

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

**Seventy-Fourth Session
March 28, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 8:06 a.m., on Wednesday, March 28, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, 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
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

COMMITTEE MEMBERS EXCUSED:

Assemblywoman Buckley

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Barron Brooks, Committee Secretary
Patricia Adams, Committee Assistant



Chairman Arberry opened the hearing on Assembly Bill (A.B.) 126.

Assembly Bill 126: Makes an appropriation for transitional housing and supportive services for persons who are homeless. (BDR S-525)

Assemblywoman Leslie stated that A.B. 126 had a concurrent referral to the Health and Human Services Committee and was passed out of committee unanimously. Ms. Leslie spoke about the tent city public awareness event that was held on the Presidents' Day weekend in February. Over 200 people attended the tent city event. Ms. Leslie introduced Exhibit C, a PowerPoint presentation on providing transitional/supportive housing for Nevadans experiencing homelessness.

Ms. Leslie indicated that A.B. 126 provided a \$20,000,000 one-shot appropriation for transitional housing for the homeless. The State did not have sufficient amount of transitional housing. She stated that the bill would be a real solution to the cycle of homelessness in Nevada.

Ms. Leslie explained that funding the bill would reallocate money in a sense, because the Committee was already paying for the cost of homeless in other ways.

Ms. Leslie stated that Nevada was the state with the highest percentage of homeless citizens. Approximately 16,000 people were homeless at any given time in Nevada. Many individuals were one pay-check away from homelessness. Approximately 14 percent of the homeless were veterans of the United States Military.

Ms. Leslie explained that the biggest provider of homeless services in Washoe County was the jail. The cost of providing services in the jail was \$83.51 per day.

Dick Bartholet, Director, Research and Development, Nevada Small Business Development Center, University of Nevada, Reno, stated that his study was commissioned by Washoe County. One of the things the study tracked was Police Department responses to 911 calls that were related to homelessness. The homeless calls in Washoe County had been growing at an annual average rate of 9.16 percent. The population grew at only 3.4 percent per year during the same time period. The number of homeless and indigent in the Washoe County Detention Facility was growing at an annual rate of approximately 42 percent. The number of homeless in the Mental Health Housing Unit No. 3 was growing at an annual rate of approximately 25 percent. The total number of homeless-related cases increased at an average of 24.33 percent annually in the Washoe County Second Judicial District Court, and at 16.69 percent annually in the Reno Municipal court.

Mr. Bartholet gave the example of one individual who had been booked in the jail 56 times over the period of five years. In addition, he gave examples of numbers of emergency room visits by homeless individuals. One individual had 91 emergency room visits over a three-year period. He stated that if money was invested correctly in support services, some of the high costs associated with the bookings and emergency room visits could be mitigated.

Mr. Bartholet had studied the financial cost of homelessness and stated that at least \$14.7 million was spent annually providing services to the homeless. The societal costs related to economic, educational, and public health issues had probably exceeded the financial costs, but they were harder to measure.

Mr. Bartholet also explained the human capital costs of homelessness on the community. Nurses, law enforcement officers, judges, and others were affected in a number of ways by homelessness.

Mr. Bartholet stated that the study also addressed load and capacity concerns. The load imposed by the homeless had become so significant that it was reducing the functionality of basic services and supportive services.

In regard to motel housing versus transitional and permanent supportive housing, Mr. Bartholet highlighted the problems with the motel rooms. Calls to 911 for fights, drugs, and sex related issues far exceeded those from supportive housing.

Mr. Bartholet explained that the study came up with two basic categories of recommendations. One was for needed components, including community assistance centers, transitional housing, and new approaches for intervening with the repeat offenders. The second group of recommendations had to do with needed system improvements. A data system for tracking individuals, performance measures for "outcomes", and the measurement/improvement of "linkages" between service providers would all be beneficial.

In closing, Mr. Bartholet stated that the greatest potential for cost effectiveness for homeless services was through providing the appropriate combinations of housing and treatment along with systems for tracking and reporting results.

