

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

**Seventy-Fourth Session  
May 31, 2007**

The Committee on Ways and Means was called to order by Chairman Morse Arberry Jr. at 8:15 a.m., on Thursday, May 31, 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/](http://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](mailto: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  
Bob Atkinson, Senior Program Analyst  
Tracy Raxter, Senior Program Analyst  
Eric King, Program Analyst  
Linda Blevins, Committee Secretary  
Patti Adams, Committee Assistant

Chairman Arberry called the meeting to order and opened the hearing on Senate Bill (S.B.) 38 (R1).

**Senate Bill 38 (1st Reprint): Makes various changes concerning the Central Repository for Nevada Records of Criminal History. (BDR 43-559)**

Chairman Arberry recognized Captain P.K. O'Neill, Records and Technology Division, Department of Public Safety (DPS).

Captain O'Neill noted that Senate Bill 38 (R1) codified the Records and Technology Division within the DPS. The Division was created by



DPS in 2005 but had not been codified. The Legislative Counsel Bureau (LCB) had requested a fiscal note as the Governor recommendations contained a bureau manager for the records bureau position. The Division would be formulated with the division chief and two bureau managers overseeing the day-to-day operations. The bureau manager position requested in the Governor's recommendations would supervise the records management section. The supervision of the technology section would be performed by the existing bureau manager position.

In response to Chairman Arberry's inquiry, Cpt. O'Neill stated the bureau manager position would be effective July 1, 2007, and DPS would like to fill the position as quickly as possible.

Assemblywoman Leslie reviewed the fiscal note and asked whether the budget had been closed with the position included and whether there were other costs not reflected in the fiscal note.

Cpt. O'Neill responded that the budget was closed with the position included, and there were no other costs associated with the bill.

There being no further comments or questions, Chairman Arberry closed the hearing on S.B. 38 (R1) and opened the hearing on Senate Bill 250.

**Senate Bill 250: Makes an appropriation to the Adjutant General of the Office of the Military for the purchase of vehicles and equipment. (BDR S-1226)**

Colonel Al Butson, Director for Logistics, Nevada Army National Guard, represented Major General Cindy Kirkland, and was accompanied by Miles L. Celio, Administrative Services Officer, Office of the Military. Colonel Butson advised the Committee he was prepared to answer questions regarding Senate Bill 250.

Chairman Arberry asked whether staff had been given details regarding the requested equipment replacements.

According to Mr. Celio, staff had been provided the information on the replacement equipment which consisted of two pickup trucks for the maintenance crew, one all terrain vehicle tractor for snow removal, and other miscellaneous equipment.

Assemblywoman Koivisto was interested to learn whether American-made vehicles would be purchased.

Mr. Celio stated the trucks were purchased through the State Purchasing contract and would be American-made.

There being no further comments or questions, Chairman Arberry closed the hearing on S.B. 250 and opened the hearing on Senate Bill 572.

Before continuing, Chairman Arberry adjourned the hearing of the previous day, May 30, 2007 at 8:21 a.m.

**Senate Bill 572: Extends the reversion date of a transfer of room tax proceeds required by the previous legislative session for the restoration and preservation of the exterior of the Lear Theater. (BDR S-1517)**

Mr. Daniel Rosenblatt, Executive Director, Lear Theater, presented a brief overview of Senate Bill 572 to the Committee. According to Mr. Rosenblatt, the bill requested an extension for the funds awarded by the 2005 Legislature to restore the Lear Theater. The money was to be used as matching funds for the Save America's Treasures (SAT) Grant. The Theater organization had received an extension on the SAT Grant for an additional two years and was requesting a two-year extension for the money awarded by the Legislature. Mr. Rosenblatt was open for questions from the Committee.

Chairman Arberry wanted to clarify that the bill was only to extend the reversion date and did not request additional funds.

Mr. Rosenblatt stated that was correct.

Assemblywoman Leslie wanted to know the likelihood of receiving the matching funds from the SAT Grant.

