information technology equipment and software from \$137,714 to \$86,467. The one-shot appropriation was contained in Assembly Bill (A.B.) 197 and included in The Executive Budget. The reduction included the cost of five replacement personal computers and 43 sets of Microsoft Office Pro software.
- Unclassified pay upgrades of \$44,512 in each year of the biennium for a total of \$89,024. This was a new request and was not included in the March 5 request. The request sought parity with top management staff in the Treasurer's Office, and increased the salary of the Chief Deputy Controller to that of the Chief Deputy State Treasurer. The requested salary increases would ultimately be reviewed and established as part of the finalization of the unclassified pay bill.

Under other items, there were two issues to be discussed by the Committee:

1. A one-time appropriation of \$137,714. As noted earlier, the Controller had reduced the request in A.B. 197 to a total of \$86,467.
2. A recommendation in decision unit E711 for \$7,742 in FY 2009 for the replacement of batteries for the Liebert uninterruptible power supply (UPS).

Mr. Stevens concluded his presentation stating he was open for questions from the Committee.

Assemblywoman Leslie was appreciative of the Controller's Office offer to reduce funding requests, but believed the staff training was too high and should be reduced by at least 25 percent. She also questioned the purchase of Windows Vista.

Assemblyman Denis stated he recommended the elimination of the request to purchase of Windows Vista. The program would be included on new hardware purchases. Installing the program on existing hardware was not recommended.

Ms. Leslie asked whether other Committee members had comments on the funds requested for training.

Assemblywoman Koivisto recalled that earlier testimony indicated the Controller's Office had not received training for many years. Consequently the training budget was higher to attempt to "catch up" with the training needs.

Ms. Leslie asked staff to review the training budget.

Mr. Stevens noted that \$26,968 was expended for training in FY 2006 and \$25,026 was budgeted for FY 2007. The Governor had recommended \$26,968 for each year of the biennium for training.

In Ms. Leslie's opinion, an increase of 158 percent was unnecessary. She suggested a 25 percent reduction.

Mr. Stevens noted the 25 percent reduction would provide an additional \$31,875 in training funds plus the \$26,968 recommended by the Governor.

ASSEMBLYWOMAN LESLIE MOVED THE COMMITTEE:

1. REDUCE THE REQUEST FOR TRAINING BY 25 PERCENT, ADDING \$31,875 TO THE EXISTING TRAINING BUDGET.
2. DELETE THE INFORMATION TECHNOLOGY EQUIPMENT AND SOFTWARE LICENSING (WINDOWS VISTA).
3. APPROVE OTHER STAFF RECOMMENDATIONS.
4. AUTHORIZE TECHNICAL ADJUSTMENTS AS NECESSARY.

Mr. Stevens reminded the Committee that the unclassified pay upgrades would be decided as part of the finalization of the unclassified pay bill.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

Chairman Arberry reviewed the motion stating the Committee was voting to accept staff recommendations, make modifications outlined by Ms. Leslie, the one-shot appropriations would be covered in A.B. 197, and the unclassified salary increases would be covered in the unclassified pay bill.

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

BUDGET CLOSED.

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NEVADA COLLEGE SAVINGS TRUST (BA 1092)
Elected-153, Volume 1

Mr. Mark Stevens, Assembly Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau (LCB), advised the Committee that Mr. Jeff Ferguson, would be presenting the overview for this budget account. As a reminder, Mr. Stevens stated that the Treasurer's Office budget had been closed earlier, but that the Nevada College Savings Trust account had been held.

Mr. Jeff Ferguson, Program Analyst, Fiscal Division, Legislative Counsel Bureau (LCB), reviewed budget account (BA) 1092 for the Committee. Mr. Ferguson reminded the Committee that on May 15 the Treasurer's budgets were discussed and BA 1092 was held pending the Audit Subcommittee review of the LCB audit of the College Savings Trust budget. The Treasurer indicated in her testimony the issues that occurred with the program had no bearing on BA 1092.

Staff believed the revenues and expenditures as represented in the closing sheets were accurate and provided a large reserve in the budget. The recommendation of staff was to use the reserve to pay back the General Fund loan established in BA 1081. The Treasurer's Office concurred with the recommendation. The General Fund loan was used to startup the Nevada Prepaid Tuition Program. Accordingly, staff recommended increasing transfers to BA 1081 to repay the General Fund loan from \$225,000 to \$2,188,014 in fiscal year (FY) 2007-08, and from \$275,000 to \$1,160,576 in FY 2008-09. This recommendation fully repaid the remaining General Fund loan balance of \$3,348,590 by the end of the 2007-09 biennium and still provided reserve balances of \$280,000 in FY 2007-08 and \$939,515 in FY 2008-09.

