

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

**Seventy-Fourth Session
June 2, 2007**

The Committee on Ways and Means was called to order by Chairman Morse Arberry Jr. at 9:44 a.m., on Saturday, June 2, 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

GUEST LEGISLATORS PRESENT:

Senator Dean A. Rhoads, Rural Nevada Senatorial District
Senator Mark E. Amodei, Capital Senatorial District

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Rick Combs, 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.) 189 (R2).

Senate Bill 189 (2nd Reprint): Makes an appropriation to the Interim Finance Committee for the implementation of sagebrush habitat projects. (BDR S-1224)



Ken Mayer, Director, Department of Wildlife, provided the Committee with a brief overview of Senate Bill (S.B.) 189 (R2) which allocated \$200,800 to support implementation of sagebrush habitat projects for sage grouse.

According to Mr. Mayer, the impact of wildfires on sage grouse had been significant. If the sage grouse became listed under the Endangered Species Act (ESA), major changes would be required for mining, livestock operations, and ranching on sage grouse habitat. The money allocated in S.B. 189 (R2) would be used for protection and enhancement of existing habitat for the sage grouse, improvement of breeding habitat, and projects for monitoring the species.

Mr. Mayer noted the allocated funds could be leveraged. The Federal Aid in the Wildlife Restoration Act of 1937 (popularly known as the Pittman-Robinson Act) could be matched 3-to-1, and the State Wildlife Grant could be matched 1-to-1. There was also the possibility of funding from the Bureau of Land Management (BLM) Healthy Lands Initiative.

Assemblyman Marvel agreed with the testimony, noting he had been a part of the Governor's Sage Grouse Committee. The restoration of the sage grouse habitat was important to the mining and ranching industries in Nevada. Listing of the sage grouse under the ESA would have serious repercussions for the State.

Mr. Mayer pointed out that unlike many states, Nevada still allowed sage grouse hunting and had areas of the State with large populations of the bird. Some areas of the State, Humboldt and Elko Counties for instance, had only small populations of sage grouse. Where wildlife biologists had previously noted more than a dozen lek (a traditional breeding ground that may have been used by grouse for thousands of years), there were now only one or two lek.

Chairman Arberry noted the requested appropriation was included in The Executive Budget.

There being no further testimony either for or in opposition to the bill, Chairman Arberry closed the hearing on S.B. 189 (R2) and opened the hearing on S.B. 252 (R1).

Senate Bill 252 (1st Reprint): Makes appropriations to the Division of Welfare and Supportive Services of the Department of Health and Human Services for the replacement of certain office equipment and computers. (BDR S-1217)

Nancy Ford, Administrator, Division of Welfare and Supportive Services, presented a brief overview of Senate Bill (S.B.) 252 (R1) to the Committee and provided **Exhibit C**, written testimony from David Stewart, Deputy Administrator, Information Systems, Division of Welfare and Supportive Services. Ms. Ford noted the bill appropriated General Funds for the replacement of office equipment and computers in accordance with the replacement schedule set forth by the Department of Information Technology (DoIT). The money would be used to leverage federal dollars for the replacement of the equipment.

There being no further testimony either for or in opposition to the bill, Chairman Arberry closed the hearing on S.B. 252 (R1).

Chairman Arberry adjourned the meeting of the previous day, June 1, 2007, at 9:51 a.m.

Chairman Arberry opened the hearing on S.B. 462 (R1).

Senate Bill 462 (1st Reprint): Makes an appropriation to the Office of Veterans' Services for the Veterans' Home Account. (BDR S-1227)

Tim Tetz, Executive Director, Office of Veterans' Services, presented a brief overview of Senate Bill (S.B.) 462 (R1). The bill provided a one-shot appropriation of \$708,736 for the Veterans' Home Account. The funds would be used for repairs and acquisition of equipment for the facility.

Responding to a question from Chairman Arberry regarding the amendment to the bill, Mr. Tetz stated that the original funding request was increased to include the purchase and installation of a commercial water softener for the facility.

There being no further questions or comments, Chairman Arberry closed the hearing on S.B. 462 (R1) and opened the hearing on S.B. 544 (R1).

Senate Bill 544 (1st Reprint): Makes various changes relating to the Public Employees' Benefits Program. (BDR 23-126)

Leslie Johnstone, Executive Officer, Public Employees Benefit Program (PEBP), provided the Committee with an overview of Senate Bill (S.B.) 544 (R1). According to Ms. Johnstone, the bill was developed as a result of the interim study on the PEBP over the past two interims. Ms. Johnstone summarized the bill as follows:

- Section 1 of the bill provided that participants could seek assistance from the Office of Consumer Health Assistance.
- Section 2 clarified the nonstate employer subsidy obligation to include those retirees that join PEBP through the reinstatement period which occurred every two years and not just the employees that join PEBP immediately upon retirement.
- Section 2 also included a provision that after November 30, 2008, non-state retirees would not be able to join PEBP unless their last employer also participated in PEBP with their active participants.
- Section 5 authorized the Board of the PEBP to establish advisory committees as it saw fit.
- Section 6 required that the Board establish flexible benefit structures for Medicare retirees beginning July 1, 2008, and made it permissive for those flexible benefits to be offered to other participants.
- Sections 6 and 8.5 clarified the billing structure for PEBP and defined commingling of claims. All claims paid in the same manner where PEBP was the primary insurer would be commingled. The effect of the provision was a fiscal impact of approximately \$1.0 million per year. The fiscal impact was a result of the Medicare retiree rates being lower and a slight increase in the active and early retiree rates. Because it was only one year of the biennium, the Program could absorb that impact within the reserve for authorized rate stabilization, and there would be no need to adjust the budget.
- Sections 8 and 11 added provisions under which PEBP could pursue delinquent payments from nonstate jurisdictions for subsidies owed to the program.

Assemblywoman Koivisto inquired whether the effective date of November 2008 allowed retiring teachers enough time for retirement planning.