Mr. Rosenblatt advised that the SAT money was awarded in 2005. The money from the State was only to match those grant funds.

Because the money had been received, Ms. Leslie was unclear why it had not been spent for the project. The community was frustrated with the lack of progress for the Theater project.

Mr. Rosenblatt noted the process of approval had moved slower than anticipated at the federal level, which was the reason the National Park Services had extended the grant for two years.

Ms. Leslie requested an update on the project and the anticipated date of opening and whether the Theater was going to be moved as rumored.

Mr. Rosenblatt believed the cost to build the Theater as designed had escalated to \$15 million. By moving the Theater, it was believed that \$16 million could be brought in through fund raisers and donations. The organization was in the process of exploring the federal historic tax credits and new market tax credits, which would provide additional funds. Until the organization could determine whether someone was interested in the land and whether or not the Theater would be moved, there was not an opening date.

Mr. Rosenblatt advised the Committee that the organization was in negotiations with U.S. Banking Corporation who had discussed funding with tax credits up to \$5 million. With the \$5 million, the organization believed that it was possible to open the Theater within the next two years.

Chairman Arberry asked whether there was further testimony either for or against S.B. 572. There being no further testimony, Chairman Arberry closed the hearing on S.B. 572 and requested information on the next agenda item.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), noted the Capital Improvement Program (CIP) budget needed to be closed. Mr. Stevens suggested the Committee recess until the Senate Committee on Finance closed the CIP budget. Staff could then present the CIP budget to the Assembly Committee on Ways and Means for closing.

Chairman Arberry declared a recess at 8:26 a.m. and reconvened the meeting at 10:42 a.m.

Assemblyman Morse Arberry Jr., Clark District No. 7, Chairman of the Joint Subcommittee on Higher Education/CIP, read the State Public Works Board closing report into the record:

THE JOINT SUBCOMMITTEE ON HIGHER EDUCATION/CIP HAS COMPLETED ITS REVIEW OF THE BUDGETS FOR THE STATE PUBLIC WORKS BOARD AND HAS MADE THE FOLLOWING RECOMMENDATIONS FOR THE AGENCY'S 2007-09 BIENNIUM BUDGET.

**PUBLIC WORKS ADMINISTRATION (BA 101-1560) ADMIN-106:** THE SUBCOMMITTEE APPROVED FUNDING FROM THE GENERAL FUND OF \$80,000 IN EACH YEAR OF THE 2007-09 BIENNIUM TO PROVIDE FUNDING FOR THE ELECTRONIC STORAGE OF BUILDING PLANS AND SPECIFICATIONS DOCUMENTS AS RECOMMENDED BY THE GOVERNOR.

**PUBLIC WORKS INSPECTION (BA 401-1562) ADMIN-111:** THE SUBCOMMITTEE APPROVED THE CREATION OF 13 NEW POSITIONS TO ACCOMMODATE THE INCREASE (AS MEASURED BY TOTAL FUNDING) FROM THE 2005 TO THE 2007 CAPITAL IMPROVEMENT PROGRAM. THE POSITIONS INCLUDE TWO ADMINISTRATIVE ASSISTANTS, AN ACCOUNTANT TECHNICIAN, FOUR BUILDING CONSTRUCTION INSPECTOR IIIs, FIVE PROJECT MANAGER IIIs, AND ONE PROJECT MANAGER III. FUNDING FOR THESE NEW POSITIONS WOULD BE PROVIDED THROUGH THE PROJECT MANAGEMENT AND INSPECTION FEES INCLUDED IN THE GOVERNOR'S RECOMMENDED 2007 CAPITAL IMPROVEMENT PROGRAM. THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO MOVE NEW AND EXISTING PROJECT MANAGER POSITIONS FROM THE CLASSIFIED TO THE UNCLASSIFIED SERVICE, INCLUDING A MODIFICATION TO PLACE SIX PROJECT MANAGER III POSITIONS IN THE NEXT LOWER UNCLASSIFIED SALARY TIER IN ORDER TO PROVIDE FOR A ONE TIER DIFFERENCE BETWEEN THE PROJECT MANAGER II AND PROJECT MANAGER III POSITIONS VERSUS A TWO TIER DIFFERENCE AS RECOMMENDED BY THE GOVERNOR. THE SUBCOMMITTEE ALSO APPROVED \$200,000 IN EACH YEAR OF THE 2007-09 BIENNIUM TO PROVIDE FUNDING FOR A TRANSFER TO THE ATTORNEY GENERAL'S OFFICE FOR CONSTRUCTION RELATED CLAIM CONSULTING SERVICES.

