

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

**Seventy-Fourth Session
May 29, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 10:33 a.m., on Tuesday, May 29, 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
Bob Atkinson, Senior Program Analyst
Brian Burke, Senior Program Analyst
Mindy Martini, Program Analyst
Anne Bowen, Committee Secretary
Patricia Adams, Committee Assistant

Chairman Arberry called the meeting to order and adjourned the meeting of May 28, 2007.

Chairman Arberry introduced the following bill draft request:

- BDR S-1511—Established for the next biennium the amount to be paid to the Public Employees' Benefits Program for group insurance for certain active and retired public officers and employees (later introduced as [Assembly Bill 626](#)).

ASSEMBLYWOMAN McCLAIN MOVED INTRODUCTION OF
BDR S-1511.



ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED.

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Chairman Arberry recessed the meeting at 10:34 a.m. and reconvened the meeting at 4:05 p.m.

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

THE SUBCOMMITTEE HAS COMPLETED ITS REVIEW OF THE NEVADA SYSTEM OF HIGHER EDUCATION BUDGETS. THE FOLLOWING REPORT HIGHLIGHTS THE MORE SIGNIFICANT ACTIONS TAKEN BY THE ASSEMBLY SUBCOMMITTEE THAT SAVED \$24.5 MILLION FOR THE BIENNIUM. THE SENATE AND ASSEMBLY SUBCOMMITTEES CLOSED DIFFERENTLY ON A NUMBER OF ITEMS.

Assemblyman Arberry said that as the Chairman of the Joint Subcommittee he would like to suggest several closing modifications to reach consensus with the Senate that would lower savings to \$14.8 million for the biennium.

ENROLLMENTS/FORMULA FUNDING AND HOLD-HARMLESS: THE GOVERNOR PROJECTED A CONTINUED SLOWDOWN IN ENROLLMENT GROWTH. AT THE 85.5 PERCENT FORMULA FUNDING LEVEL, THE GOVERNOR'S BUDGET HELD SEVERAL CAMPUSES HARMLESS, AT A COST OF NEARLY \$9.0 MILLION PER YEAR.

THE SUBCOMMITTEE REDUCED STUDENT ENROLLMENT ESTIMATES BY 2,717 FTE IN FY 2008 AND 3,821 IN FY 2009. AS A RESULT, STUDENT REGISTRATION FEE AND TUITION REVENUES DROPPED BY A TOTAL OF \$28.9 MILLION FOR THE 2007-09 BIENNIUM. THE NET HOLD-HARMLESS CALCULATION INCREASED TO \$24.8 MILLION IN FY 2008 AND \$26.4 MILLION IN FY 2009. THE SUBCOMMITTEE MADE ADJUSTMENTS THAT DECREASED FORMULA FUNDING BASED ON REDUCED ENROLLMENTS AND THEN REDISTRIBUTED GENERAL FUND SAVINGS TO HOLD-HARMLESS CAMPUSES AT EQUAL PERCENTAGES.

THE SUBCOMMITTEE REMOVED \$2.0 MILLION IN GENERAL FUND FROM THE HOLD-HARMLESS REDISTRIBUTION.

Assemblyman Arberry said that as the chairman of the Joint Subcommittee, he would instead recommend that the Committee restore \$2 million to the redistribution.

FEE ALLOCATIONS LETTER OF INTENT: THE 2005 MONEY COMMITTEES COMMUNICATED VIA LETTER OF INTENT, THAT ANY REGENT-APPROVED FEE ALLOCATIONS TO THE STATE-SUPPORTED BUDGET BELOW FY 2007 CUMULATIVE PERCENTAGES MAY NOT BE SUPPORTED IN CORRESPONDING

GENERAL FUND APPROPRIATIONS. THE SUBCOMMITTEE NOTED THAT FEE DISTRIBUTIONS FOR THE 2007-09 BIENNIUM FELL BELOW THE ESTABLISHED LEVELS. THE SUBCOMMITTEE DEFERRED ACTION ON THIS ITEM.

Assemblyman Arberry recommended that the Committee add fees at the Letter of Intent percentage, but not remove the General Fund appropriations. Mr. Arberry said this action would place \$11.8 million in student fee revenues within the state-supported operating budget for the biennium.

WORKFORCE DEVELOPMENT GRANT (E-179): TO ADDRESS BUDGET CUT TARGETS, THE SUBCOMMITTEE DENIED THE GOVERNOR'S RECOMMENDATION OF \$3.0 MILLION IN FY 2008 AND \$4.0 MILLION IN FY 2009 FOR WORKFORCE AND ECONOMIC DEVELOPMENT INITIATIVES AT THE COMMUNITY COLLEGES.

MEDICAL RISK MANAGEMENT AND MALPRACTICE (E-250): THE SUBCOMMITTEE DENIED \$78,272 IN FY 2008 AND \$142,460 IN FY 2009 TO FUND MEDICAL RISK MANAGEMENT AND MALPRACTICE COSTS.

IN A RELATED MATTER, AT THE MARCH 21, 2007, INTERIM FINANCE COMMITTEE (IFC) MEETING, THE MEDICAL SCHOOL PROPOSED TO USE FY 2007 MALPRACTICE INSURANCE SAVINGS OF \$602,989 TO PROVIDE MALPRACTICE TAIL COVERAGE FOR PHYSICIANS RECRUITED TO THE SCHOOL. THE IFC DID NOT APPROVE THE REQUEST. THE SUBCOMMITTEE DENIED THE USE OF FY 2007 SAVINGS FOR TAIL COVERAGE.

THE SUBCOMMITTEE APPROVED A LETTER OF INTENT FOR THE 2007-09 BIENNIUM, DIRECTING NSHE TO EITHER APPROACH THE IFC FOR PRIOR APPROVAL TO SPEND ANY MALPRACTICE PREMIUM SAVINGS THAT MAY ACCRUE, OR TO REVERT ANY POTENTIAL PREMIUM SAVINGS.