It was staff's opinion that the reserve level in FY 2008-09 should not be reduced further because there was a level of uncertainty about whether revenues would actually come in as anticipated, and the Office had indicated to fiscal staff that it may have another obligation not included in The Executive Budget that could require payment during the 2007-09 biennium. The Committee should note that all unused reserves at the end of FY 2008-09 would be balanced forward to the 2009-11 biennium, when they could be used for purposes to be determined by the 2009 Legislature.

In response to a question from Assemblyman Marvel, Mr. Ferguson was not certain of the amount of interest generated from the account and suggested Ms. Renee Parker might provide the information.

Ms. Renee Parker, Chief of Staff for Treasurer Kate Marshall, stated the money was earning approximately 5 percent.

ASSEMBLYWOMAN LESLIE MOTIONED TO ACCEPT STAFF
RECOMMENDATIONS TO REPAY THE GENERAL FUND LOAN.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley and
Assemblyman Parks were not available for the vote.)

BUDGET CLOSED.

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MANSION MAINTENANCE (BA 1001)
Elected-5, Volume 1

Mr. Mark Stevens, Assembly Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau (LCB), presented an overview of budget account (BA) 1001 to the Committee, noting the Budget Division had submitted amendments 3 and 4.

- Budget amendment 3 proposed the reduction of General Fund support in this budget of \$92,178 in fiscal year (FY) 2008 and \$96,043 in FY 2009 for adjustments to eliminate position number 5 plus other technical adjustments.
- Budget amendment 4 proposed the reduction of General Fund support in this budget of \$6,082 in FY 2008 for elimination of a file server and color printer.

The closing presented to the Committee provided for partial implementation of budget amendment 3 and full implementation of budget amendment 4. The revisions as implemented by staff for budget amendment 3 included:

- Reductions of 1.49 full-time equivalent (FTE) positions. This provided for an increase in staffing at the Mansion by 0.51 FTE over the level approved by the 2005 Legislature (3.51 FTE). The Governor's initial recommendation provided for 5.0 FTE. If the recommendation was adopted, there would be 3.51 FTE authorized at the Mansion.
- Reduction of salary levels as recommended in budget amendment 3. The Governor's initial recommendation provided salary increases in addition to the 2 percent and 4 percent cost of living allowance (COLA) as provided for other state employees.
- Elimination of non-state-owned building rent for a storage unit that was no longer required.

Revisions not implemented by staff for budget amendment 3 included:

- Elimination of Out-of-State Travel; as presented the amendment would have eliminated 100 percent of the Out-of-State Travel in this account. The Governor's budget provided for \$4,440 per year, which represented an increase from the \$555 spent in fiscal year 2006 and \$422 as budgeted in FY 2007.
- Reduction of In-State Travel; as presented, the amendment would have reduced In-State Travel to \$1,360 per year from \$10,880 as recommended in The Executive Budget. Actual expenditure in FY 2006 was \$1,360 and the budgeted amount in FY 2007 was \$2,028.

As indicated earlier, staff had implemented amendment number 4 as recommended in the amendment. This eliminated a file server and color ink jet printers.

In conclusion, Mr. Stevens noted that included in the Governor's recommended budget reductions was a proposal to reduce utilities for the Mansion by \$15,390 per year with the proviso the Mansion would have access to the funding provided to the Interim Finance Committee (IFC) for "utility funding if required." The budget reductions had not been implemented by staff.

The total changes in this budget account would be a reduction of \$86,000 in General Fund in the first year of the biennium and \$80,000 in the second year of the biennium without taking all of the budget reductions included in budget amendment 3.

Assemblywoman McClain suggested acceptance of all budget reductions included in budget amendment 3.

Assemblywoman Leslie was comfortable with staff recommendations.

Assemblywoman Gansert was agreeable to accept staff recommendations.

Ms. McClain was unclear why it was necessary to provide \$4,400 for Out-of-State Travel.

In the opinion of Chairman Arberry, the travel was needed to allow the first lady the capability of traveling to functions as necessary.

Ms. McClain agreed the first lady should be allowed to travel but thought the Out-of-State Travel could be reduced.

