

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

**Seventy-Fourth Session  
June 4, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 2:58 p.m., on Monday, June 4, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/74th/committees/](http://www.leg.state.nv.us/74th/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Morse Arberry Jr., Chair  
Assemblywoman Sheila Leslie, Vice Chair  
Assemblywoman Barbara E. Buckley  
Assemblyman Mo Denis  
Assemblywoman Heidi S. Gansert  
Assemblyman Tom Grady  
Assemblyman Joseph P. (Joe) Hardy  
Assemblyman Joseph Hogan  
Assemblywoman Ellen Koivisto  
Assemblyman John W. Marvel  
Assemblywoman Kathy McClain  
Assemblyman David R. Parks  
Assemblywoman Debbie Smith  
Assemblywoman Valerie E. Weber

**GUEST LEGISLATORS PRESENT:**

Senator Bob Beers, Senate District No. 6

**STAFF MEMBERS PRESENT:**

Mark W. Stevens, Assembly Fiscal Analyst  
Steve Abba, Principal Deputy Fiscal Analyst  
Tracy Raxter, Senior Program Analyst  
Eric King, Program Analyst  
Barron Brooks, Committee Secretary  
Patricia Adams, Committee Assistant



Vice Chairwoman Leslie opened the Committee hearing on Senate Bill (S.B.) 108 (1st Reprint).

**Senate Bill 108 (1st Reprint): Provides for the use of zero-based budgeting in the state budget process. (BDR 31-476)**

Senator Beers stated S.B. 108 (R1) would require the State to begin implementing zero-based budgeting July 1, 2009. Zero-based budgeting was the "ying to incremental budgeting's yang." "With incremental budgeting, you start with what you did last time, and then add on decision units that account for any increases." Senator Beers explained that with the current budgeting process there were maintenance and enhancement increases but very little time was spent looking at the base budget. Staff looked at the base budget only to make sure there were not one-time expenditures from the last budget which accidentally were incorporated into the new budget's base. Under zero-based budgeting, the budget would be built "from the ground up." The advantages of zero-based budgeting were that it drove managers to find cost-effective ways to improve operations, weeded out inflated budgets, and motivated staff by providing greater initiative and responsibility in decision-making and accountability. The disadvantage was that it was more difficult of a process than incremental budgeting. The fiscal note on the bill provided for two staff members in the budget office.

Assemblyman Marvel commented that the State used to have a similar system which in time was replaced by the current system.

Senator Beers explained that there was room for both budgeting systems in a large organization. The bill would require that roughly 1/5 of all accounts be budgeted with the zero-based budgeting approach every biennium. After using the zero-based budgeting, a budget account would switch over to incremental budgeting for 10 years.

Assemblyman Marvel recalled how cumbersome the process was to "line-item everything."

Senator Beers replied that the zero-based budgeting was not line-iteming everything per se. It was "going back and looking at your authority to do what you do and examine the way you do it to come up with better ideas." The State had never systematically gone through and examined its ratio of clerical to nonclerical employees since "the explosion of personal computer power in the 80s."

Assemblywoman Smith questioned how the school districts would be affected.

Senator Beers replied that if he was a superintendent, he would use zero-based budgeting. In large organizations it was common to have both incremental budgeting and zero-based budgeting. Large school districts would benefit from a systematic approach to look at areas periodically to be zero-base budgeted.

Assemblywoman Gansert stated she envisioned the managers of the departments examining the budgets rather than the legislature micromanaging line items.

Senator Beers responded "this was not really going down to the line item. It was almost more of a managerial style than a legislative style."

Assemblywoman Weber questioned whether there were any governmental

entities using the method in Nevada.

Senator Beers replied that he did not know the answer to the question. "There was no zero-based budgeting clearinghouse where you could go and see who was managing their finances this way."

Assemblyman Parks noted that when he was Budget Director for the City of Las Vegas, that zero-based budgeting was used as well as a modified type style. Zero-based budgeting took a tremendous amount of extra effort and substantial savings were not generated in all cases.

Vice Chairwoman Leslie closed the hearing on S.B. 108 (R1).

Vice Chairwoman Leslie opened the Committee hearing on Senate Bill (S.B.) 248 (1st Reprint).

**Senate Bill 248 (1st Reprint): Revises provisions concerning the salaries of justices of the Supreme Court and district judges in Nevada. (BDR 1-663)**

Deborah Schumacher, District Judge, Second Judicial District, Washoe County, provided [Exhibit C](#), an outlook on current judicial salaries. The bill concerned an adjustment to the salaries of District Court judges and Supreme Court justices in the State. The bill originated in the Senate Policy Committee. The request was grounded by four reasons:

- The impact of inflation on judicial salaries.
- A comparison of judicial salaries with the compensation afforded senior public lawyers in the State.
- A comparison of judicial salaries with the salaries in other states.
- A comparison of judicial salaries with the increase in pay received by Nevada classified employees over a six-year period.