Vice Chairwoman Leslie asked whether there were any questions from the Committee regarding the report presented by Chairman Arberry.

ASSEMBLYMAN MARVEL MOVED TO APPROVE THE CLOSING REPORT OF THE SUBCOMMITTEE ON HIGHER EDUCATION/CIP.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

Mr. Stevens advised the Committee that Chairman Arberry had presented the closing report for the Public Works Board (PWB) Administration and Inspection budgets. The Capital Improvement Program as recommended by the Joint Subcommittee on Higher Education/CIP ([Exhibit C](#)) would be presented by fiscal staff.

THE MOTION PASSED UNANIMOUSLY.

Vice Chairwoman Leslie requested that staff present [Exhibit C](#), the recommended CIP for the 2007-09 biennium, to the Committee for consideration. She asked that Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), first detail the specifics of the chart and color coding system for the Committee.

Mr. King next explained that the changes requested by the Subcommittee were highlighted in blue in the left-hand column with the project number. For example, the first project adjusted since the last meeting of the Subcommittee was 07-C07. Stewart Conservation Camp number 2 was replaced by the project 07-C07a, the Southern Desert Correctional Center expansion of one housing unit and planning for a second housing unit.

Mr. King encouraged the Committee to note that on the right side of the chart under "remarks," the items highlighted in blue described the changes which had occurred since the Subcommittee meeting of May 28, 2007.

Mr. Stevens pointed out that the "Difference" column on the right side of the worksheet indicated funding differences approved by the Subcommittee from the Governor's recommendations.

Mr. King continued with Page 2 of the exhibit noting that 07-C26 was the first change on that page. There was no change in the dollar amount but the scope of the project was revised to add a total of 14 beds. The square footage was increased from 7,500 to 8,000 square feet at no additional cost.

The next change addressed by Mr. King was 07-C27, the Civil Support Team Weapons of Mass Destruction Readiness Building. Staff recommended that instead of having money for both design and construction in-hand before a contract was executed, it would be appropriate to allow a contract to be executed for design when the money was received and a contract for construction once the money was received for that portion of the contract.

Mr. King explained there were 12 total projects that were reduced for Leadership in Energy and Environmental Design (LEED) costs which he would review at the request of the Committee.

Vice Chairwoman Leslie called the Committee's attention to [Exhibit D](#) which had been distributed earlier. The exhibit listed the 2007 CIP projects that included LEED costs and those with LEED costs that were eliminated.

Mr. King advised the Committee that the two projects at the top of [Exhibit D](#), UNLV Greenspun Completion and DRI CAVE™ totaling \$5,954,693, included LEED. The 12 LEED projects which followed and totaled \$4,759,688 had been eliminated from the CIP.

Responding to Assembly Hardy's question regarding 07-C12 on Page 1 of [Exhibit C](#), Mr. King explained that the original project, CIP 01-C25, had a favorable bid leaving \$4,032,437 in the project fund which would be used for furniture, fixtures, and equipment (FF&E). Therefore, the project was eliminated because there was money in the 2001 CIP that was available for the FF&E.

Returning to Page 2 of [Exhibit C](#), Mr. King noted project 07-C86b was the pre-engineered housing units for the Department of Corrections (DOC). There was no change in the dollar amount. The funding source was changed to General Funds to provide an additional \$14,294,434 of General Obligation Bonds for FY 2009.