Ms. Johnstone replied that the November 30, 2008, date allowed teachers who retired at the end of the contract year (August 2008) ample time to enroll in PEBP as they were subject to a 60-day waiting period. She also pointed out that the grandfather provision of the bill allowed retirees enrolled in the program as of November 30, 2008, to be grandfathered into the program.

As Ms. Johnstone's testimony had concluded, Chairman Arberry requested others to come forward with their testimony.

Janice Florey, educator from the Douglas County School District, testified in support of S.B. 544 (R1) as amended (**Exhibit D**).

Jim Richardson, Nevada Faculty Alliance, expressed support for S.B. 544 (R1). According to Dr. Richardson, in 2003 an interim study committee was appointed. The Committee was chaired for two years by Assemblywoman Chris Giunchigliani and for two years by Senator Mark Amodei.

Dr. Richardson pointed out that following the hearing in the Senate Finance Committee on S.B. 544 (R1), Senator William Raggio appointed a subcommittee chaired by Senator Bob Beers, cochaired by Senator Bob Coffin, and made up of representatives of various employee and retiree groups. The subcommittee discussed all aspects of the legislation, particularly the sections dealing with the commingling issue.

Dr. Richardson also expressed support for the "all-in all-out" provisions of the bill. Over the years, local governments were allowed to recommend to retirees that they enroll in the PEBP. The provision was originally placed in the PEBP statutes to allow small local governments some relief when they could not offer adequate healthcare for their retirees. The PEBP had to absorb large numbers of retirees from larger local government entities. This led to severe problems within the PEBP.

Marty Bibb, Executive Director, Retired Public Employees of Nevada (RPEN), testified in support of S.B. 544 (R1). Mr. Bibb noted the bill was a product of four years of legislative study and the changes to PEBP were needed. Four elements of the bill which RPEN believed important were described by Mr. Bibb as follows:

- A provision providing detailed financial results of the self-funded plan for the previous year broken out by active, early retiree, and Medicare retiree categories.
- A provision providing the flexibility to appoint advisory committees to assist PEBP in their endeavors.
- A provision allowing plan members to seek assistance from the Office of Consumer Health Assistance regarding problems with PEBP.
- A provision clarifying commingling for Medicare retirees. Under the existing statute commingling was acceptably understood by the PEBP plan prior to 2005 as permitting credit in rates for Medicare retirees for whom the majority of costs were assumed by the federal government.

Mr. Bibb stated that RPEN encouraged passage of S.B. 544 (R1).

Roger K. Maillard, President, American Federation of State, County, and Municipal Employees (AFSCME) Retiree Chapter, State of Nevada Employees Association (SNEA), presented testimony supporting S.B. 544 (R1). Mr. Maillard specifically supported Section 2.5 which removed the option of

retirees of local governments to join the Program upon retirement if the local government that employed the retiree did not participate in the Program at that time. He encouraged passage of the bill.

Rusty McAllister, Professional Firefighters of Nevada, supported S.B. 544 (R1) but expressed concerns regarding an amendment he had proposed during subcommittee meetings, specifically Section 6.5, Page 11, line 36, which would change "May allow" to "Must allow." Several fire departments that Mr. McAllister represented had collective bargaining trusts. The fire departments were not PEBP members and did not want to become PEBP members. By changing the word "may" to "must", the proposed amendment would exempt the fire departments with collective bargaining trusts from becoming PEBP members.

According to Mr. McAllister, he had discussed the amendment with Senator Bob Beers who was amenable to making the suggested change.

Responding to Chairman Arberry's inquiry, Mr. McAllister noted he did not have a copy of the amendment language immediately available but would provide it to the Committee before the end of the day.

Assemblyman Grady questioned whether adding the proposed amendment would include everyone with collective bargaining and defeat the intent of putting everyone either "in" or "out" of the PEBP plan.

Mr. McAllister was under the impression that only five entities had collectively bargained trust funds that would fall under the provisions of the state collective bargaining laws. The five entities were: two firefighter groups for the City of Las Vegas and Clark County; the Las Vegas Metropolitan Police Department; Clark County teachers; and Clark County school administrators.

Assemblywoman Buckley requested further clarification regarding the proposed amendment. It appeared to her that once the healthcare program had been collectively bargained with the city, the agreement could not be violated.

Mr. McAllister explained that the language of the bill provided that an entity could become a member of PEBP, if they desired, with approval of the PEBP Board with the stipulation that all employees be included. It appeared to him that as city employees, firefighters would be required to be included in the plan.

Ms. Buckley outlined the specifics of the plan as having two parts. The first part would be that the city, if it had collective bargaining and had collectively bargained to develop its own program, would be bound by that agreement. The second part would be the statute which stated that the city could not bring retirees into the PEBP plan unless active employees were also included. The State could not override the city collective bargaining agreement.

Mr. McAllister agreed but was concerned about what would happen when the contract expired. There was worry that if the city enrolled in the PEBP plan, the city contribution to the trust fund as established by the collective bargaining agreement would be eliminated.

Ms. Buckley believed that through negotiations with the city, the trust fund contributions could be preserved. There was the possibility with any plan that renegotiation would be required to protect the agreements reached through collective bargaining.

Further discussion ensued between Ms. Buckley and Mr. McAllister in which Ms. Buckley attempted to allay the concerns of Mr. McAllister. In conclusion, Ms. Buckley agreed to study the issue further to determine whether changing the word "may" to "must" in Section 6.5 was necessary.

Responding to an inquiry from Assemblyman Marvel, Mr. McAllister noted the firefighters' trust did not have an unfunded liability.

Dennis Mallory, Lead Organizer, SNEA and AFSCME, expressed support for S.B. 544 (R1).

Terry Hickman, Executive Director, SNEA, supported the passage of S.B. 544 (R1). Mr. Hickman testified as follows:

The version of S.B. 544 (R1) that you are about to vote on is greatly improved over the initial S.B. 544. When first introduced we were very concerned about the implementation date. It has now been moved back to November 2008 which allows this year's retirees as well as next year's retirees to have a choice to go into the state plan. We think that is a key policy question that you, and we appreciate the leadership of the Senate as well as the Assembly, have made possible.

