

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND THE
SENATE COMMITTEE ON FINANCE
JOINT SUBCOMMITTEE ON HIGHER EDUCATION/CIP**

**Seventy-Fourth Session
May 28, 2007**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on Higher Education/CIP was called to order by Chair Morse Arberry Jr. at 3:15 p.m., on Monday, May 28, 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).

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblyman Morse Arberry Jr., Chair
Assemblywoman Barbara E. Buckley
Assemblywoman Heidi S. Gansert
Assemblywoman Sheila Leslie
Assemblyman John W. Marvel
Assemblywoman Debbie Smith

SENATE COMMITTEE MEMBERS PRESENT:

Senator William J. Raggio, Chair
Senator Barbara K. Cegavske
Senator Bob Coffin
Senator Bernice Mathews

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Gary Ghiggeri, Senate Fiscal Analyst
Eric King, Program Analyst
Linda Blevins, Committee Secretary
Patti Adams, Committee Assistant

Chairman Arberry called the meeting to order and recognized Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB).

At the request of the Chairman, Mr. King distributed a spreadsheet ([Exhibit C](#)) to the Subcommittee which highlighted differences from the Governor's recommendations. Mr. King described the following changes for the Subcommittee:

- 07-C01—Project reduced by \$83,118 for project management fees and roof maintenance costs.



- 07-C03—Project reduced by \$741,794 for project estimate for architectural and engineering design and supervision fees.
- 07-C04—Project reduced by \$344,431 for risk management fees. The Public Works Board (PWB) requested exemption from competitive bidding requirements and change order limitations for the project.
- 07-C05—Project reduced by \$377,905 for revised cost estimate for risk management fees.
- 07-C07—Project eliminated.

Senator Raggio noted that 07-C07 was not shown as eliminated on the exhibit, but he believed the Department of Corrections (DOC) had requested an alternative.

Gary Ghiggeri, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), indicated the DOC had requested the project should be changed to provide for the expansion of the Southern Desert Correctional Center at Indian Springs.

Senator Raggio inquired whether the approval of 07-C07 would increase the amount from \$68.7 million to \$90 million because of requirements for culinary and infirmary costs.

Mr. Ghiggeri explained that based on legislation currently under review that provided additional "good time" credits to inmates, the DOC had indicated that in lieu of the Stewart Conservation Camp they would like to have two additional housing units at Southern Desert Correctional Center. The additional housing units provided for housing up to 560 inmates. The camp provided for housing 384 minimum security inmates. The addition of the housing units costs approximately \$90.6 million.

Mr. Ghiggeri recommended that if the housing units were approved, the funding included on the spreadsheet for the Stewart Conservation Camp, 07-C07, should be eliminated.

It appeared to Senator Raggio that the DOC priority was the housing units at Southern Desert Correctional Center.

Mr. Ghiggeri agreed and noted it could be accommodated within the funding currently available.

Senator Raggio endorsed the change.

Chairman Arberry proposed Senator Raggio include the change in the motion.

Mr. King continued his explanation of the spreadsheet:

- 07-C11—Math and Science Center furniture, fixtures and equipment (FF&E) was combined with 07-C18 which was also FF&E.
- 07-C12—Project eliminated.
- 07-C17—Project reduced by \$1,523,602 because of a favorable construction bid.
- 07-C18—Project combined with 07-C11.
- 07-C20—Project reduced by \$44,089 by elimination of FF&E items that were inappropriate.
- 07-C22—Project reduced by \$659,180 because of revised cost estimate for risk management fees and FF&E.

- 07-C25—The PWB provided revision that modified the project's funding source for \$244,043 of state funds to replace a like amount of federal funds which were reimbursable to the General Fund.
- 07-C26—Project increased by \$406,397 for payment to the School Trust for Land for acquisition of land for facility.

Senator Coffin stated that he and Senator Cegavske had visited the Desert Willow Treatment Center Expansion project, 07-C26. Senator Cegavske had advised Senator Coffin subsequent to the visit that she had discovered a way to increase the size of the project for the same amount of money and was going to present the proposal to Senator Raggio.

