

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

**Seventy-Fourth Session
June 3, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 9:05 a.m., on Sunday, June 3, 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:

Assemblyman John Carpenter, Assembly District No. 33

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Melinda Martini, Program Analyst
Christine Bashaw, Committee Secretary
Patricia Adams, Committee Assistant

Chairman Arberry opened the hearing on [Senate Bill 185 \(R2\)](#).

Senate Bill 185 (2nd Reprint): Revises provisions governing the Commission on Educational Excellence. (BDR 34-426)

Carol Stonefield, Principal Research Analyst, Research Division, Legislative Counsel Bureau (LCB), stated she was the primary research analyst working with the Legislative Committee on Education last interim.



Senate Bill (S.B.) 185 (R2) was a product of that interim committee and she was testifying at the request of Chairman Raggio to present the bill. Ms. Stonefield said that as a member of the LCB staff she would neither advocate nor oppose any provisions of this bill.

Ms. Stonefield explained that S.B. 185 (R2) provided the recommendations from the interim committee to change the processes of the Commission on Education Excellence, which was the Commission that had the responsibility of distributing Senate Bill No. 404 of the 73rd Legislative Session funds, the grant funds for public schools. There were a couple of provisions that were presented from the original recommendations of the interim committee and a couple of amendments that were added by the Senate.

Ms. Stonefield said that section 2 provided guidelines which must include consideration of the list of priorities of schools, ranked according to adequate yearly progress and Title I eligibility. Also, the guidelines required that the entire membership of the Commission must review and approve any applications before funds were allocated to any grantee.

Ms. Stonefield said the second change was in section 2 and required that school districts assist public schools and charter schools in preparation of their applications for grants. The districts must ensure that the application was based on the plan to improve pupil achievement, developed according to the Commission's guidelines, contained a reasonable request for money that was logically connected to the program, and did not duplicate other programs or services.

Ms. Stonefield said the third change was in section 3 which required the Commission to report the total amount of money allocated according to specific categories. Because there were so many grants, the Legislative Committee on Education thought that combining the various grants into categories would make it easier for the Legislature to understand where the money was allocated. Ms. Stonefield explained that the categories would include:

1. The amount awarded to each school.
2. The amount awarded to each school district.
3. The amount awarded to schools on the list of priorities.
4. The amount awarded for programs for direct student services and for programs that have an indirect benefit to students.
5. The amount awarded for innovative programs.

Ms. Stonefield said the fourth change provided that the Commission may request some of the funds in the account be used for sight visits and best-practices fairs. That amount would be limited to \$50,000 per biennium.

Ms. Stonefield concluded that the bill would provide for not more than \$450,000 per biennium for an evaluation of the program. Finally, the bill prohibited awarding any grants for programs to provide full-day kindergarten. In anticipation that the Legislature would continue the funding for the Senate Bill No. 404 of the 73rd Legislative Session program, it was the recommendation of the Legislative Committee on Education that these changes be made to ensure that the intent of the Legislature was implemented.

Assemblywoman Smith said she had several questions and asked whether the Committee on Education discussed the Commission and the concerns regarding attendance and participation.

Melinda Martini, Program Analyst, Fiscal Analysis Division, LCB, said the primary focus during the interim was on the types of programs that were funded by the Commission and not on the number of Commission members. However, this bill required the Commission to meet as a group to approve the grants.

Assemblywoman Smith noted in section 2, subsection 1(e), that there was new language stating "money must not be allocated from the Account for a grant until the entire membership of the Commission has reviewed and approved," but she recalled that there had been a problem with attendance at the Commission meetings.

Ms. Stonefield responded that this was not addressed in this bill.

Assemblywoman Smith asked whether there was a discussion on how this amendment would be implemented if there were members from the Commission absent.

Ms. Stonefield responded there was not.

Assemblywoman Smith said there did not seem to be an audit provision for the funds.

Ms. Martini said there were no provisions for an actual audit of the funds. The evaluator, Dr. Doug Reeves, did sight visits for each of the programs funded and monitored them, but neither the Department of Education nor LCB performed an actual audit.