The policy question that remains was answered in 2003 by the passage of Assembly Bill 286 of the 72nd Legislative Session. The policy question was, "How do we take care of those who have been educators in the State of Nevada upon retirement?"

The question was answered in 2003 by A.B. 286 of the 72nd Legislative Session and now in S.B. 544 (R1) the question will be unanswered beginning December 1, 2008. We hope you understand that this is an extremely important policy question that will most likely come back in the 2009 Session because, we, as you know, represent the teachers and support professionals of Nevada, who are very concerned about their medical retirement. We are concerned that it is possible that this could be viewed as a disincentive, so we will be working very hard in the future. But one more time, we wish to say that November 2008 is a very good beginning point for the implementation of S.B. 544 (R1). Thank you for your assistance.

Assemblywoman Smith inquired whether teachers in all 17 school districts were able to join a local plan.

Mr. Hickman answered that to the best of his knowledge the teachers were able to join a local plan. However, if teachers went through the local plan, they did not receive the subsidy.

Mrs. Smith stated that retiring teachers should be aware of the option to return in the hard-to-fill positions.

Mr. Hickman agreed.

Danny Coyle, Past President and Director, SNEA and AFSCME, expressed support for S.B. 544 (R1), adding that he was not opposed to changing the word "may" to "must" as requested by Mr. McAllister. The main concern was that the retirees be taken care of properly.

David Kallas, Las Vegas Police Protective Association, echoed Mr. McAllister's comments regarding the collective bargaining concerns. Mr. Kallas agreed the word "may" should be changed to "must."

Ms. Johnstone cited as an example, if an employer had multiple collectively bargained agreements and each had their own trust or single trust, that employer may be allowed to exclude a majority of their employees, send a minority of their active employees and still be eligible to send their retirees to PEBP. Ms. Johnstone believed that might be counter to the intent of the discussion so far on these provisions.

Chairman Arberry asked whether the words "may" and "must" were an issue for PEBP.

Ms. Johnstone responded that was a policy discussion. From the program perspective, the nonstate employees were rated separately for benefits. It would not impact the state participants. If the term "may" was unchanged, it probably left discretion with the Board as it was considering applications from employers as to whether it was a substantive portion of their active employees that met the intent of the legislation in considering the application.

Ms. Buckley stressed the necessity to resolve issues regarding S.B. 544 (R1) because the session was nearing completion. She suggested a letter of intent or other alternative could be prepared until a solution was reached.

Ms. Johnstone noted that from the PEBP perspective, a letter of intent could assist with the drafting of regulations required for compliance with the legislation.

Ms. Buckley pointed out that the State must not create additional bargaining units in order to avoid the purpose of the statute. Suggested language could list that this did not allow PEBP to invite members into the program who had a collectively bargained trust.

Ms. Johnstone noted that if the intent was that retirees' eligibility to join PEBP was to be consistent with the eligibility for active employees of an employer, then if collectively bargained actives were not eligible, retirees from that group would also not be eligible for PEBP.

Ms. Buckley wondered whether such a fix could be expressed through a letter of intent to PEBP and handled through the Program's rule-making process. She asked the affected parties to consider whether that approach was an option.

Assemblyman Parks was curious whether S.B. 547 (R1) was a complimentary bill to S.B. 544 (R1) and how the bills fit together.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), explained that S.B. 547 (R1) set up a trust fund for \$25 million recommended in The Executive Budget to deal with the Government Accounting Standards Board (GASB) 45 issue.

There being no further comments or questions, Chairman Arberry closed the hearing on S.B. 544 (R1) and opened the hearing on S.B. 73 (R1).

Senate Bill 73 (1st Reprint): Provides for allowances for certain travel expenses incurred by Legislators during the legislative interim. (BDR 17-265)

Senator Dean A. Rhoads, Rural Nevada Senatorial District, presented a brief overview of Senate Bill (S.B.) 73 (R1) for the Committee. The bill provided that each legislator was entitled to receive, during the legislative interim, a travel allowance not to exceed a total of \$5,000 for travel within his legislative district. The travel expenses were for participation in legislative committees or subcommittees of which he was not a member, for discussion of legislative issues relating to that legislative district.

Following a request for additional comments or questions, Chairman Arberry closed the hearing on S.B. 73 (R1) and opened the hearing on S.B. 226 (R1).

Senate Bill 226 (1st Reprint): Makes an appropriation for the expenses involved in thinning the forests in state parks. (BDRS-1159)

Senator Mark E. Amodei, Capital Senatorial District, presented an overview of Senate Bill (S.B.) 226 (R1). The bill requested an appropriation from the General Fund to the Division of State Parks of the Department of Conservation and Natural Resources (DCNR) in the amount of \$150,000 for expenses involved in thinning the forests in state parks.

According to Senator Amodei, the bill had been developed as a result of his service on the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System for several interims and observing the forestry resources throughout the State.

Originally the bill had carried a \$500,000 fiscal note which included \$250,000 for forest thinning in the State Parks' forest lands. It was hoped that fuel could be generated for the Northern Nevada Correctional Center (NNCC) Biomass Plant. After further review, it was determined the task would be more complex than could be achieved in one legislative session. Therefore, the bill was amended to \$150,000 aimed at providing State Parks \$75,000 annually to pay for inmate crews to go into state parks outside the Tahoe Basin to perform thinning.

Assemblyman Marvel pointed out that the Legislative Committee on Public Lands had heard the issue of slash and the need to clear the slash to reduce fire threats.

Senator Amodei was hopeful that the program could be developed to provide fuel for the NNCC Biomass Plant and could possibly be expanded to cut the state utility costs.

Joseph Johnson representing the Toiyabe Chapter of the Sierra Club, supported the Fire Safe Council and fuels reduction programs in the Tahoe Basin and other areas. The White Pine County Public Lands Act amended the southern Nevada Public Lands Act and made available monies for thinning of the forests in the Carson Range and the Mount Charleston area, as well as in the White Pine area.