Senator Raggio was not aware of such a proposal.

Senator Coffin indicated that the increase in size was four beds based upon recommendations and investigation by the PWB. He requested further clarification on the issue.

Chairman Arberry recognized Gustavo Nunez, Interim Manager, Public Works Board.

Mr. Nunez confirmed that after further research into the project, the PWB found that additional beds could be provided for the same amount of money. He was uncertain of the number of beds.

Senator Coffin stated that the additional number of beds was four. The space for the additional beds was realized by a small expansion to the new building and reorientation of the recreation area. That added four rooms. There was a choice of saving \$1.5 million or adding four beds. It was Senator Coffin's intention to seek the additional four beds rather than save the \$1.5 million.

Chairman Arberry explained that the Subcommittee was reviewing the recommendations on the list, and Senator Coffin could request action at the appropriate time.

Senator Coffin was concerned that the proposal had not appeared on the list of recommendations ([Exhibit C](#)).

Chairman Arberry requested that Mr. King complete his review of the recommendations. The Subcommittee could consider Senator Coffin's proposal at the appropriate time.

Senator Raggio clarified with Mr. Nunez that for the same amount of money that was allocated in the Capital Improvement Program (CIP), the additional four beds could be included.

Mr. Nunez stated that was correct.

Senator Mathews recalled the issue had been discussed at an earlier meeting.

In response to Chairman Arberry's question, Mr. Nunez confirmed that the PWB could make the modifications to add the four beds if the proposal was approved.

Mr. King continued the overview of the exhibit with the following:

- 07-C27—The PWB indicated that receipt of \$14 million federal funds was not guaranteed. Staff recommended the CIP include language to require receipt of the funds prior to execution of design and construction contracts by the PWB.

Senator Mathews asked for additional information on the Weapons of Mass Destruction (WMD) Readiness Building that was to be located in Las Vegas. She was uncertain whether that was the same as the proposed Fusion Center.

Mr. King clarified that the two buildings were separate.

Senator Mathews suggested she meet with staff to give her a briefing regarding the two projects and the requested appropriations.

Senator Raggio recalled that the WMD building was to be adjacent to the existing Las Vegas Armory, and the funding was to be provided by the federal government for the capital construction costs. The money included in the CIP was for the infrastructure outside of the building.

Mr. King continued the overview with the following:

- 07-C28—Project eliminated.
- 07-C29—Project reduced by \$94,192 because moving costs were removed from project cost estimate and the funding source was changed.
- 07-C33—Project reduced by \$14,199 because of revised cost estimates that reduced project management and inspection fees.
- 07-C52—Project increased by \$301,965 for increased construction costs.
- 07-C85—Project was added for demolition of the facility. Project was not in the Governor's recommendations. Funding for this project would be provided from the reallocation of funds in CIP 01-M05.
- 07-C86b—Project added for four pre-engineered inmate housing units. The PWB requested exemption from competitive bidding, consultant selection for design-build team, and green building requirements.
- 07-C87—Project added after construction bids were received that exceeded funds available in the 05-C20c project. The PWB requested exemption from change-order limitation and competitive bid requirement.
- 07-C89—Project funded, in part, with \$10,015,652 in appropriations available from prior CIP projects as outlined in [Exhibit D](#). Staff recommended the \$10 million be added to 07-C89.

In reference to [Exhibit D](#), it was Senator Raggio's understanding that the appropriations were made to Higher Education Medical/Health Capital Improvement Project and were no longer necessary. Therefore, the funds could be available to fund the 07-C89 project.

Mr. King confirmed Senator Raggio's understanding of the appropriation and continued the overview with the following:

- 07-C90—Project replaced by projects 07-C90a, 07-C90b, and 07-C90c.

Senator Mathews was interested to learn whether this was funding for the Health Science Center.

Mr. King noted it was a part of the original recommendation for the Health Science Center.