DRI INSTITUTIONAL SUPPORT (E-253): THE SUBCOMMITTEE DENIED THE GOVERNOR'S RECOMMENDATION TO APPROPRIATE \$949,904 IN FY 2008 AND \$959,376 IN FY 2009 TO PROVIDE SALARY AND BENEFITS FOR THREE EXISTING VICE PRESIDENT POSITIONS, A CHIEF INFORMATION OFFICER (CIO) POSITION AND FOUR ADMINISTRATIVE SUPPORT POSITIONS AT DRI.

Assemblyman Arberry stated that to reach a consensus with the Senate Finance Committee he would suggest that, instead, the Committee appropriate \$300,000 per each year of the biennium for this purpose.

WESTERN UNDERGRADUATE EXCHANGE (E-300): UNR EXPERIENCED DECREASES IN NON-RESIDENT TUITION REVENUES RESULTING FROM THE ADDITION OF CALIFORNIA WESTERN UNDERGRADUATE EXCHANGE STUDENTS. THE GOVERNOR PROPOSES TO ADD APPROPRIATIONS OF \$1.6 MILLION PER YEAR TO UNR'S BUDGETS, WITH CORRESPONDING TUITION REDUCTIONS. THE GOVERNOR'S BUDGET ALSO ADDS GENERAL FUND APPROPRIATIONS OF \$525,599 IN FY 2008 AND \$582,998 IN FY 2009 AT UNLV FOR

NON-RESIDENT TUITION LOSSES UNRELATED TO THE CALIFORNIA WUE ISSUE.

THE SUBCOMMITTEE DENIED THIS MODULE. HOWEVER, STAFF NOTES A PARTIAL CONFLICT WITH THE CLOSING ACTION ON FORMULA AND HOLD-HARMLESS REDISTRIBUTIONS THAT RELIED IN PART ON THE SAVINGS ADJUSTMENTS IN THIS MODULE. STAFF HAS UPDATED THE ATTACHED SUMMARY TABLE TO REFLECT THE NECESSARY ADJUSTMENTS TO MAKE THE TWO CLOSING ACTIONS CONSISTENT AND TO REFLECT THE NET SAVINGS AT BOTH UNR AND UNLV.

P-21 COUNCIL AND COLLEGE GOAL SUNDAY (E-308): TO ADDRESS BUDGET REDUCTION TARGETS, THE SUBCOMMITTEE DENIED THE GOVERNOR'S RECOMMENDATION TO PROVIDE \$200,000 PER YEAR FOR COLLEGE GOAL SUNDAY OPERATING FUNDING AND STAFF FOR THE P-21 COUNCIL.

CHRONIC FATIGUE SYNDROME (E-325): THE SUBCOMMITTEE DENIED GENERAL FUND APPROPRIATIONS OF \$400,000 IN FY 2008 AND \$600,000 IN FY 2009 TO THE MEDICAL SCHOOL FOR CHRONIC FATIGUE RESEARCH.

Assemblyman Arberry suggested, to reach consensus with the Senate, that the Committee approve the chronic fatigue funding.

DRI GROUNDWATER STUDY (E-350): THE SUBCOMMITTEE DENIED THE GOVERNOR'S RECOMMENDATION TO APPROPRIATE \$1.0 MILLION PER YEAR TO MAP AND STUDY NEVADA'S GROUNDWATER RESOURCES.

NEVADA SCHOLARS PROGRAM (E-425): THE SUBCOMMITTEE DENIED THE RECOMMENDATION FOR \$100,000 PER YEAR AT BOTH UNR AND UNLV FOR THE NEVADA SCHOLARS SCHOLARSHIP AND MENTORSHIP PROGRAM.

NYE COUNTY SERVICE AREA TRANSFER (E-500 & E-900): THE BOARD OF REGENTS TRANSFERRED THE NYE COUNTY SERVICE AREA FROM CCSN TO GBC. NSHE INFORMED THE IFC OF THE TRANSFER ON THE JUNE 13, 2006. THE SUBCOMMITTEE APPROVED THE TRANSFER WITH ADJUSTMENTS BUT DENIED FUNDING FOR THE COST INCREASE AT GBC.

To reach a consensus with the Senate, Assemblyman Arberry suggested that the Committee approve funding for the cost increase at GBC.

UNLV INTERCOLLEGIATE ATHLETICS OPERATING TRANSFER (E-900): THE SUBCOMMITTEE APPROVED THE GOVERNOR'S PROPOSAL TO TRANSFER FUNDING FOR SUPPORT OF ATHLETIC FACILITIES FROM THE UNLV MAIN CAMPUS ACCOUNT TO THE UNLV INTERCOLLEGIATE ATHLETICS ACCOUNT. THE SUBCOMMITTEE AUTHORIZED STAFF TO MAKE THE CLOSING ADJUSTMENTS NECESSARY TO FULLY TRANSFER FUNDING.

UNLV PARADISE LEASE INFLATION (M-103): THE GOVERNOR RECOMMENDS \$1.57 MILLION PER YEAR FOR LEASE COST INCREASES ON THE PARADISE SCHOOL PROPERTY.

NSHE APPEALED THE INCREASE TO CLARK COUNTY. THROUGHOUT THE SESSION, THE SUBCOMMITTEE ATTEMPTED TO DETERMINE THE FINAL AMOUNT FOR THE LEASE. HOWEVER, NSHE STATED REPEATEDLY THAT NEGOTIATIONS WERE ONGOING AND A FINAL APPEAL AGREEMENT HAD NOT BEEN REACHED. NOTING THE CONTINUED UNCERTAINTY, THE SUBCOMMITTEE APPROVED THE GOVERNOR'S FUNDING RECOMMENDATION WITH A LETTER OF INTENT DIRECTING NSHE TO REVERT ANY UNSPENT PORTION OF THE LEASE FUNDING AND PROHIBITING USE FOR OTHER PURPOSES. THE SUBCOMMITTEE DIRECTED NSHE TO REPORT TO THE IFC ON THE RESULTS OF ANY NEGOTIATIONS.