Robert Cashell, Mayor, City of Reno, stated he was present to testify on behalf of the Reno City Council, in support of A.B. 126. Mr. Cashell commented on the positive outcomes of the \$5 million allocation from the 73rd Legislative Session. Reno had applied the funds to the capital costs of \$23 million to construct the Community Assistance Center. He stated that \$2.5 million was used to construct Phase I. The facilities opened in November 2005. An additional \$2.5 million would be used to construct Phase II, which would include a women's drop-in center, a triage center, on-site law enforcement offices, a resource center, and a family shelter. The Community Assistance Center was designed to significantly increase the community's capacity to provide meals, shelter and services to men, women, and families in crisis. Mr. Cashell concluded that A.B. 126 would provide much needed funding to implement strategies identified in the region's plan to end homelessness, which was called *Housing for All: A Plan to End Homelessness*. Funding provided by the bill would be used with local resources to improve the outcomes for homeless individuals and families in Nevada.

In response to a question from Assemblywoman Gansert, Mr. Cashell stated that private resource money almost matched State money dollar-for-dollar.

Darryl Martin, Assistant County Manager, Clark County, commented on the success of A.B. 580 of the 73rd Legislative Session. Most of the money from the bill had gone to direct services. A grant system was established and seven providers came together as one unit to provide mobile-intensive outpatient outreach for homeless individuals. Over 300 individuals had been housed as a result of the bill, which resulted in large cost savings to the community. He stated that A.B. 126 was the next step in providing services and urged the passage of the bill.

Officer Patrick O'Bryan, Reno Police Department, explained that he had many years of experience patrolling downtown Reno. His experiences taught him that

homelessness was an expensive and hard-to-deal-with issue. Each time a homeless individual required transportation to a hospital and underwent care, it cost the community anywhere from \$2,000 to \$10,000. Mr. O'Bryan mentioned one individual's outstanding bill of \$110,000 accrued during a period of six months. Another individual had been in Reno for only three months and accumulated a bill of \$60,000. Homelessness was costly in terms of money as well as human capital. Mr. O'Bryan explained that safety and shelter was needed before an individual can start to get better. He expressed support for the bill.

Elizabeth Dorway, Executive Director, Family Promise of Reno/Sparks, stated that Family Promise provided transitional shelter for families who had become homeless. Two of the problems families faced in the area were the high cost of housing and low wages. Ms. Dorway gave the example of one family having to sleep under a bridge along the Truckee River with a four-week-old baby. After entering Family Promise, it took the family four months to earn enough income to afford permanent housing. She explained that transitional housing was essential for individuals experiencing homelessness and that she supported A.B. 126.

Chuck Fulkerson testified to the Committee about homeless veterans. Mr. Fulkerson described many of the problems faced by homeless veterans, including substance abuse problems and mental illnesses such as Post Traumatic Stress Disorder. The Veterans Affairs programs cannot care for all of the estimated 400,000 homeless veterans. Mr. Fulkerson concluded his testimony in support of A.B. 126 and thanked the Committee for considering assistance to the homeless.

Susan Meuschke, Executive Director, Nevada Network Against Domestic Violence, stated that women and families were the fastest growing segment of the homeless population. Domestic violence accounts for many of the reasons why families and women were becoming homeless. The inability to find safe and secure housing can be a big reason why women stay in a violent relationship. Ms. Meuschke stated that it was time to adequately address the homelessness issue and encouraged the Committee to support A.B. 126.

Michael Lee of Las Vegas, "The Las Vegas Superbum", stated he was currently a client of the outreach program in Las Vegas. Prior to being in the program, his circumstances were considerably worse. The outreach program had provided him the necessary tools and options to turn his circumstances around. Mr. Lee asked the Committee to look at him as a success story of the outreach program, and urged the passage of A.B. 126.

James Walker of Las Vegas, stated he had been a client of HELP of Southern Nevada and Project Straight from the Streets. Mr. Walker recited a poem he had written in 1986. Mr. Walker stated that he was a single father and told of his hardships over the years. His situation has been improving and he now has a steady job.

Shaun Griffin, Executive Director, Community Chest, testified that homelessness was a social, economic, and human rights issue. With the passage of A.B. 126, Nevada could lead rather than trail in providing supportive services. He urged the passage of the bill.

Barry Gold, AARP Nevada, stated that many seniors and retired veterans who had served the country now found themselves homeless. Mr. Gold stated that the AARP of Nevada supports the passage of A.B. 126.

Assemblywoman Leslie thanked all of the testifiers in support of the bill.

Chairman Arberry closed the hearing on A.B. 126 and opened the hearing on Assembly Bill (A.B.) 166.