The next project described by Mr. King was project 07-C89. Under the "Other Funds" column, the amount was originally \$10,015,000 and was changed to \$9,743,302 based on new information provided by the agency. [Exhibit E](#) provided a description of the four projects which were combined to provide funding for the University of Nevada Health Science Center.

Moving to Page 3 of [Exhibit C](#), Mr. King noted project 07-C90a, the Medical Education Learning Lab Building of the UNR Health Science Center, had a change not reflected on the exhibit. Donated funds of \$6,750,000 were added to the project to retain the 70/30 split for state funds versus university funds. The project size was increased to 51,579 square feet from 44,473 square feet.

The next change on Page 3 was for project 07-C91a, the Advanced Clinical Training and Research Center at Shadow Lane. There was \$450,000 of donated funds added to the project to retain the 70/30 split for state funds versus university funds.

Responding to Assemblyman Denis' inquiry regarding the item on Page 3 listing the Grant Sawyer Building project [07-M02b], Mr. King stated that the funds allocated should complete the project.

There were no changes on Page 4 of the exhibit, and Mr. King moved to Page 5, describing project 07-P07, the two additional housing units at Southern Desert Correctional Center (SDCC). The project had been replaced by project 07-C07a which recommended the building of one unit and plans for building of another unit at SDCC.

Mr. King noted there were no changes on Page 6 of [Exhibit C](#).

Assemblyman Marvel asked how much was left in the bonding capacity.

Responding to Assemblyman Marvel's question regarding the bonding capacity, Tracy Raxter, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), noted the Governor had recommended \$524,793,000 in total bonding authority for the 2007 CIP. The recommendation presented to the Committee reflected \$510,498,000. There was remaining authority of \$14,294,000 to be carried forward to the 2009 CIP. That was the limit for 2008, 2009, and 2010.

Mr. Marvel asked whether the Governor's recommendation was to the limit.

Mr. Raxter responded that it was.

Mr. King pointed out that the Subcommittee approved 12 reversion extensions for prior year CIPs and, if requested, he could provide that information to the Committee.

Vice Chairwoman Leslie asked whether the reversion had generated General Fund savings.

Mr. King said there was no savings involved, but the completion dates for projects were extended for two years. The list, however, generated a savings in General Funds of \$3,558,793.

Vice Chairwoman Leslie congratulated the fiscal staff and thanked them for the work involved in preparing the reports for the Committee.

Vice Chairwoman Leslie stated she would entertain a motion to accept the report as presented to the Committee.

ASSEMBLYMAN PARKS MOVED THE COMMITTEE ACCEPT THE CIP REPORT.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

BUDGET CLOSED.

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Vice Chairwoman Leslie turned the meeting over to Chairman Arberry who announced the Committee needed to consider Assembly Bill (A.B.) 280.

**Assembly Bill 280: Makes appropriations relating to education and licensed educational personnel. (BDR S-1051)**

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), distributed Exhibit F, a mock-up of Assembly Bill 280, to the Committee for review of the proposed amendments.

Assemblywoman Smith pointed out the bill was the proposal for a Pay Performance Fund. The budget had been closed with \$10 million in the Plan. The mock-up kept the original idea of the Plan, but because the dollar amount was smaller, it would develop a pilot program in Clark County, Washoe County, and Lyon County. Section 1 of the bill, teacher salary increases, had been eliminated, leaving the Pay for Performance Plan.

ASSEMBLYWOMAN BUCKLEY MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 280.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

Assemblywoman Gansert was unclear how the funds were divided.

Mrs. Smith explained that Page 2, Section 1.5(2) of Exhibit F stated "based upon the number of pupils enrolled in each district." The money would be divided according to enrollment in each district and the Plan developed accordingly.

THE MOTION PASSED.

Chairman Arberry requested the Committee consider Assembly Bill 469 (R1).