NEW SPACE OPERATIONS AND MAINTENANCE (O&M, M-201): THE GOVERNOR RECOMMENDS \$8.17 MILLION IN FY 2008 AND \$13.53 MILLION IN FY 2009 FOR O&M COSTS RELATED TO NEW SPACE. THE SUBCOMMITTEE APPROVED THE RECOMMENDATIONS WITH MODIFICATIONS TO OCCUPANCY DATES, SQUARE FOOTAGE AND ACREAGE ESTIMATES. THE SUBCOMMITTEE ALSO ADDED O&M SUPPORT FOR THE NEW BUILDING AT NEVADA STATE COLLEGE. THE SUBCOMMITTEE'S ACTIONS YIELD GENERAL FUND SAVINGS OF \$996,859 IN FY 2008 AND \$44,880 IN FY 2009 (\$1.04 MILLION FOR THE BIENNIUM).

THE SUBCOMMITTEE ALSO REMOVED STATE O&M SUPPORT FOR THE SPACE IN UNR'S JOT TRAVIS BUILDING THAT WILL BE OCCUPIED BY THE DAVIDSON ACADEMY RESULTING IN ADDITIONAL FY 2009 SAVINGS OF \$242,088.

NEW SPACE RENTALS (M-201 AND M-202): THE SUBCOMMITTEE APPROVED THE GOVERNOR'S NEW SPACE RENTAL RECOMMENDATIONS WITH REDUCTIONS OF \$100,830 PER YEAR AT CCSN AND \$59,110 PER YEAR AT DRI. THE SUBCOMMITTEE ADDED \$29,332 IN FY 2008 AND \$30,108 IN FY 2009 FOR GBC VOCATIONAL TRAINING SPACE IN ELKO.

ATHLETIC FEE PAYMENTS (M-203): THE SUBCOMMITTEE REDUCED THE GOVERNOR'S ATHLETIC FEE AND TUITION COST INCREASES BY \$39,670 IN FY 2008 AND \$40,436 IN FY 2009 TO REFLECT UPDATED ESTIMATES AT UNLV. TO BE CONSISTENT WITH THE ACTIONS TAKEN BY THE 2005 LEGISLATURE, THE SUBCOMMITTEE COMPLETELY REMOVED ATHLETIC FEE WAIVERS AND INSTEAD REFLECTED THE COSTS AS DIRECT APPROPRIATIONS IN THE INTERCOLLEGIATE ATHLETICS ACCOUNTS. TO ADDRESS NSHE'S CONCERNS REGARDING POTENTIAL RESIDENT/NON-RESIDENT IMBALANCES, THE SUBCOMMITTEE APPROVED THE FOLLOWING:

- ISSUE A LETTER OF INTENT AUTHORIZING NSHE TO WAIVE FEES FOR UNIVERSITY STUDENT ATHLETES THAT MAY FALL OUTSIDE THE DIRECT APPROPRIATION, BUT
- REQUIRE NSHE TO BUILD THE WAIVED FEES BACK INTO ITS BASE BUDGETS DURING THE NEXT BUDGET CYCLE; AND
- REQUIRE NSHE TO SEEK DIRECT APPROPRIATIONS TO REPLACE ANY REVENUES THUS WAIVED VIA AN ENHANCEMENT

REQUEST, NOTING THAT SUCH REPLACEMENT IS NOT GUARANTEED.

INFLATION (M-101): THE GOVERNOR RECOMMENDS \$488,442 IN FY 2008 AND \$729,045 IN FY 2009 TO COVER INFLATIONARY INSURANCE COSTS, INCLUDING PROPERTY AND CONTENTS, ALLIED HEALTH, VEHICLE LIABILITY, AND COMPREHENSIVE AND COLLISION. THE SUBCOMMITTEE APPROVED THE RECOMMENDATION WITH GENERAL FUND REDUCTIONS OF \$3,827 PER YEAR. STAFF NOTES ADDITIONAL REDUCTIONS OF \$17,729 IN FY 2008 AND \$18,616 IN FY 2009 ARE NEEDED AS TECHNICAL ADJUSTMENTS.

UNLV RECHARGE INFLATION (M-102): THE SUBCOMMITTEE APPROVED O&M RECHARGE FUNDING RECOMMENDATIONS WITH CORRECTIONS THAT ADDED APPROPRIATIONS OF \$295,833 IN FY 2008 AND \$291,820 IN FY 2009.

REDFIELD HIGH TECH CENTER O&M (M-204 & M-205): THE SUBCOMMITTEE CONCURS WITH THE GOVERNOR'S RECOMMENDATION TO RETAIN FUNDING IN TMCC'S BUDGET FOR HIGH TECH CENTER O&M COSTS THAT WILL BE USED TO PAY UNR FOR O&M SERVICES VIA A RECHARGE MECHANISM.

COST-OF-LIVING ADJUSTMENTS (M-304): THE GOVERNOR'S COLA RECOMMENDATION INCLUDES \$1.1 MILLION FOR PART-TIME INSTRUCTORS AT THE COMMUNITY COLLEGES. THE SUBCOMMITTEE APPROVED A LETTER OF INTENT TO REINFORCE THAT NSHE SHOULD USE THE FUNDING SOLELY TO INCREASE PART-TIME INSTRUCTOR SALARIES. THE SUBCOMMITTEE APPROVED THE GOVERNOR'S MAINTENANCE ITEMS RECOGNIZING THE SUBCOMMITTEE'S ACTIONS ON INDIVIDUAL MODULES.

PROFESSIONAL MERIT: THE GOVERNOR'S BUDGET DID NOT INCLUDE THE MERIT EXCLUSION ADDED BY THE 2005 LEGISLATURE AND DID NOT CORRECTLY CALCULATE MERIT-RELATED COLA. THE SUBCOMMITTEE MADE THE NECESSARY ADJUSTMENTS THAT RESULT IN NET SAVINGS OF \$197,635 IN FY 2008 AND \$231,276 IN FY 2009. THE SUBCOMMITTEE ALSO MODIFIED THE MERIT POOL PERCENTAGE FROM 2.5 PERCENT TO 2.0 PERCENT, NETTING ADDITIONAL SAVINGS OF \$1.7 MILLION IN FY 2008 AND \$3.5 MILLION IN FY 2009.

To reach consensus with the Senate, Assemblyman Arberry suggested that the merit pool percentage be restored to 2.5 percent.