According to Mr. Johnson, the Sierra Club was in support of the concept involved in the fuels reduction program but was concerned regarding the emphasis on the wording "thinning of the forest." The Sierra Club had participated in numerous fuels reduction programs in the Tahoe Basin. The concern was that the \$150,000 also funded a study for the Division of State Parks and the DCNR included the term "commercial lumber harvest." He

pointed out that the Sierra Club did not want to see commercial harvesting of the forests in the state parks.

Rather than propose a change to the language, Mr. Johnson requested the record reflect that in Section 2 the language "costs of any other services that are necessary to manage effectively the thinning of the forests through harvesting of timber" would not mean that funds would be provided to commercially harvest forests inside the state parks. The Sierra Club wanted to support fuels reduction programs in the state parks managed through a plan developed in the public view.

Assemblyman Hogan questioned whether environmental organizations would be invited to participate in the proposed study.

Mr. Johnson was under the impression that the public lands had established a public review process. The Club had not been advised of the plans for the thinning of the forest by the use of the forest crews, but hoped the Club would have access.

Assemblywoman Koivisto asked whether there was disagreement by the forestry professionals on the efficacy of thinning the forests.

Mr. Johnson felt that fuels reduction was different than thinning the standing forest. In fire prevention, the national policy of the Sierra Club had been to advocate for the prioritization of the funds to concentrate on the urban forest interface. The area under consideration at this time was remote and was an area that should be surveyed. A decision could be made regarding the public interest. Where there was an appropriate fuels reduction required, the Sierra Club would be supportive. There was often controversy about what the forest should look like, primarily about old growth trees.

There being no further comments or questions, Chairman Arberry closed the hearing on S.B. 226 (R1) and asked the Committee to review and consider 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)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill 38 (R1) for the Committee, noting that the bill established a new division in the Department of Public Safety (DPS) to maintain the Central Repository for Nevada Records of Criminal History. The DPS indicated that, based on the passage of their budget, there was no fiscal impact.

ASSEMBLYWOMAN LESLIE MOVED TO DO PASS
SENATE BILL 38 (R1).

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION PASSED.

Senate Bill 55 (1st Reprint): Authorizes the issuance of general obligation bonds to carry out the Environmental Improvement Program in the Lake Tahoe Basin. (BDR S-250)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill 55 (R1) for the Committee, stating that the bill authorized the issuance of general obligation bonds. According to Mr. Stevens, this was the final phase of bonds authorized during previous sessions for the purpose of the Environmental Improvement Program in the Lake Tahoe Basin.

ASSEMBLYMAN MARVEL MOVED TO DO PASS
SENATE BILL 55 (R1).

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED.

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)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill 250 for the Committee. The bill was a one-shot appropriation included in The Executive Budget for the Office of the Military in the amount of \$111,332 for military equipment.

ASSEMBLYWOMAN MCCLAIN MOVED TO DO PASS
SENATE BILL 250.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION PASSED.

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

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill 251 (R1) for the Committee. The bill was a one-shot appropriation included in The Executive Budget for the Department of Conservation and Natural Resources.

ASSEMBLYWOMAN WEBER MOVED TO DO PASS
SENATE BILL 251 (R1).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED.

Senate Bill 252 (1st Reprint): Makes appropriations to the Division of Welfare and Supportive Services of the Department of Health and Human Services for the replacement of certain office equipment and computers. (BDR S-1217)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reminded the Committee that Senate Bill 252 (R1) had been heard earlier. The bill was a one-shot appropriation included in The Executive Budget. The bill was amended in the Senate Finance Committee.

ASSEMBLYMAN DENIS MOVED TO DO PASS
SENATE BILL 252 (R1).

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED.

Senate Bill 341 (1st Reprint): Makes supplemental appropriations to the Office of the Attorney General. (BDR S-1243)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill 341 (R1) for the Committee, noting that staff recommended an amendment to Section 1, subsection 2, to reduce litigation funds for Yucca Mountain to \$60,000.

ASSEMBLYWOMAN BUCKLEY MOVED TO AMEND AND DO PASS
AS AMENDED SENATE BILL 341 (R1).

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED.

Senate Bill 462 (1st Reprint): Makes an appropriation to the Office of Veterans' Services for the Veterans' Home Account. (BDR S-1227)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reminded the Committee that Senate Bill 462 (R1) had been heard earlier in the day. The bill was a one-shot appropriation for the Veterans' Home Account and was included in The Executive Budget. The Senate Finance Committee increased the amount of the appropriation to add a water softener.

ASSEMBLYMAN PARKS MOVED TO DO PASS
SENATE BILL 462 (R1).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED.

Senate Bill 463 (1st Reprint): Makes an appropriation to the Department of Taxation for continued development and implementation of the Unified Tax System. (BDR S-1238)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill 463 (R1) for the Committee, noting that the bill was a one-shot appropriation included in The Executive Budget. The bill provided for continued development and implementation of unified taxes.

ASSEMBLYMAN DENIS MOVED TO DO PASS
SENATE BILL 463 (R1).

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

THE MOTION PASSED.

Senate Bill 467: Makes an appropriation to the Office of the Attorney General for data storage equipment. (BDR S-1428)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill 467 for the Committee. The bill was a one-shot appropriation included in The Executive Budget for the Attorney General's Office to purchase computer equipment.

ASSEMBLYMAN DENIS MOVED TO DO PASS SENATE BILL 467.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED.

Senate Bill 468 (1st Reprint): Makes a supplemental appropriation to the Office of Veterans' Services for unanticipated shortfalls in Fiscal Year 2006-2007 for utility costs. (BDR S-1422)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill 468 (R1) for the Committee. The bill was a supplemental appropriation included in The Executive Budget for the Office of Veterans' Services for utility costs. The amount of the appropriation was reduced by the Senate Finance Committee.

ASSEMBLYWOMAN MCCLAIN MOVED TO DO PASS
SENATE BILL 468 (R1).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED.

Senate Bill 555 (1st Reprint): Makes appropriations to the Department of Public Safety. (BDR S-1266)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill 555 (R1) for the Committee, noting the bill was a one-shot appropriation included in The Executive Budget for the Department of Public Safety.