Mr. King continued the overview for the Subcommittee as follows:

- 07-C90a—Project was added to replace project 07-C90. The PWB indicated that donated funds were requested to be transferable between projects 07-C90a and 07-C91a, depending on the actual receipt of donated funds for each project.
- 07-C90b—Project was added to replace project 07-C90.
- 07-C90c—Project was added to replace project 07-C90.
- 07-C91—Project eliminated and replaced by projects 07-C89 and 07-C91a.
- 07-C91a—Project was added to replace project 07-C91. The PWB indicated that donated funds were requested to be transferable between projects 07-C90a and 07-C91a depending on the actual receipt of donated funds for each project.
- 07-C91b—Project was removed and replaced by project 07-C89.

Chairman Arberry asked for questions and comments before Mr. King moved to the overview of maintenance items.

Senator Mathews inquired whether 07-C91a, Advanced Clinical Training and Research Center at Shadow Lane, incorporated all of the health sciences into that building, including 07-C89, the Shadow Lane Biomedical Research Building.

Chairman Arberry acknowledged that was correct.

Senator Mathews further questioned whether earmarking the money gave the PWB the flexibility to determine the location of the facility in 07-C89.

Although the money was earmarked, Chairman Arberry assured Senator Mathews that the building would be located in the Shadow Lane complex.

Senator Raggio added that there were discussions on budget reductions to delete \$15.7 million that would have gone into the Shadow Lane project. He noted that in the final action by the Subcommittee, the \$15.7 million could be restored.

Senator Mathews was under the impression the PWB could not relocate schools or programs to West Charleston, Shadow Lane, or other locations.

Senator Raggio stated that it was his understanding that any of the projects approved by the Subcommittee and delineated on [Exhibit C](#) would stay within the parameters of the program unless the PWB appeared before IFC to request approval to move funds from one project to another.

Senator Coffin noted there were several locations in southern Nevada that could be utilized, such as Union Center, and he was unsure whether the system would be prohibited from using the other locations.

Assemblywoman Buckley hoped the system would be prohibited from using other locations. The Governor cut the Shadow Lane campus projects and the Subcommittee was restoring those. It was rumored there was a proposal to consider another project at Union Park. The Chancellor had called Ms. Buckley to thank the Subcommittee for restoring the Shadow Lane campus project and did not want to go forward with the Union Park project. A cost analysis had not been completed for the Union Park project nor was the project well vetted. The Subcommittee was only approving the Shadow Lane project money.

As the Senate was not privy to conversations with the Chancellor, Senator Coffin suggested the Chancellor meet with the Senate to clarify the university commitments.

Chairman Arberry pointed out to Senator Coffin that the Union Park project was new, and the Subcommittee was not aware of details surrounding the project. Therefore, it was determined the best course of action was to restore the money for the Shadow Lane project.

In response to Senator Coffin's question regarding the amount of money spent for the Shadow Lane project, Mr. King noted that for the Nevada Health Science Center a total of \$94,250,000 was used versus the \$110 million of General Fund originally proposed.

Senator Coffin questioned whether the Assembly wanted to continue the project with \$16 million less than what was requested.

In response, Chairman Arberry noted that was not a correct number.

Senator Raggio explained to Senator Coffin that the Assembly was agreeable to restoring the \$15.7 million that was proposed to be cut for the Shadow Lane project but the Assembly was not endorsing a transfer of money from any project to accommodate what was shown on [Exhibit C](#) as 07-C91b, dubbed as the Union Park project. Senator Raggio agreed that the Senate had not heard anything about that in any presentations on the CIP. Senator Raggio had also heard from the university that it was pleased with the restoration of the project and did not intend to pursue the Union Park project.

Senator Coffin had heard testimony at an earlier meeting that one project was tied to the Frank O. Gehry-Lou Ruvo Alzheimer's Institute and wanted to ensure there was not a problem with the Institute funding.