Assembly Bill 166: Makes various changes to provisions governing administrative assessments. (BDR 1-662)

Ron Titus, Director, Administrative Office of the Courts, read the following testimony on Assembly Bill (A.B.) 166:

Good Morning Chairman Arberry and members of the committee. My name is Ron Titus, and I am the Director of the Administrative Office of the Courts.

A.B. 166 requires excess administrative assessments collected over and above legislative budget projections to be retained by the Supreme Court. Doing so gives the Supreme Court more budget authority and independence in carrying out its responsibility to administer the judicial branch.

NRS 176.059 established and provided for the collection of administrative assessments was initially enacted in 1983 to assist in funding the courts. The initial legislation was basically for the improvement of the court system with the original \$10 distribution being \$9 for the courts and \$1 for POST (Police Officers Standards Training). The POST distribution was to improve police officer standards so they would be able to better work with the courts.

Since that time the use of AAs has spread to include various executive programs, including technology for law enforcement, support the district attorneys, criminal history repository, and victims of crime.

NRS 176.059 has been challenged in our State Supreme Court twice: in **1986** and in **1990**.

In **Board of Commissioners v. White**, 102 Nev. 587 (1986), the Nevada Supreme Court found administrative assessments were a proper method of funding the courts, arguably, since most of the assessments (51 percent) went to the judiciary and that such funds were for court improvement and capital acquisitions in *addition* to General Fund allotments necessary to fund the annual operational budgets of the courts.

In **McKay v. City of Las Vegas**, 106 Nev. 203 (1990), the "AA law" was challenged again. In that case, the Nevada Supreme Court held the assessments were "not a tax if the funds are used for broad judicial and law enforcement purposes."

The statutory scheme divides AA collections with 51 percent disbursed to the judiciary and 49 percent to the executive branch. Of the judiciary's 51 percent, 60 percent is used in the Supreme Courts budget and 3.5 percent in the senior judges' budget, commingling AAs and General Fund dollars. The remainder of the 51 percent entirely funds the Administrative Office of the Courts,

the Uniform System for Judicial Records technology efforts, and Judicial Education.

Administrative assessments collected over the legislative budgeted projections are disbursed to the appropriate judicial accounts. In contrast, AAs retained in mixed or commingled accounts, such as the Supreme Court's budget, result in a reversion of an equal amount to the General Fund.

White and McKay hold that AAs, as a secondary source of court funding, is not an unconstitutional tax, primarily based upon the statutory framework requiring distribution of 51 percent of AA revenue to the judiciary. Thus, for example, when we submit budgeting for Supreme Court operations in account 1494, reflecting 52 percent General Fund support and 48 percent AA support, and assuming the 51/49 percent distribution discussed in White and McKay constitutes primary funding from the General Fund and supplemental or secondary funding from AAs, the budget ostensibly satisfies both cases. But, when the legislature approves General Fund support of less than 50 percent the General Fund becomes secondary and violates the inherent ruling in the two cases. Moreover, the reversion requirement in these "mixed" accounts further aggravates the problem because the reversion increases the percentages of AA support in excess of 49 percent. In fact, primarily due to the reversion requirement, the General Fund contributed less than 50 percent to the Supreme Court budget during the last four fiscal years (47% in FY2004, 44% in FY2005, 39% in FY2006, and an estimated 36% in FY 2007).

It is our understanding that on the executive side any administrative assessments collected over the legislatively budgeted projections are deposited directly to the General Fund. There is no indication that these funds are designated for any judicial or law enforcement purposes as required by McKay.

Under our State's constitution, the Supreme Court has the responsibility for administering the judiciary, the third branch of our State government. Assembly Bill 166 will create a special fund that will enhance the Supreme Court's ability to carry out its constitutional requirements in a timely manner. Assembly Bill 166 ensures that the AAs collected over the legislative budgeted projection are used "for judicial purposes."

Recent assessment receipts and legislative authorized projections are provided for your information in the attached chart. Our goal is to estimate as closely as possible actual receipts. Estimates were reasonably close in the late nineties but revenue picked up in 1999 and 2000. When our revenues projections caught up with actual collection, 9/11 hit and revenue declined. Again, we adjusted our projections and revenue resumed unexpectedly.

This year, at the request of our budget subcommittee, we have modified our projection. In a March 20, 2007, letter we provided a detailed analysis of AA projections. If the committee would like we can provide a copy of that letter.