**Assembly Bill 469 (1st Reprint): Requires the Division of State Parks of the State Department of Conservation and Natural Resources to conduct a study to consider the feasibility of establishing a park for the protection of certain paleontologically sensitive sites. (BDR S-717)**

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Assembly Bill 469 (R1) for the Committee noting the bill required the Division of State Parks to study the feasibility of establishing a park for the protection of sensitive sites in the Clark County area. There was an appropriation of \$50,000 in the bill.



The proposed amendment removed the General Fund appropriation and allowed the Division of State Parks to conduct the study to the extent that money was available. If federal or other funds became available, the study could be conducted.

Assemblyman Parks verified that grants and donations could be accepted.

Mr. Stevens stated that the language indicated the Division could receive and expend money from any private or public institution or person to carry out the provisions of the bill.

ASSEMBLYMAN PARKS MOVED TO AMEND AND DO PASS AS  
AMENDED A.B. 469 (R1).

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED.

Chairman Arberry requested the Committee consider Assembly Bill 565 (R1).

**Assembly Bill 565 (1st Reprint): Revises provisions governing educational finance. (BDR 34-1371)**

Assemblywoman Smith distributed Exhibit G, a mock-up of the bill with proposed amendments, stating that the bill could be considered now that the budget was closed.

The mock-up presented by Mrs. Smith dealt with two issues, the first being Section 3. Mrs. Smith explained that the information for Section 3 came from the superintendent's iNVEST plan. The section dealt with changes in the method for preparing and presenting budgets for the schools. Because of timing issues, the schools had difficulty in presenting information judiciously and clearly for the budgets. The language had no fiscal impact, but it made the budget process smoother.

Mrs. Smith continued by noting that the second issue was Section 4 of the mock-up which dealt with teacher incentives for recruitment and retention of teachers in high-need areas and hard-to-fill positions. There was a one-fifth retirement credit fund, and the language of the bill preserved that fund but set up a different structure. The teachers currently in the one-fifth credit plan would be allowed to stay in that plan until reaching the one-year retirement service as in the original plan. The proposed language created the Grant Fund for Incentives for Licensed Educational Personnel. Districts would develop a plan to suit the needs of the individual district to recruit and retain teachers in these specialized positions. The fiscal impacts of the bill had been deleted.

Mrs. Smith next addressed Sections 7 and 8, which dealt with the grandfathering-in of the one-fifth program. That allowed everyone in the program to achieve their one year of retirement service.

Pages 11 and 12 showed the text of the repealed section of the bill.

Assemblywoman Buckley questioned whether the money that had been appropriated was stated in the bill.



Mrs. Smith replied that the original bill did not have the actual budget appropriation in the bill, but the language delineated the distribution of the money.

Vice Chairwoman Leslie suggested holding the bill for fiscal staff review and recommendations.

According to Vice Chairwoman Leslie, an agreement had been reached with the Senate for what should be included in the school funding bill. The bill was to be introduced on the Assembly floor, and she requested the Committee consider the introduction of the bill.

ASSEMBLYMAN PARKS MOVED TO INTRODUCE BDR S-1523 ON  
THE ASSEMBLY FLOOR.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION PASSED.

Vice Chairwoman Leslie recessed the meeting to the call of the chair at 11:09 a.m.

Chairman Arberry reconvened the meeting at 3:51 p.m. and requested the Committee consider Assembly Bill (A.B.) 627.

**Assembly Bill 627: Ensures sufficient funding for K-12 public education for the 2007-2009 biennium. (BDR S-1523)**

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), distributed [Exhibit H](#), BDR S-1523, to the Committee. The exhibit was the BDR form of Assembly Bill 627 which was in the process of being printed. It had been introduced on the Assembly floor during the Committee recess.

Chairman Arberry requested staff provide a review of each section of the bill for the Committee.

Mr. Stevens began the presentation with Section 1, which set the basic support guarantee for each school district in the first year of the biennium. The statewide average was \$5,122 per pupil. Page 2 of the exhibit provided a list which indicated the basic support amounts guaranteed per pupil at each school district for the 2007-08 Fiscal Year (FY).