Assemblywoman Smith clarified that no one checked on expenditures relative to the applications.

Ms. Martini said the Department of Education could address this, but she did not believe any expenditure audits were conducted.

Assemblywoman Smith stated that there had been a lot of complaints during the interim concerning the program about money being allocated for uses not originally intended by the program. Had there been any discussion about the program funding only to schools and not to districts?

Ms. Martini answered the districts were provided authority to apply and receive money so that if there was a program that could be implemented districtwide, the district could apply and provide the funds districtwide. It involved the districts applying for and receiving the funds. There had not been a discussion to eliminate districts from the process.

Ms. Stonefield responded that the original grant guideline allowed for schools to apply directly to the Commission. Then the Legislative Committee on Education became aware that there were some districts that were requiring the school applications go to the district first. The interim committee stepped in and indicated that the schools should be able to directly apply.

Assemblywoman Smith said she remembered that happening. The districts then began competing with the schools for grants, and she did not feel that was the intent.

Assemblyman Hardy said that the problems he had heard about had been resolved quickly because of the flexibility.

Assemblyman Grady stated he had been talking to Assemblywoman Smith and noted Lyon County had received a lot of complaints because there were no audit procedures. Assemblyman Grady agreed with Assemblywoman Smith and thought an audit procedure should be implemented.

Assemblywoman Koivisto asked whether this was the \$50,000 per year allotment in the bill.

Ms. Martini answered no: the \$50,000 was a limit that would be placed on the Commission and the funds they could use to review the program.

Chairman Arberry closed the hearing on S.B. 185 (R2) and opened the hearing on S.B. 191 (R1).

Senate Bill 191 (1st Reprint): Revises provisions governing the Account for the Technological Crime Advisory Board. (BDR 15-1203)

Keith Munro, Chief of Staff, Office of the Attorney General, said that section 1 was cleanup language that was recommended by the Department of Administration. Section 2 appropriated funds for data storage and computer hardware and software.

Chairman Arberry closed the hearing on S.B. 191 (R1) and opened the hearing on S.B. 380 (R2).

Senate Bill 380 (2nd Reprint): Makes various changes concerning certain defendants who are found to be incompetent. (BDR 14-279)

Ben Graham, Nevada District Attorneys Association (NDAA), referred to [Exhibit C](#) and explained why it was addressed to Assemblyman Anderson and testified in support of Senate Bill (S.B.) 380 (R2). This bill was a redrafting of provisions of insanity, guilty but mentally ill, and incompetent. Mr. Graham said that the constitution mandated that a person had to be competent to go to trial, and some people never obtained competency. Mr. Graham gave three examples of individuals who would never be found competent, and these individuals were medicated and then returned to society.

Mr. Graham referred to Assembly Bill (A.B.) 193 (R2) and A.B. 369 (R2) that dealt with not guilty by reason of insanity and guilty but mentally ill. Senate Bill 380 (R2) dealt with competency and created a program through the Department of Mental Health to track these individuals under a new structure. Mr. Graham said that the cost would be less than \$280,000 for the next two fiscal years.

Assemblyman Hardy asked whether the conditional release implied that the individual would be competent when treated but was not competent when the crime was committed. Therefore, the person would not be tried for the crime even though competent and would not be incarcerated, but under treatment.

Mr. Graham clarified that the individual would never be competent to be tried for a crime but would be capable of living outside the confined community if the individual followed the treatment program.

Assemblyman Hardy asked whether this was different than insanity.

Mr. Graham stated that insanity was when a crime had been committed, but the person was suffering from a mental incapacity.

Chairman Arberry closed the hearing on S.B. 380 (R2) and opened the hearing on S.B. 547 (R1).