Ms. Schumacher explained judges were constitutional officers whose pay could not be increased during their terms. The last salary increase was voted on by the Legislature in 2001. The proposed increase would be effective in 2009 and would last until 2015. The amount in the initial bill came from a select task force appointed by former Governor Guinn. The amount in the current bill was a reduction from the initial proposed number.

Chief Justice William Maupin, registered support for the bill and stated "it was a very important state public policy with regard to how we compensate our most highly specialized professionals." The amendments represented an approximately 25 percent reduction from the original request.

Vice Chairwoman Leslie clarified that Justice Maupin was referring to the reprint and that there were no new amendments. Ms. Leslie noted that she worked for the District Court and would abstain from voting.

Vice Chairwoman Leslie closed the hearing on S.B. 248 (R1).

Vice Chairwoman Leslie stated the Committee would consider the following bills:

**Senate Bill 578: Authorizes and provides funding for certain projects of capital improvement. (BDR S-1531)**

Mark Stevens, Assembly Fiscal Analyst, Legislative Counsel Bureau, stated the

bill had been gone through in the Subcommittee report to the full Committee. The funding mix had been changed between the amounts recommended from General Fund appropriations and bonds, which was the only difference between what was presented to the Committee earlier when the Subcommittee report was provided.

ASSEMBLYMAN MARVEL MOVED TO DO PASS  
SENATE BILL (S.B.) 578.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION

THE MOTION CARRIED. (CHAIRMAN ARBERRY WAS NOT  
PRESENT FOR THE VOTE.)

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**Senate Bill 192 (1st Reprint): Makes an appropriation to the Nevada System of Higher Education to fund a portion of the cost of the integration of computing resources. (BDR S-1209)**

Mr. Stevens stated the bill was a \$10 million one-shot appropriation to the Nevada System of Higher Education (NSHE) recommended in The Executive Budget for computer-related expenditures. The bill required that NSHE spend \$15 million before the state funding of \$10 million was expended.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS  
S.B. 192 (R1).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (CHAIRMAN ARBERRY WAS NOT  
PRESENT FOR THE VOTE.)

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

Mr. Stevens stated the bill would provide \$150,000 to pay for thinning forests in state parks.

ASSEMBLYMAN GRADY MOVED TO DO PASS S.B. 226 (R1).

ASSEMBLYMAN MARVEL SECONDED THE MOTION

THE MOTION CARRIED. (CHAIRMAN ARBERRY WAS NOT  
PRESENT FOR THE VOTE.)

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**Senate Bill 301 (1st Reprint): Revises various provisions governing the Fort Mohave Valley Development Law. (BDR 26-1317)**

Mr. Stevens explained the bill involved the land issue between the Colorado River Commission of Nevada and Clark County.

ASSEMBLYMAN HARDY MOVED TO DO PASS S.B. 301 (R1).

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (CHAIRMAN ARBERRY WAS NOT PRESENT FOR THE VOTE.)

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**Senate Bill 393 (3rd Reprint): Makes various changes concerning transportation. (BDR 58-109)**

Vice Chairwoman Leslie stated the Committee had heard the bill with the proposed language for the ballot initiatives earlier in the morning. She recommended removing specific amounts, because "that was an intricate level that the Legislature would end up setting anyway."

Vice Chairwoman Leslie explained that Assemblywoman Buckley had referred to the items that were going onto the ballot, where there were very specific cents for each item. The suggestion was to take out the specific cents and leave the other items.

Assemblyman Hardy explained that he "concurred with the concept of going to the voters but had a problem with boxing us in depending on how it came out."

Assemblyman Marvel noted he was displeased with the amendment.

ASSEMBLYWOMAN BUCKLEY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 393 (R3).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLY MEMBERS MARVEL, GANSERT, GRADY, WEBER, AND HARDY VOTED NO. CHAIRMAN ARBERRY WAS NOT PRESENT FOR THE VOTE.)

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**Senate Bill 454 (1st Reprint): Revises the dates upon which certain uncommitted funds from prior appropriations must be reverted. (BDR S-1070)**

Mr. Stevens stated the bill revised reversion dates for funds that were approved by the 2005 Legislature for the Truckee River Recreational Master Plan. It extended the reversion dates until June 30, 2009, because the money was not yet expended.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS S.B. 454 (R1).

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION CARRIED. (CHAIRMAN ARBERRY WAS NOT PRESENT FOR THE VOTE.)

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**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)**

Mr. Stevens stated the bill provided an allocation from room tax funds within the Commission on Tourism for two projects, the cowboy poetry gathering in Elko and the Atomic Museum.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS  
S.B. 562 (R1).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (CHAIRMAN ARBERRY WAS NOT  
PRESENT FOR THE VOTE.)