ASSEMBLYWOMAN LESLIE MOVED TO DO PASS
SENATE BILL 555 (R1).

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION PASSED.

Chairman Arberry recessed the meeting at 11:01 a.m. to the call of the Chair.

Chairman Arberry reconvened the meeting at 3:30 p.m. and requested the Committee review and consider Senate Bill 186 (R1).

Senate Bill 186 (1st Reprint): Makes an appropriation to the Office of the Governor to purchase replacement computer hardware and software and office furniture and machines. (BDR S-1202)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill 186 (R1) for the Committee. The bill was a one-shot appropriation included in The Executive Budget for the purchase of replacement computer hardware and software for the Governor's Office.

ASSEMBLYMAN DENIS MOVED TO DO PASS
SENATE BILL 186 (R1).

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert and Assemblywoman Smith were not present for the vote.)

Senate Bill 189 (2nd Reprint): Makes an appropriation to the Interim Finance Committee for the implementation of sagebrush habitat projects. (BDR S-1224)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill 189 (R2) for the Committee. The bill was a one-shot appropriation included in The Executive Budget, providing \$200,000 for the Department of Wildlife.

ASSEMBLYMAN MARVEL MOVED TO DO PASS
SENATE BILL 189 (R2).

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

Senate Bill 253 (1st Reprint): Makes appropriations to the Division of Mental Health and Developmental Services of the Department of Health and Human Services for computer hardware and software, vehicles, furniture and other equipment. (BDR S-1215)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill 253 (R1) for the Committee. The bill was a one-shot appropriation included in The Executive Budget for the Division of Mental Health and Developmental Services. There were several appropriations for different budget accounts within the appropriation.

ASSEMBLYWOMAN LESLIE MOVED TO DO PASS
SENATE BILL 253 (R1).

ASSEMBLYMAN PARKS SECONDED THE MOTION.

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

Senate Bill 444 (1st Reprint): Makes a supplemental appropriation to the Office of the Governor for dues for the National Governors Association and other costs. (BDR S-1240)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill (S.B.) 444 (R1) for the Committee. Mr. Stevens noted the bill was a supplemental appropriation to the Governor's

Office to provide for increased dues for the National Governors Association and costs for maintaining the bill-tracking database for the 2007 Legislative Session. The amount of the supplemental appropriation was \$63,357 and was included in The Executive Budget.

Assemblywoman Leslie asked whether there were two bill-tracking contracts, one for \$10,000 and one for \$9,999. Ms. Leslie had been contacted by the individuals responsible for the contract and it appeared to her that the program was merely an Access spreadsheet. Ms. Leslie believed the cost was unjustified.

It was Assemblyman Denis' understanding that the contractor was actually performing the bill-tracking for the Governor's staff and not just providing software.

Chairman Arberry recommended holding the bill for further review.

Chairman Arberry requested the Committee review and consider S.B. 458 (R1).

Senate Bill 458 (1st Reprint): Makes appropriations to the Department of Health and Human Services for computer replacement. (BDR S-1216)

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS
SENATE BILL 458 (R1).

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

THE MOTION PASSED.

Chairman Arberry requested the Committee review and consider S.B. 461 (R1).

Senate Bill 461 (1st Reprint): Makes an appropriation to the Legislative Fund for various projects of the Legislature and the Legislative Counsel Bureau. (BDR S-1206)

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS
SENATE BILL 461 (R1).

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED.

Chairman Arberry requested the Committee review and consider S.B. 464 (R1).

Senate Bill 464 (1st Reprint): Makes an appropriation to the Disaster Relief Account. (BDR S-1239)

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS
SENATE BILL 464 (R1).

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION PASSED.

Chairman Arberry requested the Committee review and consider S.B. 544 (R1).

Senate Bill 544 (1st Reprint): Makes various changes relating to the Public Employees' Benefits Program. (BDR 23-126)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reminded the Committee that Senate Bill 544 (R1) involved the Public Employees' Benefits Program.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS
SENATE BILL 544 (R1) WITH A LETTER OF INTENT TO CLARIFY
LANGUAGE ON PAGE 11 OF THE BILL.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED.

Chairman Arberry requested the Committee review and consider S.B. 570.

Senate Bill 570: Makes an appropriation to the Office of the Director of the Department of Health and Human Services to fund a working group to study the methamphetamine problem in Nevada. (BDR S-1504)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), reviewed Senate Bill (S.B.) 570 for the Committee, noting the bill was a \$90,100 appropriation to assist the working group to study the methamphetamine problem. A supplemental appropriation had been approved for fiscal year (FY) 2007, but S.B. 570 provided funding for the upcoming biennium.

ASSEMBLYWOMAN LESLIE MOVED TO DO PASS
SENATE BILL 570.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED.

Chairman Arberry requested the Committee review and consider A.B. 146 (R1).

Assembly Bill 146 (1st Reprint): Requires the Department of Health and Human Services to establish a program to increase public awareness of health care information concerning the hospitals in this State. (BDR 40-687)

Assemblywoman Leslie presented a proposed amendment (**Exhibit E**) for the Committee's consideration. The amendment removed the fiscal impact and assumed there would be an appropriation to fund the start-up costs for services to establish a program to increase public awareness of health care information concerning the hospitals in the State. Section 6.5 required the Department to determine at the beginning of each biennium whether sufficient money was available to fund one or more components of the programs.

Ms. Leslie advised that she was presenting the mock-up of the bill to the Committee because when the bill was previously heard there was an unresolved issue. Since that time the hospitals had negotiated with the other interested parties and had agreed to the language included on Page 2, lines 17 through 22 of the exhibit.

Assemblywoman Weber was interested to know whether the policy regarding the outpatient information was still included in the bill.

Ms. Leslie confirmed the outpatient information was still a part of the bill and had not been removed. The Nevada Hospital Association had signed-off on the language. To the best of her knowledge, there was no disagreement between the involved parties.

Bill Welch, Nevada Hospital Association, a member of the audience, nodded his confirmation.

ASSEMBLYWOMAN MCCLAIN MOVED TO AMEND AND DO PASS
ASSEMBLY BILL (A.B.) 146 (R1).