Senate Bill 547 (1st Reprint): Makes various changes regarding the management of the Public Employees' Benefits Program. (BDR 23-1414)

Leslie Johnstone, Executive Officer, Public Employees' Benefits Program (PEBP), said that the primary accomplishment of Senate Bill (S.B.) 547 (R1) would be to establish an irrevocable trust fund to be referred to as the State Retirees' Health and Welfare Benefits Fund. This fund would be used to account for and collect all funding for current and future retirees for the Governmental Accounting Standards Board (GASB) 45 liability. Ms. Johnstone said that the budget included approximately \$53 million to go towards the prefunding.

Ms. Johnstone said that provisions in the bill included the purpose of the fund and investment guidelines. Senate Bill 457 (R1), which was enacted into law, established a funding mechanism within the Public Employees' Retirement System (PERS) and authorized PEBP to utilize that investment mechanism.

Ms. Johnstone stated there were reporting and auditing requirements. Included in section 10 was cleanup language clarifying the local governments responsibility for paying subsidies for their retirees. In sections 11.5 and 13, there were provisions that prohibit board members' investment in and ownership of business enterprises connected to the Program. Section 13 included a provision that the appointment of the Executive Officer by the board was to be confirmed by the Governor. Ms. Johnstone said Section 12 included provisions that the board could hold closed sessions to discuss investment matters. Section 14 was a technical change and section 17 included the manner in which subsidies were calculated for retirees. Currently, retirees who left employment January, 1994 or later, PEBPs only applied the subsidy to employers where the employee worked five years. Some individuals loose credit for years-of-service if employment in local government or the state for less than five years. The language in section 17 would provide that all years-of-service be counted towards a retiree's subsidy calculation.

Chairman Arberry asked who would do the investing.

Ms. Johnstone said an agreement would be reached with PERS to use their mechanism that was setup in S.B. 457 (R1).

Chairman Arberry clarified that it was not in S.B. 547 (R1).

Ms. Johnstone said that S.B. 457 was initiated by local governments to be able to use PERS for their investments, and the investment authority was expanded to PEBP.

Chairman Arberry noted that there was a deletion of an accounting officer and the addition of a chief financial officer and questioned what effect that would have if no one was a certified public accountant (CPA).

Ms. Johnstone said the requirements of the position remain the same, it was just a more descriptive title.

Assemblywoman Gansert asked whether an employee who had 5 years service would get approximately a 25 percent subsidy.

Ms. Johnstone replied that this was taken care of by the definition of a retiree. To be an eligible participant as a retiree, an individual must be drawing retirement benefits.

Assemblyman Marvel asked how far would the \$53 million pay on the liability.

Ms. Johnstone answered that it would take a few percentage points off the current year's annual required contribution.

Assemblyman Marvel asked what the unfunded liabilities would be 20 years from now.

Ms. Johnstone said she could provide that information later to the Committee.

Roger Maillard, President, American Federation of State, County and Municipal Employees (AFSCME), retiree chapter, testified in support of S.B. 547 (R1).

Jim Richardson, Nevada Faculty Alliance, testified in support of S.B. 547 (R1). He had reservations about changing the appointment process for the executive officer but said that it was too late to be discussing amendments. Mr. Richardson referred to Assembly Bill 196 (R1) which would allow a mechanism in future years to add money to this trust fund.

Martin Bibb, Executive Director, Retired Public Employees of Nevada (RPEN), testified in support of S.B. 547 (R1).

Danny Coyle, AFSCME, retiree chapter, testified in support of S.B. 547 (R1).

Raymond Flynn, Assistant Sheriff, Las Vegas Metropolitan Police Department (LVMPD), said there was not a problem with the bill but a problem with amendment No. 988 that was added May 31, 2007, which addressed sections 10.3 and 18. The amendment violated the spirit of the collective bargaining agreements. This legislation allowed local government employees to join PEBP for retirement health benefits upon retirement. Instead of requiring the retiree to pay for the benefit granted by the Legislature, the Legislature would require the local government to pay for the subsidy. Assistant Sheriff Flynn stated that this ignored the fact that employers like LVMPD had entered into collective bargaining agreements with their employees for wages and benefits. The result was LVMPD would have to pay an extra, nonbargained benefit to those employees who join PEBP. This extra benefit was an addition to the benefits provided by contract. If the State wanted to grant this benefit, it should fund the benefit itself or through retiree contributions.