If these projections are met, the new A.B. 166 special fund would not result in a significant amount, but could supplement one-time costs for the improvement of the judiciary. Examples of possible uses include assisting in research for setting judicial policy, the Article Six commission is a recent example, as well as the Judicial Funding Commission; [Assisting] in special projects related to specialty courts such as evaluations and audits of specialty court programs; also, [improving] technology in the courts such as implementing the recent Supreme Court order to establish technology and communication standards throughout Nevada's court system.

Assembly Bill 166 gives the Supreme Court more budget authority and independence in carrying out its responsibility to administer the judicial branch of the State.

As is our practice with any of our budget accounts, we would provide full accountability and reporting on all expenditures.

Thank you for your consideration of A.B. 166.

Chairman Arberry closed the hearing on A.B. 166 and opened the hearing on A.B. 319.

Assembly Bill 319: Pledges that the retirement benefits for certain public employees will not be increased without adequate funding. (BDR 23-750)

Richard Perkins, Chief of Police, City of Henderson, Nevada stated he was present to support Assembly Bill (A.B.) 319. The bill ensured that new benefits would not be added to the Nevada Public Employees Retirement System (PERS) until the system reaches a particular level of funding. Mr. Perkins asked that his support of the bill not be looked at as criticism of PERS. The system received most of its revenue through its investment portfolio. The bill said that the benefits would not be changed until an 85 percent funding level had been reached. He added that an amendment might be required if the Legislature wants to make changes to the benefit structure that were cost-neutral. Mr. Perkins stated that the bill did not reduce or increase benefits and concluded his testimony.

Dana Bilyeu, Executive Officer, Public Employees Retirement System of Nevada, read the following testimony:

Good morning Mr. Chairman, and members of the committee, I'm Dana Bilyeu, Executive Officer of the Public Employees Retirement System. The Retirement Board has taken a neutral position on A.B. 319 due to the nature of the bill as an internal commitment by the Legislature concerning restrictions on the ability of the Legislature to make benefit modifications to the Retirement System. The Retirement Board has adopted a similar restriction in Board governance policies which prohibits the Board from supporting or endorsing any benefit modifications unless the actuarially determined contribution rate is reduced by a full percentage point. Their policy also requires that in a year that the rate is being reduced, any benefit modification may only take up one quarter of the rate reduction. Each of these commitments—the Board's in their governance policies and the one contained in

this bill focuses on enhancing the financial strength of the System for the benefit of our members and beneficiaries. As I have testified to on other occasions in this committee, commitment by all stakeholders to the long term stability of the financing and specifically the contribution rates paid by our members is the key to the overall health of the pension system. I would be happy to answer any questions the committee might have.

Carole Vilardo, President, Nevada Taxpayers Association, testified in support of A.B. 319, because it would help address issues with Governmental Accounting Standards Board 43 and 45.

Martin Bibb, Executive Director, Retired Public Employees of Nevada, stated he supported A.B. 319, because assuring the financial stability of PERS was critical and preceded any benefit enhancements.

Oran McMichael, American Federation of State, County, and Municipal Employees, stated he supported A.B. 319.

Chairman Arberry closed the hearing on A.B. 319 and opened the hearing on A.B. 213.

Assembly Bill 213: Makes a contingent appropriation for the establishment of a railroad line from Virginia City to Carson City. (BDR S-989)

Assemblywoman Parnell stated that Assembly Bill (A.B.) 213 appropriated \$8 million for the reconstruction of the V&T Railway. Ms. Parnell explained that the appropriation was contingent upon the Commission for the Reconstruction of the V&T Railway obtaining commitments of not less than \$30 million from any public or private source to support the establishment of the railroad line. The Commission would enter into a written agreement to repay the appropriation, and any remaining balance would be reverted to the State's General Fund. She urged the passage of the bill, because it would greatly benefit the State and the community.

Robert Hadfield, Chairman, Nevada Commission for the Reconstruction of the V&T Railway, stated that the reconstruction project was well on its way to Carson City and noted the tunnel work that had been occurring. In the view of the Commission, this project was the most important public works project underway in northern Nevada. The railroad would be beneficial to tourism in the area. In addition to being repaid, the State would gain further economic benefits from the project.