NATIONAL DIRECT STUDENT LOAN (NSHE-17): THE SUBCOMMITTEE APPROVED \$50,904 PER YEAR TO CONTINUE THE NATIONAL DIRECT STUDENT LOAN PROGRAM BASED ON STUDENT REPAYMENTS, INTEREST COLLECTIONS, AND STATE FUNDING. FEDERAL CONTRIBUTIONS ARE NO LONGER PROVIDED. THE SUBCOMMITTEE AUTHORIZED NSHE TO RETAIN THE FY 2007 APPROPRIATION OF \$50,904.

SYSTEM ADMINISTRATION AUDIT CONTRACT: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO INCREASE THE COST OF THE INDEPENDENT AUDIT CONTRACT. NSHE INDICATED THE NEW CONTRACT WAS COMPETITIVELY BID AND THE COST WAS \$250,000 LESS THAN THE OTHER FINALIST OVER THE THREE YEARS OF THE CONTRACT.

MEDICAL SCHOOL RESIDENCY FUNDING REALLOCATION IGT: THE 2005 LEGISLATURE APPROVED GENERAL FUND APPROPRIATIONS OF \$1.28 MILLION IN FY 2006 AND \$2.55 MILLION IN FY 2007 TO EXPAND THE NUMBER OF STATE-FUNDED PHYSICIAN TRAINEES BY 17 PER YEAR (34 TOTAL). THE RESIDENT PHYSICIAN APPROPRIATION APPROVED BY THE 2005 LEGISLATURE WOULD BE CONTINUED FOR FACULTY AND RELATED RESIDENT SUPPORT COSTS, INTER-GOVERNMENTAL TRANSFER (IGT) AND DIRECT FUNDING OF RESIDENTS. THE UNIVERSITY OF NEVADA SCHOOL OF MEDICINE NOTES THAT THE ENHANCED FUNDING GENERATED BY THE IGT WOULD BE REFLECTED IN NSHE'S SELF-SUPPORTING ACCOUNTS. THE SUBCOMMITTEE FORMALLY AUTHORIZED THE SCHOOL OF MEDICINE TO CONTINUE TO USE THE RESIDENCY FUNDING AUTHORIZED BY THE 2005 LEGISLATURE PURSUANT TO ITS REVISED PLAN.

BUDGET AMENDMENT – WOMEN'S RESEARCH INSTITUTE OF NEVADA: ASSEMBLY BILL 580 OF THE 2005 LEGISLATURE APPROPRIATED ONE-TIME FUNDING OF \$150,000 IN EACH YEAR OF THE 2005-07 BIENNIUM TO SUPPORT THE WOMEN'S RESEARCH INSTITUTE OF NEVADA (WRIN) AT UNLV. THE EXECUTIVE BUDGET RECOMMENDED NO ONGOING FUNDING FOR THE WRIN. HOWEVER, THE GOVERNOR SUBMITTED A BUDGET AMENDMENT TO ADD ONGOING FUNDING TO UNLV'S STATEWIDE PROGRAMS ACCOUNT.

THE SUBCOMMITTEE DENIED THE BUDGET AMENDMENT THAT WOULD HAVE ADDED GENERAL FUND APPROPRIATIONS OF \$99,876 IN FY 2008 AND \$112,686 IN FY 2009 FOR THE WRIN. THE SUBCOMMITTEE NOTED THAT ASSEMBLY BILL 309 WOULD APPROPRIATE \$200,000 ANNUALLY FOR THIS PURPOSE.

Vice-Chairwoman Leslie indicated she would entertain a motion to accept the amended closing report from the Joint Subcommittee on Higher Education/CIP.

ASSEMBLYWOMAN BUCKLEY MOVED APPROVAL OF THE AMENDED CLOSING REPORT FOR THE NEVADA SYSTEM OF HIGHER EDUCATION.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED.

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Assemblyman Marvel asked whether all differences with the Senate had been reconciled, and Assemblyman Arberry replied that was correct.

Assemblywoman Buckley said it was her understanding that the letter of intent funding had been restored because of enrollment decreases and as a way to ensure that none of the campuses would be harmed. However, she said that was not to be a signal that the Senate and Assembly had reversed their position on the fees. Ms. Buckley asked Assemblyman Arberry if that was his understanding as well, and he replied that it was.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB) explained that to save time Budget Account (BA) 2610 and BA 2615 were being presented to the full Committee rather than through the regular subcommittee process.

Distributive School Account-101-2610 (K-12 ED-1)

Bob Atkinson, Senior Program Analyst, Fiscal Analysis Division, LCB, explained that there were two items in the Distributive School Account (DSA) in which recommendations had not been developed by the Subcommittee and one item for which staff would like clarification.

Mr. Atkinson said the first item that received no recommendation from the Subcommittee was the high-impact and at-risk retirement credits reallocated to empowerment schools. *Nevada Revised Statutes* 391.165 required the board of trustees of each school district to purchase one-fifth of a year service credit for each year a teacher is employed at a school that had been designated as demonstrating the need for improvement or had at least 65 percent of the pupils enrolled on free or reduced lunch status.

Mr. Atkinson said The Executive Budget recommended funding of \$29.7 million in FY 2007-08 and \$31.1 million in FY 2008-09 be reallocated to fund a new program of empowerment schools. Staff recommended that the amount included in the Governor's recommendations in FY 2007-08 be reduced by \$6,723,370, if the Committee elected to continue the retirement credit program. Mr. Atkinson noted that the amounts recommended in FY 2009 were correct as listed in The Executive Budget. Pending a decision on what would be done with funding of empowerment schools and the retirement credits, Mr. Atkinson recommended that funding be reduced by \$6,723,370.

The second issue not decided by the subcommittee, according to Mr. Atkinson, was language regarding the "fencing" requirements in textbooks. Textbooks, instructional supplies, and instructional hardware were fenced off. Mr. Atkinson said if the funding was not spent for those items the districts were required to return the funding to the DSA. The school districts had indicated a number of concerns with the requirement, including large textbook adoptions that could occur in a year and cause the amount to increase substantially. Mr. Atkinson said another concern was purchasing textbooks with funding from sources other than the DSA.