Chairman Arberry recommended reducing the amount to \$3,000.

Ms. Leslie was agreeable with the amount of \$3,000 but believed that the responsibilities of the Governor's Office required travel by the first lady. Although it was costly, the State should pay for the travel.

Chairman Arberry inquired what the previous budget had been.

Mr. Stevens stated \$550 was expended during the last fiscal year. Governor Guinn paid for much of the first lady's travel from his personal account. The Committee must decide whether that was appropriate or whether the State should pay for the first lady's travel. In the past the State had paid for this expense.

Chairman Arberry pointed out that the Governor and first lady should be allowed to travel together and the amount requested seemed reasonable.

ASSEMBLYWOMAN LESLIE MOVED TO ACCEPT STAFF
RECOMMENDATIONS.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION PASSED.

BUDGET CLOSED.

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Chairman Arberry requested the Committee review and consider bills for passage. The first bill for consideration was A.B. 197.

Assembly Bill 197: Makes an appropriation to the Office of the State Controller for the purchase of computer hardware and software. (BDR S-1205)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau (LCB), presented a brief review of Assembly Bill (A.B.) 197 to the Committee, noting the bill was discussed earlier in the closing of the Controller's Office budget. Based on the revised budget sent to staff by the Controller, the requested appropriation could be reduced to \$86,467. Staff had reviewed the equipment list submitted and found the request reasonable.

ASSEMBLYMAN DENIS MOVED TO AMEND AND DO PASS AS AMENDED A.B. 197.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley was not present for the vote.)

Chairman Arberry asked the Committee to consider A.B. 591 (R1).

Assembly Bill 591 (1st Reprint): Revises provisions governing charter schools. (BDR 34-49)

Chairman Arberry requested Assemblywoman Smith present a brief review of Assembly Bill (A.B.) 591 (R1) to the Committee.

Ms. Smith noted the bill came to the Committee on Ways and Means from the Committee on Education. The bill restructured charter schools and provided tiered approaches to charter school provisions. Charter schools that were performing well would not be held to the same reporting schedule as the new schools with unproven records. She suggested an amendment deleting sections 29 and 30 to remove the monetary impact.

ASSEMBLYWOMAN LESLIE MOVED TO AMEND AND DO PASS AS AMENDED A.B. 591 (R1).

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley was not present for the vote.)

Chairman Arberry requested the Committee consider Senate Bill (S.B.) 125 (R1).

Senate Bill 125 (1st Reprint): Authorizes the Lander County School District to transfer certain property to the Austin Historical Society. (BDR S-987)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau (LCB), presented a brief review of Senate Bill (S.B.) 125 (R1) to the Committee. Mr. Stevens reminded the Committee that the bill had been presented by Senator Dean Rhoads and authorized transfer of property to preserve the Old Austin Elementary School.

ASSEMBLYMAN GRADY MOTIONED TO DO PASS S.B. 125 (R1).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley was not present for the vote.)

Chairman Arberry requested the Committee consider S.B. 346 (R1).

Senate Bill 346 (1st Reprint): Makes an appropriation to the Office of the Director of the Department of Health and Human Services to fund a working group to study the methamphetamine problem in Nevada for the current fiscal year. (BDR S-1201)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau (LCB), presented a brief review of Senate Bill (S.B.) 346 (R1) to the Committee for their consideration. The bill provided an appropriation of \$9,900 for travel and expenses for the working group to study the methamphetamine problem in Nevada.

Chairman Arberry noted the methamphetamine bill was not passed and was unclear whether this bill was still necessary.

Assemblywoman Leslie pointed out that S.B. 346 (R1) contained the money to fund the working group headed by the Attorney General. Ms. Leslie stated she was the Assembly representative for the group, and Senator Joseph Heck represented the Senate. The group met monthly and would present recommendations at the end of the 2007 calendar year. Although Ms. Leslie believed the \$9,900 was more money than necessary, the balance would be reverted.

ASSEMBLYWOMAN LESLIE MOVED TO DO PASS S.B. 346 (R1).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley was not present for the vote.)

Chairman Arberry requested the Committee consider S.B. 454 (R1).