Assistant Sheriff Flynn commented that the language of amendment No. 988 took advantage of LVMPD's ongoing litigation against PEBP. He asked in section 10.3 to delete "participate in" and reinsert "join." He noted Section 18 stated that sections 10.3 and 10.7 would become effective on July 1, 2007, and be applied retroactively to October 1, 2003. Assistant Sheriff Flynn stated that this section was unfair to LVMPD and imposed a financial obligation retroactively on LVMPD.

In response to a question from Chairman Arberry, Assistant Sheriff Flynn provided a copy of the proposed amendment ([Exhibit D](#)) to the Committee.

Chairman Arberry closed the hearing on S.B. 547 (R1) and after a short recess opened the hearing on S.B. 562 (R1).

Senate Bill 562 (1st Reprint): Transfers money from the Fund for the Promotion of Tourism to the Western Folklife Center for the National Cowboy Poetry Gathering and to the Atomic Testing Museum. (BDR S-1451)

Assemblyman John Carpenter, Assembly District No. 33, testified in support of Senate Bill (S.B.) 562 (R1). The National Cowboy Poetry Gathering was very important to Elko and a great event that brought in tourists.

Chairman Arberry asked when the cowboy poetry gathering took place.

Assembly Carpenter answered that it ran for two weeks and was held the last of January and beginning of February.

Chairman Arberry closed the hearing on S.B. 562 (R1). Chairman Arberry asked the Committee to consider the introduction of the following Bill Draft Request:

- **BDR S-1529**—Makes various changes regarding state financial administration and makes appropriations for the support of the civil government of the State. (Later introduced as [Assembly Bill 628](#).)

ASSEMBLYMAN MARVEL MOVED FOR COMMITTEE INTRODUCTION OF THE BILL DRAFT REQUEST.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

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

Chairman Arberry asked for consideration of Senate Bill 380 (R2).

Senate Bill 380 (2nd Reprint): Makes various changes concerning certain defendants who are found to be incompetent. (BDR 14-279)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, said that Senate Bill (S.B.) 380 (R2) was heard earlier this morning. Ben Graham, Nevada District Attorneys Association (NDAA), had discussed the bill.

ASSEMBLYWOMAN GANSERT MOVED TO DO PASS SENATE BILL 380 (R2).

ASSEMBLYMAN HARDY SECONDED THE MOTION.

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

Chairman Arberry asked for consideration of Senate Bill 444 (R1).

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, said that Senate Bill (S.B.) 444 (R1) was the supplemental appropriation for the Governor's office and had been decreased by the Senate Finance Committee. The issue was the contract for bill tracking that was included within the supplemental appropriation, \$19,999, which was part of the \$63,000 that was

recommended. In addition, there was money for additional costs to the National Governor's Association for contract costs that were unrelated to the bill tracking amount.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS
SENATE BILL 444 (R1).

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

MOTION PASSED WITH ASSEMBLYWOMAN LESLIE VOTING NO.
(Assemblywoman Smith was not present for the vote.)

Chairman Arberry requested consideration of S.B. 455 (R1).

Senate Bill 455 (1st Reprint): Revises provisions governing the issuance of revenue bonds and other obligations by the Nevada System of Higher Education. (BD R34-273)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, said that Senate Bill (S.B.) 455 (R1) was the Nevada System of Higher Education revenue bond bill. The bill increases the revenue bonding authority at University of Nevada, Las Vegas (UNLV), University of Nevada, Reno (UNR), Nevada State College at Henderson, and Western Nevada Community College. Mr. Stevens had a list of all the projects that made up the additional amounts that were included in the bill.

ASSEMBLYMAN MARVEL MOVED TO DO PASS
SENATE BILL 455 (R1).

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

Chairman Arberry requested consideration of Assembly Bill 563 (R1).