Marv Teixeira, Mayor, Carson City, referred to Exhibit D which described the V&T Railway project and its history. He stated that in 1997, the Legislature passed a \$5 million appropriation with a \$15 million matching requirement. In 2001, the Legislature expanded the Tri-County Commission to include Washoe and Douglas counties. Mr. Teixeira noted the importance of the 2005 Legislature expansion of the use of the 1/4 cent sales tax to include cultural and historic projects. Also in 2005, the Commission completed Phase 1 of construction, the 1.4 miles over the Overman Pit at a cost of \$7 million. In May 2007, Phase 2A, an additional 4.5 miles, would begin at a cost of \$7 million. Sierra Railroad Company had been chosen to be the operator of the railway once completed. Mr. Teixeira explained the \$38.6 million that had been pledged or spent on the project included \$15 million from a 1/8 cent sales tax, \$6 million from the Carson City Convention and Visitors Bureau, \$500,000 by

the 2005 Legislature, and a \$10 million grant secured by Senator Reid. The estimated total cost for the project was approximately \$53.6 million.

Referring to [Exhibit D](#), Mr. Teixeira stated that the estimated new tax revenue to the State created by the railroad would be \$1.85 million annually. He explained that the number could be even higher, because the figures did not include the expected gas tax revenue increase. The ridership revenue was 5 percent of the gross revenue, and it was expected that \$400,000 would be paid back annually to repay the loan. The ridership revenue combined with the annual tax revenue would result in an annual return for the state of \$2.25 million. Mr. Teixeira strongly encouraged the Committee to pass [A.B. 213](#).

Assemblyman Grady commented that Storey County had committed part of their sales tax revenue to the project.

In response to a question from Assemblywoman Smith, Mr. Hadfield discussed the Fort Bragg Skunk Train and its importance to the surrounding community. The Commission's research reaffirmed that the V&T Railway project was not only viable but also profitable and an enhancement to the community.

Assemblywoman Smith commented that the benefits of the project could be far-reaching for the community.

Ted Short, Northern Nevada Railway Foundation, stated that the route the V&T Railway would take was full of amazing scenery. The entire state would benefit from the project. Mr. Short urged the passage of [A.B. 213](#).

Tom Noblett of Sun Valley stated he strongly supported [A.B. 213](#). Mr. Noblett mentioned the success of the Durango and Silverton Railroad and felt the V&T Railway would experience the same success to the benefit of the Carson City and Virginia City economies. He urged the passage of the bill.

Vice Chairwoman Leslie closed the hearing on [A.B. 213](#) and opened the hearing on [A.B. 245](#).

[Assembly Bill 245](#): Makes an appropriation to the Las Vegas-Clark County Urban League for computer software and hardware. (BDR S-1120)

Assemblyman Hogan disclosed that he sat on the Board of Directors for the Las Vegas Urban League and would abstain from voting on the bill.

Cordell Stokes, Director of Communications and Governmental Affairs, Las Vegas-Clark County Urban League, introduced Ray Clarke and distributed [Exhibit E](#), which provided detailed information on the bill and the operations of the Urban League.

Ray Clarke, President and Chief Executive Officer, Las Vegas-Clark County Urban League, stated that the National Urban League was founded in 1910 by a courageous group of multi-ethnic individuals. Mr. Clarke stated that an investment in the Urban League was a capital, social, and economic investment. The software and hardware would ultimately help ensure the success of the Urban League. He urged the passage of the bill.

In answer to a question from Assemblywoman Weber, Mr. Clarke stated that the bill would pay for personnel to help with the use of the software and hardware in addition to paying for the software and hardware itself.

Vice Chairwoman Leslie closed the hearing on A.B. 245 and opened the hearing on A.B. 314.

Assembly Bill 314: Makes an appropriation to the Las Vegas-Clark County Urban League for a prisoner reentry program. (BDR S-1121)

Cordell Stokes, Director of Communications and Governmental Affairs, Las Vegas-Clark County Urban League, stated that Urban League, through Assembly Bill (A.B.) 314, was requesting assistance of about \$3 million to create a comprehensive prison reentry program. The idea was to help individuals avoid poverty and achieve self-sufficiency. Mr. Stokes referred to Exhibit E, which contained letters of support, and Exhibit F, which outlined the project.

Ray Clarke, President and Chief Executive Officer, Las Vegas-Clark County Urban League, discussed his past experience and stated he believed the program would help individuals positively transition back into the community. By formalizing the process of reentry, it would give people hope that it was possible to return to the community as a citizen making a positive contribution. He would appreciate the Committee's continued support and the passage of the bill.