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED.

Chairman Arberry recessed the meeting at 3:40 p.m. to call of the Chair.

Chairman Arberry reconvened the meeting at 6:33 p.m.

Chairman Arberry recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB).

Mr. Stevens distributed [Exhibit F](#), Pages 17 to 41 of the Appropriations Act pointing out that the Senate Finance Committee had simultaneously received the same information for its review. Traditionally the back section of the Appropriations Act language was provided to the Committee prior to the introduction of the Appropriations Act on the Assembly floor. Historically, the Appropriations Act was not amended as language was discussed prior to introduction to avoid amendments. The bill would be introduced on June 3, 2007, on the Assembly floor. By joint rule, 24-hours must have elapsed between introduction and voting in the house of origin. Mr. Stevens began the presentation.

- Section 34—Outlined budget accounts that had the authority to transfer appropriated amounts between fiscal years of the biennium with the approval of the Interim Finance Committee (IFC). There were 24 budget accounts with that authority. Two budget accounts had been added since the 2005 Legislative Session based on recommendations from the Budget Division and discussions during the legislative session.
- Section 35—Amounts appropriated to finance specific programs outlined in this section were allowed to be transferred between fiscal years.
- Section 36—Allowed deferred maintenance amounts included in the budgets to be utilized in either fiscal year with the approval of the IFC.
- Section 37—Provided \$6.3 million to the IFC to be used for additional costs which may occur in the Department of Corrections (DOC), Parole and Probation, and the Board of Parole Commissioners. Mr. Stevens noted that half of the inmate-driven savings and savings from closing the prison budgets were included in the amount. Subsection 2 allowed any portion of the appropriation not needed for additional operating costs could be used for programming activities for offenders in the custody of the DOC, Parole and Probation, or programs provided by specialty courts designed to divert or mitigate circumstances which otherwise would lead to incarceration of an individual.
- Section 38—Appropriated \$135,000 to the Department of Administration to conduct, in consultation with the Division of Parole and Probation, a study of the pre-sentence investigation report process and risk and needs

- assessment instruments used by the Division of Parole and Probation. They are required to report to IFC on the results of the study on or before September 1, 2008.
- Section 39—Appropriation of \$532,380 in fiscal year (FY) 2007-08 and \$442,503 in FY 2008-09 to IFC for the Division of Child and Family Services for the placement and treatment services for paroled youth.
- Section 40—Additional appropriation of \$116,555 in FY 2007-08 and \$114,997 in FY 2008-09 to IFC for the Division of Child and Family Services relating to the Interstate Compact on Juveniles. Money appropriated may only be used upon adoption of the Interstate Compact on Juveniles by 35 states.
- Section 41—Appropriation of \$619,764 to IFC for allocation to the Supreme Court for a new case management system. Funds appropriated can only be allocated by the IFC upon submittal of a detailed plan and budget developed by the Administrative Office of the Courts.
- Section 42—Provided \$333,269 in FY 2007-08 and \$318,224 in FY 2008-09 to the IFC for allocation to the Office of Homeland Security to support a state fusion process. Funds can only be allocated by the IFC upon presentation of a plan developed by the Office of Homeland Security with agreement from local law enforcement, including the Las Vegas Metropolitan Police Department and the Washoe County Sheriff, and approved by the Board of Examiners.
- Section 43—Provided \$3,970,461 to the Attorney General Tort Claim Fund. The committees reduced the amount recommended by the Governor because of the Education First Initiative. The funding was approved through June 30, 2007. The money would not revert.
- Section 44—Indicated funds going to the Legislative Counsel Bureau did not revert.
- Section 45—Contained language to cap the Division of Health Care Financing and Policy and the Division of Welfare and Supportive Services of the Department of Health and Human Services, excluding certain budget accounts within those agencies, but capped those agencies to the appropriated amounts included in the Appropriations Act. Certain costs were outside the cap for those agencies.
- Section 46—Allowed Division of Welfare and Supportive Services to transfer appropriated amounts between the budgets within the agency.
- Section 47—Allowed Nevada Medicaid and the Nevada Check Up Program to transfer appropriated amounts between the budgets within the agency.
- Section 48—Allowed the Department of Corrections to transfer appropriated amounts between the budgets within the agency.
- Section 49—Allowed the Department of Public Safety to transfer appropriated amounts within their budget account related to the Public Safety Information Services Section with approval of the IFC.
- Section 50—Indicated amounts to be provided for Department of Motor Vehicles kiosks. Funds could be used in either year of the biennium.
- Section 51—Allowed monies to be transferred within department budget accounts. The amount transferred into a budget account was limited to the amount budgeted for vacancy savings.
- Section 52—Required the Board of Regents to comply with any request by the Governor to set aside money from the appropriations made within this act in any specified amount.
- Section 53—Provided an exclusion from reversion for certain amounts within higher education used to match documented research grants. Funds may be carried forward for a maximum of two fiscal years.
- Section 54—Allowed the university system to balance forward the sum of \$50,994 to be used in the next biennium.