Page 3 listed the estimated basic support guarantee for each school district in the second year of the biennium. There was language in the bill that allowed the superintendent of public instruction to adjust the basic support guarantee amount in the second year of the biennium based on the ad valorem taxes anticipated to be received.

Mr. Stevens moved forward to Section 3 which allocated the special education units and amounts by school district. Page 6 indicated that the State Board of Education shall reserve 40 special education program units in each fiscal year of the 2007-2009 biennium to be allocated as the Board deemed appropriate. That represented the total amount of special education funding included within the Distributive School Account (DSA).

Section 4 provided the General Fund appropriation to the DSA as follows:

FY 2007-08	\$1,041,362,589
FY 2008-09	\$1,090,795,262

As described by Mr. Stevens, Section 5 specified the non-General Funds resources approved within the DSA which included Out-of-State sales tax, a portion of slot tax, federal mineral land lease amounts and interest from the permanent school fund.

Section 6 allowed an advance from the General Fund if the amount in the DSA was insufficient.

Section 7 addressed the amounts for the adult diploma program within the DSA.

Mr. Stevens addressed Section 8, which authorized \$50,000 to each of the 17 school districts to support special counseling services for elementary school pupils at risk of failure for a total of \$850,000.

Section 10 specified school districts and respective allocations for the regional professional development programs for teachers and administrators.

Section 11 provided \$100,000 for each year of the biennium to Legislative Bureau of Educational Accountability and Program Evaluation for an evaluation of the regional training programs for the professional development of teachers and administrators.

Section 12 provided \$100,000 for each year of the biennium for the Statewide Council for the Coordination of the Regional Training Programs.

According to Mr. Stevens, the amounts indicated in Sections 10, 11 and 12 equaled the amounts allocated for the regional professional development program from the DSA.

Section 13 provided the amounts within the appropriation transferred to early childhood education. Language in the section clearly outlined the program and associated funding.

Section 14 was the amounts which provided for the one-fifth retirement credit. This was reduced for the first year of the biennium by approximately \$6.7 million based on projections by the Fiscal Analysis Division, Budget Division, and Department of Education. Based on current language the amount would be used to purchase one-fifth retirement credit for eligible teachers.

Mr. Stevens continued by describing Section 15, which indicated the money, \$90,941,645 for FY 2007-08 and \$95,991,427 for FY 2008-09, that was to be used for the purchase of textbooks, instructional supplies and instructional hardware. There was language added that allowed money from any source to be used to fill the minimum requirement. Therefore if federal or other funds were obtained for that purpose, those funds could be accepted and used.

Section 17 provided \$112,012 in each year of the biennium for special transportation costs to school districts. Amounts were outlined within the DSA.

Section 20 began the language for the class-size reduction portion of the bill.

Section 21 provided \$141,209,596 for the class-size reduction program in the first year of the biennium.

Section 22 provided \$153,710,996 for the class-size reduction program in the second year of the biennium.

Section 23 contained language to allow school districts in a county whose population was less than 100,000 to have an alternative program for reducing the ratio of pupils per teacher. The alternative programs would be approved by the Superintendent of Public Instruction.

Mr. Stevens moved to Section 25, which covered the Other State Education Program Account. There were a number of programs within the other state's program budgets that flowed to the school districts. The Other Program Account was usually a part of the appropriations act. Because of the Education-First initiative, staff believed it important to include the Other Program budget account in this bill since much of the money flowed to the school districts. The total appropriated funds were \$21,456,727 for FY 2007-08 and \$22,527,591 for FY 2008-09.

There was language to allow portions of the money for certain programs to be transferred between fiscal years at the bottom of page 25.

Mr. Stevens indicated that Section 26 was the beginning of the language on the Account for Programs for Innovation and the Prevention of Remediation trust fund. Subsection 1 indicated the appropriation amount of \$60,375,718 in General Fund for FY 2007-08 and \$85,539,038 in General Fund for FY 2008-09.