Mr. Atkinson said the issue of funding from other sources than the DSA could be accomplished by removing the reference to basic support where the minimum amount was established in the DSA funding bill each session and no statutory change would be required.

The second issue of large textbook adoptions could be a consideration by the Legislature each session when the minimum required expenditure amount was established in the school funding bill. No statutory change would be required according to Mr. Atkinson.

Mr. Stevens commented regarding the high-impact and at-risk retirement credits that there was approximately \$6.7 million in FY 2008 in excess funds that the Department believed was not needed to make those payments. Mr. Stevens said that money could be reduced without impact to the retirement credits. The Governor had recommended the retirement credit funding for the empowerment program. Mr. Stevens said the Committee would have to make two decisions: (1) whether to retain the one-fifth retirement credit money, and if so, staff would recommend reducing the appropriated amount by \$6,723,370 in FY 2008 only; and (2) whether the Committee wanted to approve funding for the empowerment program, and if so, how much funding and from what account. Staff recommended that if funding were provided for the empowerment program it be included in the Remediation Trust Fund account in whatever amount the Committee deemed appropriate.

Assemblywoman Buckley commented that she believed the retirement credits were critical.

ASSEMBLYWOMAN BUCKLEY MOVED THAT THE RETIREMENT CREDIT PROGRAM BE CONTINUED AND THE \$6,723,370 PORTION THAT WAS NOT UTILIZED BE DECREASED FROM THE TOTAL AMOUNT OF FUNDING.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN SMITH.

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

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ASSEMBLYWOMAN BUCKLEY MOVED TO BEGIN FUNDING 29 EMPOWERMENT SCHOOLS, DIVIDED AMONG CLARK, WASHOE, AND THE RURAL SCHOOL DISTRICTS AND THAT THE SCHOOLS BE FUNDED IN THE REMEDIATION TRUST FUND AT THE 9 MILLION DOLLAR LEVEL THAT WAS DISCUSSED EARLIER.

Mr. Stevens commented that the proposal he had seen provided for 29 schools: 16 schools in Clark County, 5 schools in Washoe County, and 8 schools in other districts. There would also be \$180,000 provided in the first year of the biennium for planning and an additional education consultant position in the Department of Education. Mr. Stevens said the total funding would be \$180,000 for planning, \$84,000 in the first year for the position and \$114,000 in the second year, and in the second year of the biennium, \$8.9 million for schools on a per pupil basis for the empowerment program.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN McCLAIN.
THE MOTION PASSED. (Assemblyman Hardy and Assemblywoman Koivisto were not present for the vote.)

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Mr. Stevens said the second issue was the textbook issue, and Mr. Atkinson had explained the "fencing" issue. Mr. Stevens stated the issue with particular relevance in the upcoming biennium was allowing any funding other than basic support to be counted in meeting the minimum. At the present time, a school district was required to spend the basic support dollars for textbooks and other instructional materials; however, if a school district was able to acquire federal funding for the textbooks, that funding would not be counted toward the minimum requirement.

Mr. Stevens said the suggestion was to allow the minimum spending to be made for the instructional materials, from any funding source, including federal funds.

Assemblyman Marvel asked whether those funds would be fenced off as well, and Mr. Stevens said the fencing language would not change, but it would allow non-DSA funds to be utilized to meet the minimum requirement if a school district could obtain such funds.

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE ALLOWING PURCHASES OF FENCED ITEMS, SUCH AS TEXTBOOKS, INSTRUCTIONAL SUPPLIES, AND INSTRUCTION HARDWARE THAT WERE MADE WITH FUNDING OTHER THAN BASIC SUPPORT TO BE COUNTED IN MEETING THE MINIMUM REQUIREMENT.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

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

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Mr. Atkinson said the Subcommittee had recommended that the hold-harmless provisions be changed to provide that school districts and charter schools with less than 5 percent decline in enrollment would be held harmless for one year and school districts and charter schools with more than 5 percent decline in enrollment would continue the existing two-year hold-harmless. The school districts had requirements to notify teachers by May 1 if the teachers' contracts were not being continued. Mr. Atkinson said on May 1, 2007, the school districts and charter schools had not known if the change in hold-harmless was going to be approved, so contracts were in place for the next school year. Staff recommended changing the effective date of the amendment to the hold-harmless provisions to July 1, 2008.

ASSEMBLYWOMAN SMITH MOVED TO ADOPT THE ONE YEAR HOLD HARMLESS PROVISION WITH THE EFFECTIVE DATE OF JULY 1, 2008.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

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Mr. Stevens explained that because of the revenue projections that had been received, there were substantial General Fund dollars that needed to be added to the DSA. Mr. Stevens requested that Mr. Atkinson explain the changes that had been made.

Mr. Atkinson commented that all of the revenues supporting the DSA had been reprojected. The first reprojecion was for the Local School Support Tax (LSST). Mr. Atkinson said the May 1 sales tax projections from the Economic Forum were used to adjust the LSST projections. These adjustments, when combined with the impact of the Leadership in Energy and Environmental Design (LEED) exemption from the LSST in 2008 and 2009 resulted in LSST projections

that were approximately \$64.7 million and \$53.9 million less than projected at the November 30 Economic Forum meeting for FY 2008 and FY 2009, respectively.

Property tax revenues affected both the calculations of the basic support amount, the "50 cents" [two-thirds share] local revenues outside the DSA, and the amount of the state share, "25 cents" [one-third share] within the DSA. Mr. Atkinson said the Fiscal Analysis Division, working with the Department of Taxation and the Budget Division, had developed projections that were approximately \$27.6 million more than the amount included in The Executive Budget for FY 2007-08 and approximately \$36.4 million more than the amount included for FY 2008-09.

Mr. Atkinson said for the smaller sources of revenue, updated projections were used from the Gaming Control Board for the slot tax, which reduced the DSA portion by \$397,814 in FY 2007-08 and \$474,040 in FY 2008-09. Staff had increased the projection of interest earnings from the Permanent School Fund by \$3.2 million in FY 2007-08 and \$3.5 million in FY 2008-09 and decreased the anticipated revenue from mineral leases on federal lands by \$1.7 million in FY 2007-08 and \$2.0 million in FY 2009-09. Mr. Atkinson said when the revised revenue projections were combined, the additional General Fund support needed in the DSA would be approximately \$36 million for FY 2007-08 and \$16.4 million for FY 2008-09 to maintain the level of support recommended by the Governor.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF THE REVENUE PROJECTIONS AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

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

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Mr. Stevens commented that Mr. Atkinson would present the decisions recommended by the Joint Subcommittee on K-12 and Human Services.