Assembly Bill 563 (1st Reprint): Revises the calculation of the basic support guarantee for school districts in Fiscal Year 2008-2009 under certain circumstances. (BDR S-531)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, referred to Exhibit E which was a proposed amendment to Assembly Bill 563 (R1) that staff was asked to provide, and it concerned a trigger for salaries for K-12 education in the second year of the biennium if sufficient funding in the local school support tax was generated. That was the language in the exhibit. If sufficient funds were generated above the amount budgeted in local school support tax, a salary increase of 4.375 percent would be provided to school district employees instead of the 4 percent that was currently built into the budget.

Assemblywoman Gansert asked Mr. Stevens whether the trigger staff had devised was mutually agreeable with the Senate.

Mr. Stevens said there had been discussions with the Senate on this particular item.

ASSEMBLYWOMAN LESLIE MOVED TO AMEND AND DO PASS
AS AMENDED ASSEMBLY BILL 563 (R1).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

After a recess until the afternoon, Chairman Arberry requested consideration of A.B. 617.

Assembly Bill 617: Makes an appropriation to the Interim Finance Committee for certain contingencies and potential transfer to the Fund to Stabilize the Operation of the State Government. (BDR S-1228)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, said that Assembly Bill (A.B.) 617 was a \$36 million appropriation to the "rainy day fund" effective in the second year of the biennium. This was an appropriation that was recommended in The Executive Budget. Mr. Stevens and Gary Ghiggeri, Senate Fiscal Analyst, Fiscal Analysis Division, had discussed this bill with Committee members and staff recommended an amendment (Exhibit F) to appropriate the funding to Interim Finance Committee (IFC). The Board of Examiners could approach IFC for funds if needed and if there were extraordinary circumstances. Mr. Stevens said that was a situation this fiscal year where there was a forest fire suppression account which was exhausted and State agencies had to be assessed approximately \$10 million to pay an arbitration settlement for the Southern Nevada Veterans Home.

Mr. Stevens said if the Committee agreed the Board of Examiners could control whether IFC was approached for the \$36 million. The proposed amendment would require the IFC, after the Economic Forum on December 1, 2008, to project the ending fund balance at the end of fiscal year (FY) 2009. If the projected balance was higher than what was estimated by this Legislature for FY 2009, any remaining amounts of the \$36 million appropriation would be transferred to the "rainy day fund". Mr. Stevens said the budget director requested that this funding be contingently appropriated to make sure there were funds available. Staff, however, recommended appropriation rather than contingent appropriation and felt this would be an insurance policy for the State.

ASSEMBLYMAN MARVEL MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 617.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

MOTION PASSED.

Chairman Arberry requested consideration of A.B. 553.

Assembly Bill 553: Makes appropriations relating to education. (BDR S-427)

Assemblywoman Smith said that she proposed an amendment (Exhibit G) which replaced the original version of Assembly Bill (A.B.) 553. There were several appropriations in the amendment she would discuss.

Assemblywoman Smith said that section 1 had \$800,000 for gifted and talented programs that would be distributed to school districts by the Department of Education. Subsection 2 of section 1 had the appropriation for a parent involvement coordinator position. Section 2 provided \$915,000 for the Department of Education for alternative programs for disruptive pupils.

Section 3 provided \$100,000 for pilot programs for prekindergarten students who were English language learners. Section 4 provided \$800,000 for Communities in Schools of Southern Nevada and section 5 provided \$800,000 for the Greater Las Vegas After-School All-Stars. Assemblywoman Smith continued that section 6 appropriated \$800,000 for Save the Children for in-school and after-school literacy programs. Section 7 was from Senator Cegavske's bill, Senate Bill 525, and included an appropriation for signing bonuses for teachers who teach deaf or hard-of-hearing students, and section 8 provided training stipends for teachers. Assemblywoman Smith concluded with Section 9, which had an appropriation of \$200,000 to the Intel International Science and Engineering Fair.

ASSEMBLYWOMAN SMITH MOVED TO AMEND AND DO PASS
AS AMENDED ASSEMBLY BILL 553.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

Assemblywoman Koivisto asked for the total amount of appropriations in the bill.