Assemblywoman Smith was interested in knowing where the pending Leadership in Energy and Environmental Design (LEED) green building legislation stood because that legislation would affect the cost of these projects.

Mr. King stated that for the projects, as they currently stood, the design and construction monies for LEED in the 2007 CIP recommendation totaled \$11,210,374.

Mr. King continued the presentation with the maintenance projects as follows:

- 07-M01b—Project reduced by \$2,138,029. The PWB provided revised cost estimate because a portion of project would be completed prior to June 30, 2007, and a revised construction cost estimate. The PWB requested exemption from change order limitation.
- 07-M02b— The PWB provided revised cost estimate because a portion of project would be completed prior to June 30, 2007. The PWB requested exemption from change-order limitation.
- 07-M03—The PWB provided a revised cost estimate increasing construction cost by \$110,000.
- 07-M04—The PWB requested approval to use construction-manager-at-risk delivery method for the project. There was no change in the cost.

- 07-M08—Project reduced by \$44,316. Board provided revised project cost estimate that reduced construction costs.
- 07-M21—Project eliminated.
- 07-M28—Building 3 was eliminated from the recommended repairs, and project was reduced \$1,099,415.
- 07-M36—Project eliminated per request of PWB.
- 07-M39—Project scope was reduced by \$2,152,288.

Mr. King concluded the description of the maintenance projects.

Chairman Arberry asked for comments or questions with regards to the maintenance projects.

There being no questions, Mr. King moved to the presentation of the planning projects as follows:

- 07-P02—Project reduced by \$333,804 by the elimination of the pilot-testing project.
- 07-P06—No change for the project planning cost, but the PWB indicated the facility's size had been increased.
- 07-P07—Project would be eliminated by the approval of 07-C07a, which provided construction for two housing units and culinary expansion at Southern Desert Correctional Center.
- 07-P31—Project increased \$1,541,237. The PWB had revised the cost estimate that increased land acquisition and architectural and engineering design and supervision costs.
- 07-P33—Project increased \$3,498,733. Project was added to the 2007 CIP.

Mr. King concluded the presentation of the planning projects.

Chairman Arberry asked for comments or questions with regards to the planning projects.

There being no questions, Mr. King moved to the presentation of the statewide projects as follows:

- 07-S02—Project reduced by \$77,200. The PWB provided updated project cost estimate that reduced hazardous material abatement costs and emergency project funding.
- 07-S04—The PWB indicated that \$42,000 of other funds from the State Historic Preservation Office would be used for project in lieu of state funds.
- 07-S06—Project reduced by \$551,969. The PWB provided an updated project cost estimate that eliminated all but \$200,000 of Risk Management agency funds from project.
- 07-S10—Project eliminated.

Senator Mathews questioned whether the Truckee Meadows-Spanish Springs project would have been included in the statewide project section for the exhibit. The land had been donated and was to revert to the developer if the State did not commit to a project.

Mr. King confirmed the project was not included in the CIP recommendations exhibit. If it were to be included, it could fit under either a construction or planning project.

Senator Mathews was concerned that the land would be reverted. The State had extended the allotted time twice. The cost was \$3.9 million for the planning. Also missing from the exhibit was the University of Nevada, Reno Church Fine Arts Building. Senator Mathews wanted to find out how the projects could be added to the exhibit.

Chairman Arberry suggested she speak with Senator Raggio.

Following up on an earlier question from Mrs. Smith regarding the LEED legislation, Ms. Buckley stated that she believed projects that were underway would be continued with LEED. The current proposal was that LEED would be discontinued for new projects. Before the next legislative session in 2009, the projects would be evaluated and the cost-benefit analysis would be reviewed to determine how to go forward with the LEED program. Mr. King had indicated there was \$11 million in costs for LEED projects underway.

Ms. Buckley's question was whether the Subcommittee was planning to eliminate the proposed LEED costs from the other projects and continue efforts at monitoring and constructing on a case-by-case basis to get the information needed to make an informed decision.

Chairman Arberry said that he believed her understanding of the proposed legislation was correct, and projects underway would continue with LEED.