Mr. Atkinson said the Subcommittee had approved the inclusion of the retiree health insurance subsidies in the operating expenditures to be funded through the guaranteed basic support which had no impact on the amount of General Fund in the DSA.

In early childhood education, the Subcommittee approved funding as recommended by the Governor and directed the Department of Education to increase the expected performance level for all outcome indicators for the program. Mr. Atkinson said the Subcommittee also approved a letter of intent directing the Department to provide results concerning the effectiveness of the program in terms of objective statistical analysis.

Mr. Atkinson said the Subcommittee approved funding as recommended by the Governor regarding class-size reduction and directed that the funding for 23.5 teachers for high-risk kindergarten programs be placed in a separate category. The Subcommittee approved a letter of intent requiring the Department to develop criteria for the selection of schools that would receive funding for the high-risk kindergarten program and requiring that the Department provide a report to the 2009 Legislature describing the impact of the funding for

high-risk kindergarten on student academic achievement. Mr. Atkinson pointed out there was no impact on the General Fund.

Regarding utility inflation, the Subcommittee approved a General Fund appropriation to IFC to be allocated based on the needs of the individual school districts. Mr. Atkinson said the cost would be \$2,475,568 of additional General Fund in FY 2007-08 and \$5,160,590 additional in FY 2008-09.

Mr. Atkinson said the hold harmless provision, as discussed earlier, approved amending NRS 387.1233(2) to provide that school district and charter schools with less than 5 percent decline in enrollment would be held harmless for one year and school districts and charter schools with more than 5 percent decline in enrollment would continue the existing two-year hold-harmless. Mr. Atkinson said even with the delay in implementing the provision until July 1, 2008, there was no impact on the amount of General Fund appropriated to the budget because the funding for hold-harmless was not budgeted in the DSA.

In the regional profession development programs (RPDPs), the Subcommittee approved reductions to the Governor's recommended enhancements to the programs in the amount of \$560,842 of General Funds in FY 2007-08 and \$563,725 in FY 2008-09.

Mr. Atkinson said the Assembly approved a reduction in the funding provided for the Gifted and Talented Special Units to be transferred to Education State Programs to support a Gifted and Talented Coordinator position at the Department of Education. That would reduce the General Fund in the DSA by \$55,494 in FY 2007-08 and \$74,503 in FY 2008-09. Mr. Atkinson noted the reduction would not be a General Fund savings because other Education State Programs would be increased by those same amounts.

Mr. Stevens commented that this would be a difference with the Senate as they did not approve this transfer.

Assemblywoman Buckley said she believed that an agreement had been reached with Senate to add an additional \$1 million to the Gifted and Talented Program. She asked whether there would be an impact on BA 2610 if that additional funding was approved by the entire Legislature.

Mr. Stevens responded that the funding could be added into the budget or added through a piece of legislation.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF RETIREE HEALTH INSURANCE SUBSIDIES, EARLY CHILDHOOD EDUCATION, CLASS-SIZE REDUCTION, UTILITY INFLATION, HOLD-HARMLESS, REGIONAL PROFESSIONAL DEVELOPMENT PROGRAMS, AND A GIFTED AND TALENTED COORDINATOR AS APPROVED BY THE SUBCOMMITTEE ON K-12/HUMAN RESOURCES.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED.

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Mindy Martini, Program Analyst, Fiscal Analysis Division, LCB, presented an overview of BA 2699.

Ms. Martini stated that BA 2699 contained two major issues that had been left open by the Subcommittee. The first concerned educational technology and public broadcasting. The Governor recommended \$10.78 million for educational technology, which included funding for the KLVX satellite and the library databases. The Subcommittee took no action on the matter primarily to ascertain the difference between funding for KLVX and educational technology, as opposed to funding for public broadcasting. Ms. Martini stated the Governor recommended an additional \$300,000 in each year of the biennium for public broadcasting. Staff worked with the Department of Education and clarified that the funding for KLVX under Educational Technology was used to provide courses for virtual high schools, courses to aid in drop-out prevention, and unlimited free access for distance-learning courses.

Ms. Martini said the funding under public broadcasting was used for specific needs for the radio or television stations. Through the public broadcasting system, KLVX received \$71,500 in each year of the biennium to expand the fiber optics capability of the station.

Ms. Martini said that if the Committee chose not to approve the \$440,000 for the KLVX station under Educational Technology, it would have to decide whether to keep that funding in Education Technology or reduce state General Fund by that amount.

Ms. Martini also stated that the Governor recommended that all funding for education technology be included as a single pool of resources to allow the Commission on Educational Technology greater flexibility in awarding the funds. According to Ms. Martini, the Committee could also choose to spread funding across five categories as had been done in the past.

Ms. Martini noted that Nevada had received a low rating from the Technology Counts 2007 report, and asked whether the Committee wanted to consider requiring the Department to provide an interim report outlining a plan to improve Nevada's rating.

Mr. Stevens explained that there were two decision points before the Committee, and each point had two options.

The first decision point concerned the Governor's recommendation to continue funding of \$440,000 for the KLVX satellite through the Educational Technology Program. Option 1 would maintain \$440,000 in state General Funds for educational technology purposes, and Option 2 would reduce General Fund in the amount of \$440,000 for the Educational Technology Program.

Assemblyman Denis asked whether the KLVX satellite was utilized in the entire state and not just in southern Nevada. Mr. Stevens said the entire state received and utilized the programming.

ASSEMBLYMAN DENIS MOVED TO APPROVE TO MAINTAIN
\$440,000 IN GENERAL FUND FOR EDUCATIONAL TECHNOLOGY
PURPOSES.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED WITH ASSEMBLYWOMAN LESLIE
ABSTAINING FROM THE VOTE.