Assemblywoman Smith answered the amount was \$4.5 million.

MOTION PASSED.

Chairman Arberry requested consideration of Senate Bill 191 (R1).

Senate Bill 191 (1st Reprint): Revises provisions governing the Account for the Technological Crime Advisory Board. (BDR 15-1203)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, said that Senate Bill (S.B.) 191 (R1) was heard this morning and was a one-shot appropriation that was included in The Executive Budget for the Technological Crime Advisory Board in the Attorney Generals Office. The amount was \$452,272 for computer hardware and software and related equipment.

ASSEMBLYMAN DENIS MOVED TO DO PASS
SENATE BILL 191 (R1).

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

MOTION PASSED.

Chairman Arberry requested consideration of S.B. 547 (R1).

Senate Bill 547 (1st Reprint): Makes various changes regarding the management of the Public Employees' Benefits Program. (BDR 23-1414)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, said that Senate Bill 547 (R1) was heard this morning and would set up a trust fund for the health insurance funds to help finance health insurance subsidies provided to state employees. There was earlier testimony from Las Vegas Metropolitan Police Department (LVMPD). In S.B. 544 (R1), very similar language was used and was passed yesterday and was also related to the Public Employees' Benefits Program (PEBP).

Assemblywoman Buckley wanted to understand the bill because representatives from LVMPD said there were 99 of the LVMPD employees who went into PEBP

and who would pay for their benefits. Assemblywoman Buckley told LVMPD that the State could not afford to pay for all retirees. There was also a question by the school district regarding about how the bill would work for school district retirees.

Mr. Stevens said that would be a question in regard to S.B. 544 (R1) which had already passed and provided that effective December 1, 2008, for a local entity to have retirees in the PEBP plan, the active employees would have to be in PEBP. Until December 1, 2008, an individual who retired from a local entity could join PEBP even though his active employee's plan was with local government.

Mr. Stevens explained that there were two risk pools in the PEBP plan. One was for State employees and one was for nonstate employees. The nonstate employees risk pool had many more retirees than it had actives. It becomes a question of not if but when there would be a bad year of claims experience which would have a situation where the premiums increased dramatically. If the nonstate plan was going to be viable, there had to be active employees in it. That was the reason for the recommendation in S.B. 544 (R1). Mr. Stevens said that on December 1, 2008, if the school districts do not want to bring their actives into the PEBP plan, then their retirees have to stay with the local plan. That bill had already been passed and did not impact S.B. 547 (R1), which sets up an irrevocable trust for funds that were deposited to help offset the Governmental Accounting Standards Board (GASB) 45 requirement that the State had to either finance or book the unfunded liability for those benefits that have accrued over time. The Governor recommended that \$25 million be deposited into a trust account each year of the biennium to start paying for the unfunded liability, S.B. 547 (R1) sets up the trust fund and would allow the \$25 million to flow into that account and not be used for any other purpose.

Assemblyman Hardy asked for an explanation of the pros and cons of the retroactive date of S.B. 547 (R1).

Mr. Stevens said that the retroactive date revolved around reinstatement, open enrollment, and an individual's right to be reinstated into the PEBP plan. Mr. Stevens said that he could ask Bob Atkinson, Senior Program Analyst, Fiscal Analysis Division, to come and explain the issue in greater detail.

Chairman Arberry asked whether Assemblyman Hardy would be willing to vote for S.B. 547 (R1) and then have Mr. Atkinson explain after this meeting.

ASSEMBLYWOMAN LESLIE MOVED TO DO PASS
SENATE BILL 547 (R1).

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

MOTION PASSED.

Chairman Arberry requested consideration of Assembly Bill 162.

Assembly Bill 162: Provides for the establishment of and the transfer of certain abandoned property to the Nevada Veterans' Museum. (BDR 33-775)

Assemblywoman McClain said that Assembly Bill (A.B.) 162 was the Nevada Veteran's Museum bill and there was an amendment that provided a tuition break for National Guard widows and children and reduced fishing and hunting

licenses for active-duty National Guard members and family to those available to regular armed forces.