Senator Mathews requested explanation of why the Truckee Meadows-Spanish Springs land donated to the State was at risk of being lost. The developer would not extend the allotted time a third time.

Assemblyman Marvel agreed that the developer was not likely to grant another extension.

Chairman Arberry was sympathetic to the position of Senator Mathews but noted that because of time constraints, the Subcommittee must close the CIPs as listed on the exhibit. The Chairman recommended unresolved issues could be brought up in the full committee meetings.

Senator Coffin expressed concerns regarding omission of projects from the exhibit.

Chairman Arberry explained that the list was developed by considering items discussed in hearings, recommendations of the Governor, PWB and staff, and funds available for the projects.

Senator Mathews reiterated her concern that the Truckee Meadows-Spanish Springs project was not on the list and the donated land would be lost.

Assemblyman Marvel agreed with Senator Mathews stating he did not recall subcommittee discussion of the Truckee Meadows-Spanish Springs project.

Ms. Buckley believed the university system ranked the projects and presented them to the PWB. The PWB presented the projects to the Governor. It appeared that the Truckee Meadows-Spanish Springs project was not on the list of Governor's recommendations. If the Subcommittee chose, the project could be added but it would have to replace a project on the list.

Chairman Arberry requested a motion to accept the construction projects as they appeared on [Exhibit C](#).

ASSEMBLYWOMAN BUCKLEY MOVED TO ACCEPT THE
COMPILATION OF CAPITAL IMPROVEMENT PROGRAM
PROJECTS, AND TO:

1. ELIMINATE THE STEWART CONSERVATION CAMP.
2. ADD ONE HOUSING UNIT INCLUDING INFIRMARY AND
CULINARY FACILITY AT THE SOUTHERN DESERT
CORRECTIONAL CENTER.
3. INCLUDE PLANNING FOR ONE HOUSING UNIT INCLUDING
INFIRMARY AND CULINARY FACILITY AT THE SOUTHERN
DESERT CORRECTIONAL CENTER.
4. ADD FOUR ADDITIONAL BEDS AT DESERT WILLOW
CORRECTIONAL FACILITY.
5. ELIMINATE LEED SAVINGS TO BE CONSISTENT WITH
ASSEMBLY BILL 621 (R1) WITH THE EXCEPTION OF THE
GREENSPUN AND DESERT RESEARCH INSTITUTE CAVE™
BUILDING.
6. INCLUDE PLANNING MONEY FOR NEVADA STATE
COLLEGE NURSING PROGRAM.

SENATOR CEGAVSKE SECONDED THE MOTION.

Chairman Arberry invited discussion on the motion.

Ms. Buckley wanted to make it clear that during subcommittee meetings she had pointed out to the university system that if funds were approved the construction would be moved forward without the State committing additional state funds.

Executive Vice Chancellor Daniel Klaich, Nevada System of Higher Education, stated that Ms. Buckley was correct and the university system understood.

Following the request for additional comments or questions, Chairman Arberry asked the Subcommittee for a vote on the motion currently on the floor.

THE MOTION PASSED IN THE ASSEMBLY WITH ASSEMBLYMAN
MARVEL VOTING AGAINST.

THE MOTION FAILED IN THE SENATE WITH SENATOR COFFIN
AND SENATOR MATHEWS VOTING AGAINST. (Senator Raggio
was not present for the vote.)

Chairman Arberry invited alternate motions. There being none, Chairman Arberry requested the Subcommittee consider the maintenance items.

ASSEMBLYWOMAN BUCKLEY MOVED TO ACCEPT THE
COMPILATION OF CAPITAL IMPROVEMENT PROGRAM
MAINTENANCE ITEMS AS LISTED ON [EXHIBIT C](#).

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED.

Chairman Arberry requested a motion on the planning items.

ASSEMBLYWOMAN BUCKLEY MOVED TO ACCEPT THE
COMPILATION OF CAPITAL IMPROVEMENT PROGRAM PLANNING
ITEMS AS LISTED ON [EXHIBIT C](#).