* * * * *

Mr. Stevens said the second decision point also offered two different options. The first option would approve funding for educational technology contained in a single pool of resources to allow the Commission on Educational Technology greater flexibility in awarding funds. The second option would approve funding across five categories using the percentages as obtained through the needs assessment.

ASSEMBLYWOMAN BUCKLEY MOVED APPROVAL OF FUNDING
IN A SINGLE POOL OF RESOURCES AS RECOMMENDED BY
STAFF AS WELL AS REQUESTING THE DEPARTMENT TO
PROVIDE AN INTERIM REPORT OUTLINING THE COMMISSION ON
EDUCATIONAL TECHNOLOGY, STATE BOARD OF EDUCATION,
AND DEPARTMENT OF EDUCATION'S PLANS FOR IMPROVING
NEVADA'S RATINGS BASED UPON THE TECHNOLOGY COUNTS
2007 REPORT.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED.

* * * * *

CAREER AND TECHNICAL EDUCATION (CTE)

Ms. Martini stated that the second major issue was career and technical education. Assembly Bill No. 580 of the 73rd Legislative Session appropriated \$1 million in each fiscal year of the 2005-07 biennium to establish advisory technical skills committees and to provide for the support of CTE programs. The Governor recommended General Fund appropriations of \$1 million in each year of the new biennium to continue the program. Ms. Martini said the Subcommittee had requested and received a description of how the \$1 million was to be used.

Assemblywoman Smith requested verification of the amount of additional funding regarding the CTE program.

Ms. Martini reviewed six programs in BA 2699 for which the Subcommittee had developed recommendations as follows:

The first category concerned school support teams in non-Title I schools. The Governor recommended General Fund of \$1.17 million in FY 2007-08 and \$2.51 million in FY 2008-09, and the Subcommittee approved that funding.

In the System for Accountability Information in Nevada (SAIN), the Subcommittee approved funding to support the system as recommended by the Governor. In addition, the Subcommittee recommended a letter of intent that requested the Department to provide quarterly reports updating the accomplishments of the SAIN to staff for distribution to the IFC.

Ms. Martini referred to the Peer Mediation Program and said the Governor recommended \$30,668 in each fiscal year of the 2007-09 biennium to continue the program. There had been a difference between the Senate and Assembly

regarding funding for the program. Ms. Martini said the Senate approved funding as recommended by the Governor. The Assembly approved funding of \$48,348 in each fiscal year of the biennium, which was the same amount projected by the Department to be spent in the current fiscal year. In approving the continued funding of the program, both the Assembly and the Senate Subcommittees authorized the Department to utilize 5 percent of the funds for technical support of the program. In addition, the Subcommittee approved a letter of intent requesting the Department to submit a preliminary report showing the effectiveness of the program during the 2007-09 biennium to the Legislative Committee on Education as well as a final report to the 2009 Legislature.

Ms. Martini said the Governor had not originally included funding for the speech pathologists program, but had submitted a budget modification to support the program. The Subcommittee had approved funding of \$597,268 in FY 2007-08 and \$706,444 in FY 2008-09 as recommended in Budget Amendment No. 88.

The Governor recommended \$7.2 million in FY 2007-08 and \$7.6 million in FY 2008-09 for the new Teacher Signing Bonus program. Ms. Martini stated the Subcommittee had approved funding for the program as recommended by the Governor. In addition, there had been a policy issue supported by the Subcommittee, which was the Department's procedure for allowing teacher signing bonuses for individuals with previous teaching experience in Nevada. The signing bonus would apply as long as the teacher had not been employed in the State in the previous school year and had not previously received a signing bonus.

The Governor recommended \$120,000 in each fiscal year of the 2007-09 biennium to continue Career and Technical Student Organizations (CTSOs) and add one new organization, the Health Occupations Student Association (HOSA). The Subcommittee approved the funding, according to Ms. Martini.

In response to a question from Assemblyman Hardy, Mr. Atkinson stated that should a teacher change school districts they would have been employed the year before, and a condition of the signing bonus was that a teacher could not have been employed the year before. Therefore, if a teacher changed school districts because of something related to hold-harmless they would not qualify for the signing bonus.

ASSEMBLYWOMAN SMITH MOVED APPROVAL OF BUDGET
ACCOUNT 2699.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

THE MOTION PASSED.

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SCHOOL REMEDIATION TRUST FUND (101-2615)

Bob Atkinson, Senior Program Analyst, Fiscal Analysis Division, LCB, stated that the Governor recommended General Funds of \$59.8 million in FY 2007-08 and \$61.3 million in FY 2008-09 to continue the activities of the Remediation Trust Fund.

During the earlier budget hearing, the Subcommittee requested the Department of Education provide an estimate of the amount of funding for the current

biennium that would be reverted by the school districts. Mr. Atkinson said the Department reported that approximately \$17.2 million would be returned to the trust fund and balanced forward into the 2007-09 biennium.

Based upon the actions taken earlier in relation to empowerment and the discussion of that being funded from the Remediation Trust Fund, it would appear that of the balance forward there would be \$7,905,577 that could be used to enhance the amount of grants included in the program.

Mr. Atkinson said the first item to be discussed in BA 2615 was full-day kindergarten. State funds of \$22 million were provided in FY 2006-07 for teachers for full-day kindergarten in schools that had more than 55.1 percent of students qualifying for free and reduced priced lunches. The Governor recommended funding of \$25 million in FY 2007-08 and \$26.5 million in FY 2008-09 to continue the program without any expansion to additional schools. Mr. Atkinson said the Committee could choose to approve the Governor's recommendation to continue the program without any expansion to additional schools or provide additional funding for expansion of the program.