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

Mr. Stevens stated the bill extended the reversion date for the Lear Theater funding that had been passed by the 2005 Legislature.

ASSEMBLYMAN DENIS MOVED TO DO PASS S.B. 572.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (CHAIRMAN ARBERRY WAS NOT  
PRESENT FOR THE VOTE.)

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**Senate Bill 248 (1st Reprint): Revises provisions concerning the salaries of justices of the Supreme Court and district judges in Nevada. (BDR 1-663)**

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS  
S.B. 248 (R1).

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYWOMAN LESLIE ABSTAINED.  
CHAIRMAN ARBERRY WAS NOT PRESENT FOR THE VOTE.)

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Assemblywoman Buckley said that during the Joint Subcommittee on Health and Human Services, testimony was heard on the Federal Deficit Reduction Act and how it affected Welfare programs. A presentation was also made by the Welfare Division to offer the Temporary Assistance to Needy Families (TANF) program in various categories. There had been a suggestion to move into a pay-after-performance program where recipients would be required to engage in work participation and would not receive any New Employees of Nevada (NEON) funding in any month when they failed to meet the work-participation rate quota. The suggestion seemed very harsh and did not take into

consideration extraneous circumstances. Ms. Buckley asked the Committee to issue a letter of intent recommending to the Division that it not proceed with the pay-after-performance element. The TANF program had a two-year time limit, so it was not the old Welfare program. Many people receiving the NEON funding had significant issues, according to Ms. Buckley.

ASSEMBLYWOMAN BUCKLEY MOVED THAT A LETTER OF INTENT BE SENT TO THE WELFARE DIVISION.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

Assemblywoman Gansert questioned the federal criteria.

Assemblywoman Buckley replied that the Federal Deficit Reduction Act required the State to make a number of changes, but the quota was not required by federal law.

THE MOTION CARRIED. (CHAIRMAN ARBERRY WAS NOT PRESENT FOR THE VOTE.)

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**Senate Bill 471 (2nd Reprint): Makes various changes to provisions related to sex offenders, offenders convicted of a crime against a child and other criminal offenders. (BDR 14-1426)**

Assemblyman Parks referenced [Exhibit D](#), a proposed amendment to [S.B. 471 \(R2\)](#). The bill dealt with the open meeting law as applied to the proceedings of the Parole Commission. The bill would exempt the Commission from the requirements of the open meeting law; however, it placed stringent controls on the operation of the Commission, "which in many respects substantially complied with the open meeting law."

Assemblywoman Gansert asked for explanation of the amendment.

Assemblyman Parks replied that the requirements were essentially the same as they currently were, but the amendment would permit inmates to be able to have a representative at a hearing and would require the parole board to provide a reason for denying parole.

Assemblywoman Buckley explained that the Supreme Court was currently deciding whether the hearings should be open or closed. If the Committee took no action, the Supreme Court would probably keep the meetings open, because the decision had already been made but was being held pending the Legislature's decision. The Senate passed a measure saying the meeting should be closed while the Assembly passed a provision saying they should be open. The motivation was to allow inmates to know when their hearings were and be able to attend if they were going to be denied parole. The amendment would cost less than having open meetings. If the Assembly did nothing, the decision would be given, and the Commission would ultimately come to IFC asking for funding.

Assemblyman Hardy stated he supported the idea of giving inmates representation.

ASSEMBLYMAN PARKS MOVED TO AMEND AND DO PASS  
S.B. 471 (R2).

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

THE MOTION CARRIED. (CHAIRMAN ARBERRY WAS NOT  
PRESENT FOR THE VOTE.)

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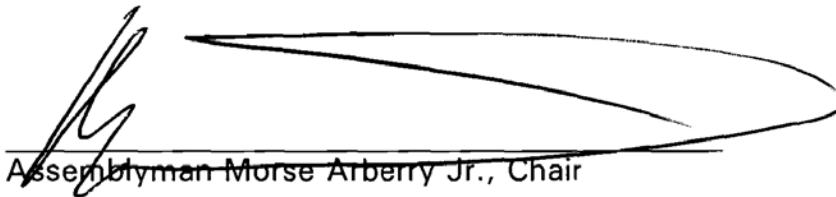
Vice Chairwoman Leslie adjourned the meeting at 3:25 p.m.

RESPECTFULLY SUBMITTED:

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Barron Brooks  
Committee Secretary

APPROVED BY:



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Assemblyman Morse Arberry Jr., Chair

DATE: \_\_\_\_\_

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>June 4, 2007</u>		Time of Meeting: <u>2:58 p.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 248	C	Judge Schumacher	Judicial Salary Outlook
S.B. 471	D	Assemblyman Parks	Proposed Amendment