ASSEMBLYWOMAN LESLIE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 162.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

MOTION PASSED.

Assemblywoman Buckley requested consideration of Senate Bill 73 (R1).

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

Assemblywoman Buckley said this was Senator Rhoads' bill regarding allowances for travel expenses incurred by Legislators, especially rural legislators. There had been a discussion that maybe \$5,000 was too much, but the Legislature could start with a more modest amount and see whether it helps the rural legislators.

Chairman Arberry asked whether Assemblywoman Buckley wanted to amend the bill to a lesser amount.

Assemblywoman Buckley deferred to Assemblyman Grady as he had been part of the discussion.

Assemblyman Grady said that he would like to get something started, but he would consider \$3,000 in travel expenses with documentation on the expenditures.

Assemblywoman Buckley said the amendment would be \$3,000 for travel within the State to participate in a meeting of a legislative committee or other state business and the expenses would require receipts and the purpose of the travel and participants attending. She would provide a mock-up to staff.

ASSEMBLYMAN BUCKLEY MOVED TO AMEND AND DO PASS AS
AMENDED SENATE BILL 73 (R1).

ASSEMBLYMAN GRADY SECONDED THE MOTION.

MOTION PASSED.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, asked whether the Committee wanted to discuss Senate Bill 185 (R2).

Chairman Arberry requested consideration of Senate Bill 185 (R2).

Senate Bill 185 (2nd Reprint): Revises provisions governing the Commission on Educational Excellence. (BDR 34-426)

Assemblywoman Smith said that Senate Bill (S.B.) 185 (R2) was heard this morning and was the remediation trust fund. She had expressed concerns during the hearing and had worked with staff and Senator Raggio to revise language to amend the bill. Assemblywoman Smith said she would provide a mock-up later behind the bar of the Assembly. Assemblywoman Smith asked whether the Committee would like to hear a conceptual amendment.

Chairman Arberry asked Assemblywoman Smith to give the Committee a conceptual amendment for S.B. 185 (R2).

Assemblywoman Smith said the amendment would include:

- A review of the Commission because there had been some attendance problems.
- The insertion of language stating that Commission members may be removed if two meetings in a row were missed.
- A random legislative audit in every district.
- The elimination of school districts from the application process.
- A provision that school districts may review the application for technical accuracy.

Assemblywoman Smith said those were the issues, and she would provide a mock-up to the Committee as soon as possible.

Assemblywoman Buckley wanted to thank Assemblywoman Smith for working hard on S.B. 185 (R2) and supported the amendment.

Assemblywoman Smith said that she had forgotten one important amendment which would provide that if the evaluator determined that a program was ineffective, the funds would not be renewed.

Assemblyman Grady also wanted to thank Assemblywoman Smith for a tremendous job.

ASSEMBLYMAN HARDY MOVED TO AMEND AND DO PASS AS
AMENDED S.B. 185 (R2).

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

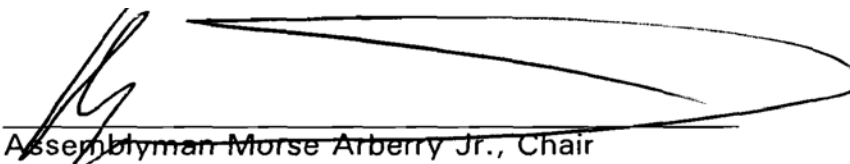
MOTION PASSED.

Chairman Arberry adjourned the meeting at 5:05 p.m.

RESPECTFULLY SUBMITTED:

Christine Bashaw
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 3, 2007</u>		Time of Meeting: <u>9:05 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
SB 380	C	Ben Graham, NDAA	Letter of support
SB 547	D	Raymond Flynn, Assistant Sheriff, Las Vegas Metropolitan Police Department	Proposed Amendment
AB 563	E	Mark Stevens, LCB	Proposed Amendment
AB 617	F	Mark Stevens, LCB	Proposed Amendment
AB 553	G	Assemblywoman Debbie Smith	Proposed Amendment