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION PASSED IN THE ASSEMBLY WITH ASSEMBLYMAN
MARVEL VOTING AGAINST.

THE MOTION FAILED IN THE SENATE WITH SENATOR COFFIN
AND SENATOR MATHEWS VOTING AGAINST. (Senator Raggio
was not present for the vote.)

Chairman Arberry requested a motion on the statewide projects.

ASSEMBLYWOMAN BUCKLEY MOVED TO ACCEPT THE
COMPILATION OF CAPITAL IMPROVEMENT PROGRAM
STATEWIDE PROJECTS AS LISTED ON [EXHIBIT C](#).

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED.

BUDGET CLOSED.

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Following a short recess, Chairman Arberry called the meeting to order at 4:16 p.m. announcing that the next item open for discussion was the Capital Improvement Program (CIP) Request for Project Extensions for Projects with a 2007 Reversion Date ([Exhibit E](#)).

Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), described the exhibit as a list of projects that had requested to have reversion dates extended for two years. Mr. King described the projects on the list as follows:

- 01-C07—Veterans' Cemetery Expansion, phase 4.
- 01-C12—National Guard Rural Armory Renovations.
- 01-C15—Planning, Design, and Utility Infrastructure for Science and Engineering Complex at University of Nevada, Las Vegas (UNLV).
- 01-C23—Wright Hall Addition and Renovation, UNLV.
- 01-C24—New Campus Library, University of Nevada, Reno (UNR).
- 01-C25—Academic and Student Services Building, Nevada State College (NSC).
- 01-M13—Replace door locks on housing units at Caliente Youth Center.
- 03-C09—New Department of Motor Vehicles (DMV) field services office in North Las Vegas.
- 03-C12—Rehabilitate state fish hatcheries, phase 2.
- 03-C17—New metal building for recreational use at Caliente Youth Center.
- 03-C23—UNLV Science Engineering and Technology complex construction.

- 03-C91L—Maxey Science Center, building renovations and addition, Desert Research Institute (DRI).
- 03-M02—Repair exterior sidewalks at Grant Sawyer Building.
- 03-M26—Renovate swimming pool at the Caliente Youth Center.
- 03-M27—Renovate heating systems in cottages at Caliente Youth Center.
- 03-M27A—Replace hot water tanks in cottages at Caliente Youth Center.
- 03-S03—Statewide fire sprinkler program.
- 03-S06—Statewide asbestos, lead, mold, indoor air quality program.
- 97-C15—Lied Library.

Chairman Arberry requested a motion on the approval of the extension.

ASSEMBLYMAN MARVEL MOVED TO ACCEPT THE CAPITAL IMPROVEMENT PROGRAM REQUEST FOR PROJECT EXTENSIONS.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION PASSED. (Senator Mathews and Senator Raggio were not present for the vote.)

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PUBLIC WORKS BOARD

ADMINISTRATION (101-1560) – BUDGET PAGE ADMIN-106

Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented a brief overview of budget account (BA 1560) noting that it was the administrative budget for the Public Works Board (PWB).

The major closing item was an electronic plan and specifications storage contract for \$80,000 to provide a web-based electronic document storage and retrieval system for the PWB's building plans and specifications documents, including the conversion of paper documents to a format suitable for electronic storage. Continued funding for the expenditure should have been budgeted as an enhancement decision unit and not in the agency's base budget. Staff recommended approving continued funding based upon the functionality provided by the electronic document repository and the proprietary nature of the product.

Chairman Arberry invited comments or motions.

ASSEMBLYMAN MARVEL MOVED TO ACCEPT STAFF RECOMMENDATIONS.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED. (Senator Raggio and Assemblywoman Buckley were not present for the vote.)

Mr. King noted there were no other major closing issues in the account, but there were other closing items to discuss.