- Section 55—Indicated the amounts appropriated to the Division of Child and Family Services for district attorneys and legal expenses incurred by Clark County and Washoe County integration services shall be used solely for legal representation of the child welfare agencies in those counties.
- Section 56—Appropriated \$112,557 to the Public Employees' Retirement Board to be expended for the administration of the Legislators' Retirement System.
- Section 57—Required the State of California to provide two-thirds share of matching funds for the appropriations provided by Nevada to the Tahoe Regional Planning Agency.
- Section 58—Contained the reversion language utilized for the appropriations made in each fiscal year of the biennium. According to Mr. Stevens, the reversion language used in this section was much tighter than language used in the past. In the past monies could be sent to other entities or encumbered at the end of the year and balanced forward. The language in this section prevented balancing forward of encumbered funds.
- Section 59—Required the State Controller to provide payment of claims legally obligated in each fiscal year on behalf of state agencies until the last business day of August.
- Section 60—Directed the State Controller to transfer among the appropriate accounts and funds the amounts necessary to carry out the budget approved by the Legislature.
- Section 61—Required the State Controller to pay the annual salaries of Supreme Court Justices, District Court Judges, the Governor, the Lieutenant Governor, the Secretary of State, the State Treasurer, the State Controller and the Attorney General in biweekly installments.
- Section 62—Appropriated \$3,000,000 for the final cost of the 2007 Legislative Session. It was anticipated the total cost of the session would be \$18.5 million. The actual cost was \$18 million for a savings of \$500,000.
- Section 63 through 65—Allowed departments to receive advances from the General Fund under certain circumstances.
- Section 66—Allowed money to be expended if the National Guard was called into active duty. The amount was limited to \$25,000 per activation.
- Section 67—Provided that if the ending balance of the General Fund fell below the amount estimated by the 2007 Legislature of \$80 million, the Director of the Department of Administration could require department heads to set aside a reserve of not more than 15 percent of their operating budget. The Governor, on behalf of the Board of Examiners, was required to submit a report to the Legislature why the reserve was needed and indicating where the budget cuts would occur.
- Section 68—Allowed the State Controller to make payment to the United States Treasury from the interest earnings of the General Fund or interest earnings in other funds when interest on federal money has been deposited in those funds.
- Section 69—Allowed the Nevada Arts Council Challenge Grant Program to use funds over a three-year period.
- Section 70—Appropriated from the General Fund \$1,267,526 in FY 2007-08 and \$2,655,717 in FY 2008-09 to the IFC to assist state agencies in paying utility costs that exceeded the amount that had otherwise been appropriated.
- Section 71—Appropriated from the General Fund \$2,475,570 in FY 2007-08 and \$5,160,590 in FY 2008-09 to the IFC to assist school districts in paying utility costs that exceeded the amount that had otherwise been appropriated.

- Section 72—Eliminated the sunset on the modified business tax and retained the tax rate at 0.63 percent.
- Sections 73 —Provided the effective dates.

Mr. Stevens concluded his overview of the Appropriations Act and advised the Committee that Rick Combs, Program Analyst, would be presenting an overview of the Authorizations Act.

Assemblywoman Buckley requested the Committee review and consider Assembly Bill (A.B.) 93 (R1) prior to Mr. Combs' presentation of the Authorizations Act.

Assembly Bill 93 (1st Reprint): Provides exemptions from certain taxes for surviving spouses of members of the Nevada National Guard who are killed while on active service in full-time National Guard duty. (BDR 32-42)

Assemblywoman Buckley noted that Assembly Bill 93 (R1) was sponsored by Assemblyman Bernie Anderson, Washoe Assembly District No. 31, and provided exemptions from certain taxes for surviving spouses of the Nevada National Guard members killed while on active duty status. The fiscal impact was minimal.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS AS AMENDED ASSEMBLY BILL 93 (R1).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

Assemblywoman Buckley requested review and consideration of A.B. 89 (R1).

Assembly Bill 89 (1st Reprint): Revises provisions regarding industrial injuries and occupational diseases to include as police officers certain employees of the Department of Public Safety and the State Department of Conservation and Natural Resources. (BDR 53-849)

Assemblywoman Buckley pointed out the bill was sponsored by Assemblywoman Bonnie Parnell, Assembly District No. 40. Section 1 of the bill expanded the definition of police officer to make certain employees of the Department of Public Safety and certain park rangers and division employees of the State Department of Conservation and Natural Resources eligible for the disability benefits provided to police officers. The fiscal note was \$31,391 in fiscal year (FY) 2007-08 and \$13,109 in FY 2008-09.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS AS AMENDED ASSEMBLY BILL 89 (R1).

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

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

Assemblywoman Buckley requested the Committee review and consider A.B. 141 (R1).

Assembly Bill 141 (1st Reprint): Makes various changes to provisions concerning vehicles and vehicle parts with altered or missing identification numbers or marks. (BDR 43-409)

Assemblywoman Buckley stated that Assembly Bill (A.B.) 141 (R1) was sponsored by Assemblyman William Horne, Clark Assembly District No. 34, and prohibited vehicle dealers, garagemen, automobile wreckers, operators of salvage pools or body shops or the employees of any such establishment from taking possession of a motor vehicle or part from a motor vehicle which he knew to have identification numbers or marks that had been falsely attached, removed, defaced, altered or obliterated. The fiscal note was under \$10,000.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS AS AMENDED ASSEMBLY BILL 141 (R1).

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

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

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

Mr. Stevens introduced Rick Combs, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, to review the Authorizations Act for the Committee.

Mr. Combs presented an overview of Pages 22 through 32 of the Authorizations Act ([Exhibit G](#)), detailing the following sections:

- Section 1 set forth the actions of the money committees with regard to the authorized expenditures for State agencies.
- Section 2 related to the Tobacco Settlement Funds received by the State. The Office of the Attorney General (AG) received an allocation of \$594,408 for fiscal (FY) 2007-08 and \$651,274 in FY 2008-09 to support the operation of the AG administrative fund. Subsection 3 appropriated funds from the Healthy Nevada to support the operation of the [Elderly Protective Services] EPS/Homemaker programs.
- Section 3 was the authorized expenditures for the Gaming Control Board pursuant to the provisions of *Nevada Revised Statutes* (NRS) 463.330.
- Section 4 was the authorized expenditures for the Gaming Commission pursuant to the provisions NRS 463.330.
- Section 5 required executive branch agencies to comply with the provisions of the State Budget Act with regards to transfers and work programs of amounts listed in Section 1 of this act.
- Section 6 allowed the Chief of the Budget Division to approve augmentations to the amounts authorized in Sections 1 to 4, subject to restrictions outlined in Section 7.
- Section 7 addressed agencies that received other revenues in addition to the General Fund or Highway Fund. In those cases, the portion provided by appropriation from the General Fund or the Highway Fund must be decreased to the extent that the receipt of the money from other sources was exceeded.
- Section 8 was the authority for the Nevada System of Higher Education (NSHE) to expend student registration fees for the university system. Subsection 2 indicated that NSHE could expend additional registration fees collected above the authorized amounts for the purposes of salaries