Senate Bill 454 (1st Reprint): Revises the dates upon which certain uncommitted funds from prior appropriations must be reverted. (BDR S-1070)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau (LCB), presented a brief review of Senate Bill (S.B.) 454 (R1) to the Committee, noting the bill dealt with room tax dollars allocated by the Senate in the 2005 Legislative Session. The Commission on Tourism was to transfer a portion of the proceeds of the room tax to the Interim Finance Committee (IFC) for allocation to the Reno-Sparks Convention and Visitors Authority to implement the Truckee River Recreational Master Plan. The tax proceeds were not to be committed for expenditure after June 30, 2007, and would be reverted on or before September 21, 2007. Work had not been completed on the project and an extension was requested. Senate Bill 454 (R1) would extend the reversion date to June 30, 2009.

Responding to Chairman Arberry, Mr. Stevens noted that although there was no new money included in the bill, money was approved from room tax receipts by the 2005 legislative Session for the projects.

Chairman Arberry stated that the bill would be put on hold pending a discussion with Senator William Raggio.

Assembly Bill 510 (1st Reprint): Makes various changes concerning credits earned by offenders and the incarceration and supervision of offenders. (BDR 16-1377)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau (LCB), stated that Assemblyman Parks was not available to present the review of Assembly Bill (A.B.) 510 (R1). Mr. Stevens presented ([Exhibit J](#)), a mock-up of the bill to the Committee.

The amendments were not included correctly, but Mr. Stevens wanted to explain the intent of the amendments to the Committee. Senate Judiciary was waiting for the legislation if the Committee on Ways and Means approved the bill. If the Committee approved the bill, it could be amended on the Assembly floor and voted on within 24 hours.

The amendments were intended to allow retroactive "good time" credits, from 10 to 20 days per month, and increase program credits for completion of a GED, earning a college degree, or successfully completing a drug treatment program. The increase in "good time" credits was retroactive to July 1, 2000, only on the minimum sentence. That would move the parole eligibility date forward. The Parole Board would review those cases and approve cases appropriately.

The second area allowed the "good time" credits to apply the increase from 10 to 20 days and the additional program credits to apply to both the minimum and the maximum sentence for individuals sentenced after July 1, 2007.

The "good time" credits for those on parole and probation would be granted retroactive to July 1, 2006.

The impact of the changes would provide relief in the State prison system. The system was currently 1,300 to 1,400 inmates over emergency capacity, and this bill was designed to relieve the overcrowding issues but not allow release without the offender first going before the Parole Board.

There was also cleanup language provided in the bill which addressed Chapter 209 of the *Nevada Revised Statutes* (NRS).

Mr. Stevens deferred to Assemblyman Parks for additional information.

Mr. Parks noted that Justice James Hardesty had received a copy of ([Exhibit J](#)) and asked for a provision for drug court reentry. Mr. Parks suggested the retroactive provisions must be included for those persons on probation.

Mr. Stevens further explained that the increased "good time" credits and the retroactive application of those credits would be for C, D, and E felonies and not for A and B felonies.

ASSEMBLYMAN PARKS MOVED TO AMEND AND DO PASS AS
AMENDED A.B. 510 (R1).

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

Assemblywoman Weber inquired whether the dates were correct on line 25 of mock-up ([Exhibit J](#)).

Mr. Stevens responded that the dates were at the request of the Department of Corrections. The Department was not able to fill Casa Grande Transitional Housing facility and had requested the language to increase the number of individuals that could be incarcerated at that location.

THE MOTION PASSED. (Assemblywoman Buckley was not present for the vote.)

There being no further comments or questions, Chairman Arberry adjourned the hearing at 10:41 a.m.

RESPECTFULLY SUBMITTED:

Linda Blevins
Committee Secretary

APPROVED BY:

Assemblyman Morse Arberry Jr., Chair

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>May 24, 2007</u>		Time of Meeting: <u>8:00 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A	-----	Agenda
	B	-----	Attendance Roster
AB 613	C	Dr. Tracy Cotton, Family Development Foundation	Goals and objectives
AB 620	D	Willia Chaney, Ethel-Willia, Inc.	Prepared testimony
SB 251	E	Kay Scherer, Dept. of Conservation and Natural Resources	One-shot appropriation booklet
SB 455	F	Dan Klaich, Nevada System of Higher Education	Proposed project listing
	G	Mark Stevens, LCB Fiscal Division	BA 1130 summary
	H	Mark Stevens, LCB Fiscal Division	BA 1130 training itemization
	I	Mark Stevens, LCB Fiscal Division	BA 1130 technology itemization
AB 510	J	Assemblyman David Parks	Proposed amendment