ASSEMBLYWOMAN BUCKLEY MOVED TO EXPAND THE FUNDING FOR THE FULL-DAY KINDERGARTEN PROGRAM BY \$662,436 IN FY 2008 AND \$705,804 IN FY 2009 TO CONTINUE THE PROGRAM IN THE ELEVEN SCHOOLS PREVIOUSLY FUNDED THROUGH S.B. NO. 404 OF THE 73RD LEGISLATIVE SESSION GRANTS. THOSE SCHOOLS WOULD BE FUNDED BY GENERAL FUND GRANTS. FURTHER, APPROPRIATE AN ADDITIONAL \$13,631,760 IN FY 2009 TO EXPAND FULL-DAY KINDERGARTEN TO THOSE SCHOOLS WITH MORE THAN 40.75 PERCENT OF STUDENTS ELIGIBLE FOR FREE AND REDUCED PRICED LUNCHES.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

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Mr. Atkinson said the 2005 Legislature appropriated \$78.0 million over the 2005-07 biennium for Programs for Innovation and the Prevention of Remediation in grades K-6 and an additional \$13.9 million for programs in grades 7-12. For the 2007-09 biennium, the Governor recommended \$55.4 million to continue the programs in grades K-6 and \$14.2 million to continue programs in grades 7-12.

Mr. Atkinson said the Committee would need to consider if it wished to approve ongoing funding to support programs for intervention and the prevention of remediation as recommended by the Governor, or modify the recommendation.

ASSEMBLYWOMAN BUCKLEY MOVED TO EXPAND THE PROGRAMS FOR INNOVATION AND THE PREVENTION OF REMEDIATION AND CARRY FORWARD \$7.9 MILLION IN FUNDING AND ADD AN ADDITIONAL \$10 MILLION IN FY 2009.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

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Mr. Atkinson said the third issue in BA 2615 involved the Best Practices Conference. During subcommittee hearings, the Department was requested to provide information regarding the cost of a Best Practices Conference. The estimate was \$55,430 and the amount was not included in the Governor's recommendation. Mr. Atkinson said the Committee would need to reallocate \$55,430 from the grants category to the administrative category for this purpose. Mr. Atkinson noted that Senate Bill 185 (R1) would limit the amount of funding to be provided for this purpose, but a decision could be made by the Committee, and the budget could be altered based upon the outcome of S.B. 185 (R1).

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE THE REALLOCATION OF \$55,430 FROM THE GRANTS CATEGORY TO THE ADMINISTRATIVE CATEGORY IN BUDGET ACCOUNT 2615 FOR FUNDING OF A BEST PRACTICES CONFERENCE.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

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

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Assemblywoman Buckley commented that the Best Practices Conference enjoyed great support, but requested that the Department of Education remain true to the intent.

Mr. Atkinson explained that the Remediation Trust Fund had been created to receive interest on the balance in the account, but to date, no interest had been credited to the account. The Treasurer's Office had agreed that a slight change in the wording of NRS 385.379 would allow the Treasurer to allocate interest to the account in the future. Mr. Atkinson said staff would request authority to included language in legislation that would modify the provisions that required interest. Staff suggested that the language read as follows: "such interest and income earned will be calculated and credited to the account based on the realized funding available as recorded in the state accounting system." Mr. Atkinson said earned interest over the next biennium was estimated to be approximately \$1.5 million in the first year of the biennium and \$1.2 million in the second year. By authorizing staff to place the suggested language in the school funding bill, that interest could be posted to the account. Mr. Atkinson noted that it would be a reduction in the amount of General Fund interest, but he believed that had been taken into account in the revenue projections.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL TO GRANT AUTHORITY TO STAFF TO CHANGE WORDING IN LEGISLATION TO INCLUDE LANGUAGE THAT STATED "SUCH INTEREST AND INCOME EARNED WILL BE CALCULATED AND CREDITED TO THE ACCOUNT BASED ON THE REALIZED FUNDING AVAILABLE AS RECORDED IN THE STATE ACCOUNTING SYSTEM."

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

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Mr. Stevens commented that at the beginning of the presentation for BA 2615, Mr. Atkinson had explained the balance forward amount, which was approximately \$17.2 million. Mr. Stevens said \$7.9 million was allocated in the first year of the biennium to increase the Grants category and was approved by the Committee. He said he wanted to make certain that the Committee was aware that if the entire \$17.2 million was brought in as a balance forward, the empowerment funds that were discussed during the presentation of the DSA would be placed into the Remediation Trust Fund. Mr. Stevens added that planning funds and funds for grants to schools would be included in the Remediation Trust Fund. There was also a request for an additional position in the Department of Education that would be placed in BA 2673 as a General Fund expense of \$84,000 in BA 2007-08 and \$114,000 in BA 2008-09.

Assemblywoman Leslie said the Committee needed to return to decision unit E304, career and technical education, to close BA 2699. Ms. Leslie said there had apparently been a misunderstanding with the Senate because it had been her understanding that an additional \$3.5 million would be added in decision unit E304 in each year of the biennium instead of \$2.5 million.

ASSEMBLYWOMAN LESLIE MOVED TO APPROPRIATE AN
ADDITIONAL \$3.5 MILLION IN EACH YEAR OF THE BIENNIUM
FOR DECISION UNIT E304 IN BUDGET ACCOUNT 2699.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

Assemblywoman Gansert said her understanding was the additional funding would be \$2.5 million, which would provide \$7 million total, as there was already \$1 million funding in each year of the biennium.

Ms. Leslie commented that the \$1 million the Governor recommended was going to continue, but the Committee had been discussing additional funding.

Assemblywoman Buckley commented there would be no need to request what was already in the Governor's budget. The discussion had been that \$2 million was not enough considering the fact that the school districts had provided \$10 million for various programs.

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

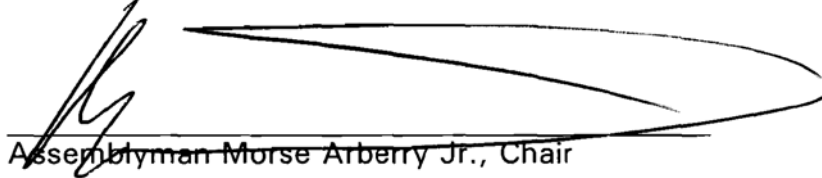
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Chairman Arberry adjourned the meeting at 5:11 p.m.

RESPECTFULLY SUBMITTED:

Anne Bowen
Committee Secretary

APPROVED BY:



Assemblyman Morse Arberry Jr., Chair

DATE: _____

EXHIBITS			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>May 29, 2007</u>		Time of Meeting: <u>10:33 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Guest Sign-in Sheet