There were authorized amounts identified for two programs: \$25,640,881 in FY 2007-08 and \$40,834,698 in FY 2008-09 for the full-day kindergarten program, and \$180,000 in FY 2007-08 and \$8,897,200 in FY 2008-09 for the program of empowerment schools.

Page 32 provided the "hold harmless" language stating that if a school district's enrollment falls 5 percent below the current year enrollment, the school district can receive a two-year "hold harmless." If the enrollment was not below 5 percent, a district can receive a one-year "hold harmless." That language became effective on July 1, 2008.

Concluding the presentation, Mr. Stevens was prepared to answer questions for the Committee.

Assemblywoman Gansert noted that there was a negative number indicated for the basic support guarantee appropriation on Page 4 of the exhibit for Eureka County and was unclear why that had occurred.

Bob Atkinson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), explained that was called the "Eureka Phenomenon" and happened when the local revenues collected in property tax, sales tax, and net proceeds and mineral tax, exceeded the basic support amount the district would otherwise receive.

Assemblywoman Koivisto noticed that Page 10 indicated every county would receive the same amount of \$50,000 to support special counseling services for elementary school pupils at risk of failure. She inquired why White Pine County would receive the same amount as Clark County.

Mr. Stevens clarified that when the appropriation was originally initiated many years earlier, it was believed each school district should receive the same

amount of base funding for the program. There were other funds put in by the school districts increasing the amount for counseling efforts.

Chairman Arberry advised the Committee he would entertain a motion for the bill.

ASSEMBLYWOMAN SMITH MOVED TO DO PASS A.B. 627.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED.

Assemblywoman Smith thanked staff for their efforts in preparing the education budget and presenting that budget to the Committee.

Chairman Arberry requested the Committee consider Assembly Bill 205.

**Assembly Bill 205: Makes an appropriation to the Department of Administration for the purchase of motor pool vehicles. (BDR S-1208)**

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), provided the Committee with a brief overview of Assembly Bill 205. The bill was a one-shot appropriation included in The Executive Budget. As the budgets had been closed, staff had itemized the number of vehicles required. The number of vehicles had been reduced from 77 to 54, thereby lowering the appropriation to \$907,649.

Chairman Arberry requested a motion to Amend and Do Pass.

ASSEMBLYMAN MARVEL MOVED TO AMEND AND DO PASS AS AMENDED A.B. 205.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION PASSED.

Assemblywoman Smith advised the Committee that Mr. Stevens had distributed Exhibit I, a reprint of the mock-up discussed as Exhibit G. The bill addressed the teacher incentive program that converted the one-fifth retirement credit language. Exhibit I incorporated a change in Section 10 which indicated the money was specifically designated from the Distributive School Account.

ASSEMBLYWOMAN SMITH MOVED TO AMEND AND DO PASS AS AMENDED A.B. 565 (R1).

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED.

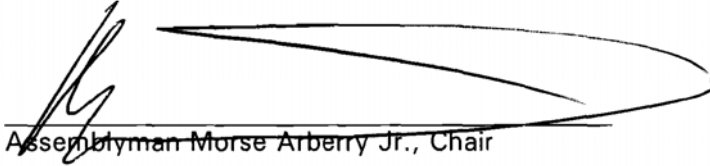
There being no further business before the Committee, Chairman Arberry adjourned the meeting at 4:07 p.m.

RESPECTFULLY SUBMITTED:

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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 31, 2007</u>		Time of Meeting: <u>8:15 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A	-----	Agenda
	B	-----	Attendance Roster
	C	Eric King, Program Analyst	Recommended CIP
	D	Eric King, Program Analyst	LEED Costs
	E	Eric King, Program Analyst	UNLV      Shadow      Lane Building
AB 280	F	Mark Stevens, Fiscal Analyst	Mock-up of bill
AB 565	G	Assemblywoman Smith	First reprint of AB 565
AB 627	H	Mark Stevens, Fiscal Analyst	BDR S-1523
AB 565	I	Mark Stevens, Fiscal Analyst	Proposed amendments