Decision unit E710 was a request for \$7,893 in fiscal year (FY) 2008 and \$4,539 in FY 2009 for replacement equipment. The request appeared

reasonable, and staff recommended approval of the decision unit as submitted by the Governor.

Decision unit E720 was a request for \$2,063 in FY 2008 and \$700 in FY 2009 for cost estimating software, distance measuring equipment, and tools for the facility-condition analysis program. The request appeared reasonable, and staff recommended approval of the decision unit as submitted by the Governor.

Decision unit E813 requested \$17,779 in FY 2008 and \$18,306 in FY 2009 for a salary adjustment for the agency's unclassified positions to correct salary inequities that resulted from the addition of a step ten to the classified employee's salary schedule by the 2005 Legislature. The Unclassified Salary Subcommittee would review the recommended salary of these positions.

SENATOR CEGAVSKE MOVED TO ACCEPT GOVERNOR
RECOMMENDATIONS.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED. (Senator Raggio and Assemblywoman
Buckley were not present for the vote.)

BUDGET CLOSED.

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PUBLIC WORKS BOARD
INSPECTION (401-1562) – BUDGET PAGE ADMIN-111

Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented a brief overview of budget account (BA 1562) stating that it was the inspection budget for the Public Works Board (PWB). Mr. King noted there were three major closing items in the budget.

The first major closing issue was the new project management and inspection positions. The Governor recommended 15 new positions, including three administrative assistants, an accounting assistant, an accountant technician, four building construction inspector 3s, five project manager 2s, and one project manager 3. On March 14, 2007, budget amendment no. 46 was submitted by the Budget Division that modified the Governor's original recommendation by deleting two positions, an administrative assistant and an accounting assistant, from the recommendation. The modification reduced the recommended funding by approximately \$170,000 for the 2007-09 biennium.

Six new project manager positions, or an increase of 40 percent, were recommended by the Governor. Staff noted project managers were currently working on projects from the ongoing 2003 and 2005 Capital Improvement Program (CIP). Staff estimated that the need for the 2007 CIP alone was 99,460 hours.

The number of building inspector positions was recommended to increase by 23 percent from 21 to 26 positions. The agency estimated that to complete the recommended 2007 CIP, 120,389 hours of inspection time was needed. The agency indicated that additional inspection positions may be requested during the 2007-09 biennium if recruitment efforts to fill the recommended positions were successful. Based upon information provided by the agency, the

recommendation to establish the new project managers, building construction inspectors, and three support staff appeared reasonable to staff. Subcommittee must decide whether it wishes to approve the establishment of six new project managers, four new building construction inspectors, two administrative assistants, and an accountant technician position to complete the 2007 CIP.

SENATOR CEGAVSKE MOVED TO ACCEPT STAFF RECOMMENDATIONS.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION PASSED. (Senator Raggio and Assemblywoman Buckley were not present for the vote.)

Mr. King continued with major closing issue two, the unclassification of project manager positions. The Governor recommended \$234,762 in FY 2008 and \$230,859 in FY 2009 to move the agency's existing project manager positions from the classified to the unclassified service. On April 18, 2007, the Budget Division submitted budget amendment no. 103 that modified the Governor's original recommendation by adding an existing project manager 3 that was inadvertently omitted from decision unit E806. The agency stated that moving the positions to the unclassified service was appropriate given the responsibilities and professional nature of the position's duties. Staff confirmed that the Department of Personnel supported the movement of the positions to the unclassified service. The project manager positions previously noted in decision unit E253 were recommended to be included in the recommendation.

Staff noted that the agency had indicated a 5 percent salary increase was an appropriate premium to pay for the movement of the positions to the unclassified service. If the Subcommittee wished to approve the movement of the project manager positions to the unclassified service, staff recommended that the six project manager 3 positions affected by the recommendation be placed in the next lower unclassified salary tier to provide for a one-tier difference between the project manager 2 and project manager 3 positions versus a two-tier difference. This recommendation resulted in a salary increase for project manager 2 and project manager 3 positions of 5.2 and 4.7 percent, respectively.