- and related benefits for instructional faculty necessary as a result of increased enrollments. NSHE may expend additional nonresident tuition fees and any additional registration fees not utilized for additional salaries for other purposes with approval of the Interim Finance Committee (IFC).
- Section 9 provided authorization for the Wildlife Account to receive an advance from the General Fund if the claims against the account exceeded the amount of cash available, but not to exceed 50 percent of the amount receivable from the federal government or any estimated revenue from fees.
- Section 10 was the authorization from the Public Defender's Office to receive county fee revenue from the counties participating in the Public Defender services.
- Section 11 was the requirement for the Treasurer to allocate the amount of tax on motor vehicle fuel computed pursuant to NRS 365.535, to be paid on fuel used in watercraft for recreational purposes, equally between the Department of Wildlife and the Division of State Parks.
- Section 12 indicated that the money collected by the Department of Wildlife and designated as an obligated sum in the Wildlife Account to be used only for the purposes specified by the law pertaining to the money or by the donor of the money must be transferred to a separate account.
- Section 13 was a new section added as a result of approval for funding for the Division of Tourism for support of the Reno-Tahoe Winter Games Coalition for each year of the biennium. Any money not expended at the end of the respective fiscal years must revert to the fund for the Promotion of Tourism.
- Section 14 was a new section relating to the Real ID act of the Department of Motor Vehicles (DMV). The actions of the money committees were to approve \$100,000 in FY 2007-08 and \$200,000 in FY 2008-09 for consultant services and additional expenses related to the Real ID Act and required by the federal government. Subsection 2 indicated DMV could request an augmentation if the DMV determined that the amounts authorized in Section 1 were insufficient to comply with the provisions of the Real ID Act or regulations adopted pursuant to the Act. Any additional money authorized must be expended solely for the purposes of implementing the provisions of the Real ID Act.
- Section 15 exempted the Division of Forestry from the provisions of Section 7 which required any additional non-General Fund sources to result in a reversion to the General Fund if the additional money was used for maintenance or repair of firefighting vehicles.
- Section 16 indicated that money authorized for expenditure in Section 1 for the Fire Marshal from the Contingency Account for Hazardous Materials must be expended for eligible training programs prior to using General Fund for such training programs.
- Section 17 was a new section related to the money committee approval of Capital Improvement Project (CIP) 07-C52, vehicle training course for Police Officer Standards and Training (POST). The CIP as approved included court administrative assessment revenues to fund a portion of the cost of the project. Any unexpended money could be balanced forward to the next fiscal year.
- Section 18 exempted the Division of Forestry for support of the central reporting unit that remained unexpended on June 30 could be carried forward to the next fiscal year for that purpose.

Mr. Combs concluded the presentation.

Chairman Arberry opened the floor for questions from the Committee.

Assemblywoman Buckley requested the Committee review and consider Assembly Bill (A.B.) 544.

Assembly Bill 544: Makes an appropriation to the Department of Transportation for highway improvements. (BDR S-1225)

Assemblywoman Buckley noted that Assembly Bill (A.B.) 544 made an appropriation to the Department of Transportation of General Fund money of \$170 million for Interstate Highway 15 (I-15). The bill was referenced by the Governor in the State-of-the-State message to alleviate highway congestion.

Ms. Buckley requested an amendment which would also include an appropriation for Interstate Highway 160 (I-160) [Blue Diamond Project]. According to Ms. Buckley, this was one of the deadliest Nevada highways. The completion of the highway required \$16 million.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, pointed out that the bill would provide \$170 million in General Fund for the I-15 project. If \$16 million was added for the Blue Diamond Project, staff must include the correct funding source for the project. If the \$16 million was an additional appropriation, it must be determined if the money was a General Fund addition.

Ms. Buckley wanted to rely on the Committee to make the determination for the funding source.

Assemblyman Marvel asked whether the \$16 million was in addition to the \$170 million.

Ms. Buckley stated that the \$16 million was included in the \$170 million and an additional appropriation was not required. It appeared to her that the \$16 million would be appropriated from the General Fund.

Assemblywoman Gansert expressed support for the Blue Diamond Project. She believed the \$170 million was an appropriation from the General Fund.

ASSEMBLYWOMAN BUCKLEY MOVED TO AMEND AND DO PASS
AS AMENDED ASSEMBLY BILL 544.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

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

Mr. Stevens advised the Committee that he had received word that the Senate Finance Committee had an issue with Section 42 of the Appropriations Act. Section 42 was the appropriation to the Interim Finance Committee (IFC) for allocation to the Office of Homeland Security to support a state fusion process. The Senate Finance Committee suggested the appropriations be made available in either year of the biennium. Staff believed the request was appropriate.

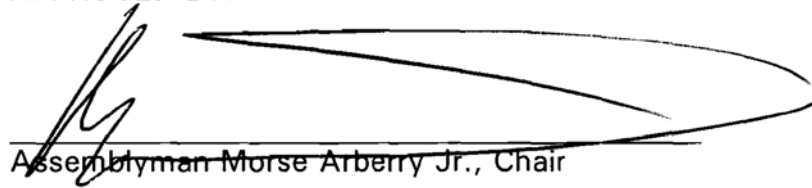
Chairman Arberry noted the Committee was not required to make a motion regarding the adjustment, but it appeared the Committee members were not opposed to the adjustment.

There being no further comments or questions, the meeting was adjourned by
Chairman Arberry at 7:12 p.m.

RESPECTFULLY SUBMITTED:

Linda Blevins
Committee Secretary

APPROVED BY:



Assemblyman Morse Arberry Jr., Chair

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>June 2, 2007</u>		Time of Meeting: <u>9:44 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A	-----	Agenda
	B	-----	Attendance Roster
SB 252	C	David Stewart, Dept. of Health & Human Services	Prepared testimony
SB 544	D	Janice Florey, Teacher	Prepared testimony
AB 146	E	Assemblywoman Sheila Leslie	Mock-up
	F	Mark Stevens, Fiscal Division	Appropriations Act back language
	G	Rick Combs, Fiscal Division	Authorizations Act back language