SENATOR CEGAVSKE MOVED TO ACCEPT STAFF RECOMMENDATIONS.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION PASSED. (Senator Raggio and Assemblywoman Buckley were not present for the vote.)

The third and final major closing item was the addition of \$200,000 in each year of the 2007-09 biennium for contractual funding to retain outside legal counsel for construction-related claims consulting. Budget amendment no. 46 was submitted by the Budget Division to transfer the funding to the Attorney General's office in lieu of using the funding for outside legal counsel. Staff noted that it was unknown whether the proposal to transfer the recommended funding to the Attorney General's office eliminated the need to retain outside legal counsel for construction-related claims.

SENATOR CEGAVSKE MOVED TO ACCEPT STAFF RECOMMENDATIONS.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED. (Senator Raggio and Assemblywoman Buckley were not present for the vote.)

Mr. King continued with the other closing items for BA 1562. Decision unit E814 was a 9.5 percent increase, or two pay-grades, for building construction inspector positions. The recommendation appeared reasonable to staff.

ASSEMBLYMAN MARVEL MOVED TO ACCEPT GOVERNOR RECOMMENDATIONS.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION PASSED. (Senator Raggio and Assemblywoman Buckley were not present for the vote.)

Mr. King continued with decision unit E275. The Governor recommended \$32,476 in FY 2008 and \$2,553 in FY 2009 for Primavera-Expedition Software (\$30,000 in FY 2008) and DoIT server-hosting services. The request appeared reasonable to staff.

SENATOR CEGAVSKE MOVED TO ACCEPT GOVERNOR RECOMMENDATIONS.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION PASSED. (Senator Raggio and Assemblywoman Buckley were not present for the vote.)

Mr. King continued with decision unit E720. The Governor recommended \$60,783 in FY 2008 and \$2,144 in FY 2009 for new equipment. The request appeared reasonable to staff.

ASSEMBLYMAN MARVEL MOVED TO ACCEPT GOVERNOR RECOMMENDATIONS.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

Mr. King continued with other closing items as follows:

- In decision unit E251, the Governor recommended \$60,800 in FY 2008 and \$300 in FY 2009 for building code books from the International Code Council. The request appeared reasonable to staff.
- In decision unit E710, the Governor recommended \$85,997 in FY 2008 and \$34,432 in FY 2009 for replacement equipment. The request appeared reasonable to staff.
- In decision unit E252, the Governor recommended \$10,000 in each year of the biennium for on-site construction claims management training that

was intended to help improve project manager performance. The recommendation appeared reasonable to staff.

- In decision unit E807, the Governor recommended the reclassification of a construction project coordinator 3 position to a building inspector 4 classification. The recommendation appeared reasonable to staff.

For the information of the Subcommittee, Mr. King pointed out that Senate Bill (S.B.) 387 (R1), made various modifications to the statutes which governed the PWB, including the establishment of a new deputy manager position. Staff recommended that should the deputy manager for code compliance and enforcement be established, inspection fees should provide the funding for the position.

ASSEMBLYMAN MARVEL MOVED TO ACCEPT GOVERNOR
RECOMMENDATIONS FOR DECISION UNITS E251, E710, E252
AND E807.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

There being no further comments or questions, Chairman Arberry adjourned the Subcommittee at 4:29 p.m.

RESPECTFULLY SUBMITTED:

Linda Blevins
Committee Secretary

APPROVED BY:

Assemblyman Morse Arberry, Chair

DATE: _____

Senator William J. Raggio, Chair

DATE: _____

EXHIBITS			
Committee Name: <u>Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on Higher Education/CIP</u>			
Date: <u>May 28, 2007</u>		Time of Meeting: <u>3:15 p.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A	-----	Agenda
	B	-----	Attendance roster
	C	Eric King, Program Analyst	CIP Recommendations for the 2007-09 biennium
	D	Eric King, Program Analyst	Prior NSHE CIP
	E	Eric King, Program Analyst	CIP Project Extensions