Howard Skolnik, Director, Nevada Department of Corrections, explained that the Department of Corrections was facing a serious population crisis and anything that can be done to reduce the intake of the inmate population would be very beneficial to the State. It costs \$22,000 to \$23,000 per year to house an inmate and \$9,000 just to intake an inmate. The costs would continue to climb as the Department dealt with rising numbers of inmates. He stated that the bill could help rehabilitate ex-offenders before they end up in the prisons again. The Department would be appreciative of the passage of the bill.

Joseph Turco, ACLU, stated he agreed with the comments made by Mr. Skolnik and advocated the passage of A.B. 314.

Chairman Arberry closed the hearing on A.B. 314 and opened the hearing on A.B. 317.

Assembly Bill 317: Makes an appropriation to the Department of Administration for allocation to the Nevada Commission for National and Community Service for continuation of its programs dedicated to promoting citizen volunteerism. (BDR S-1440)

Shawn Lecker-Pomaville, Executive Director, Nevada Commission for National and Community Service stated she would provide a briefing in regard to AmeriCorp in Nevada and referenced Exhibit G. The Nevada Commission for National and Community Service Inc., was a public/private venture. Ms. Lecker-Pomaville stated that every federal and state dollar for AmeriCorp was matched equally from funds and services from the private sector. The return on the state's investment was \$17 for each \$1 spent. The amount appropriated by Assembly Bill (A.B.) 317, approximately \$365,000 over the next biennium, costs the state approximately \$500 per day. Without A.B. 317, Nevada's AmeriCorp Program would lose its federal funding and disappear.

Keris Dahlkamp spoke about his experiences with AmeriCorps. He stated that AmeriCorps was a powerful and effective way for a young person to serve his or her country. Mr. Dahlkamp said that AmeriCorps alumni were more

connected with their communities, more knowledgeable about problems facing their communities, more likely to participate in community activities, and more likely to choose careers in public service. He stated his support for A.B. 314.

Assembly Bill 504: Makes a supplemental appropriation to the Department of Health and Human Services for expansion of mental health services. (BDR S-1254)

Jeff Mohlenkamp, Administrative Services Officer 4, Division of Mental Health and Developmental Services, read the following testimony.

Good morning [Mr.] Chairman, members of the Committee. My name is Jeff Mohlenkamp, Administrative Services Officer for Mental Health and Developmental Services. I am here to speak in [regard] to A.B. 504, which provides a supplemental appropriation for Lakes Crossing Center in the amount of \$2,314,632. This appropriation is needed to allow Lakes to continue operations and was made necessary by the expansion of the facility from 48 to 76 beds during FY 2006. The expansion was authorized by the Interim Finance Committee in response to a Federal Court Case which required the State to process mentally-ill defendants within seven days of a court order.

We have reviewed the expenses at the facility during FY 2007 to date and have determined that we can reduce the amount of the supplemental to \$2,100,145. This is due to savings in operating costs, medications, and utilities as they have tracked lower than had been projected.

Assembly Bill 196: Makes changes concerning the limitation on the total proposed expenditures of the State. (BDR 31-946)

Assemblyman Marvel stated that the bill would exempt items from the limitation on expenditures if the item was for the purpose of reducing an unfunded liability of the State. He added that it might eventually help the state's bond rating.

Carole Vilardo, President, Nevada Taxpayers Association, testified in support of Assembly Bill (A.B.) 196. She explained that the bill was responsible pre-planning and should not be looked upon simply as a way to circumvent the expenditure cap.

Chairman Arberry closed the hearing on A.B. 196.

Assembly Bill 22: Authorizes the State Land Registrar to transfer certain real property owned by the State of Nevada to Washoe County and the Sierra Fire Protection District. (BDR S-367)

Mark Stevens, Assembly Fiscal Analyst, stated that the transferred land would be utilized for fire stations in the future.

ASSEMBLYWOMAN SMITH MOVED TO DO PASS A.B. 22.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION CARRIED.

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**Assembly Bill 153: Authorizes the appointment of alternate members of the
Committee on Industrial Programs. (BDR 16-793)**

Mr. Stevens stated that the bill would allow the chairman of the Prison Industries Committee to name and appoint alternates if members of the Committee were not able to attend.

Assemblyman Marvel stated the bill would help establish a quorum at the meetings.

ASSEMBLYMAN MARVEL MOVED TO DO PASS A.B. 153.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

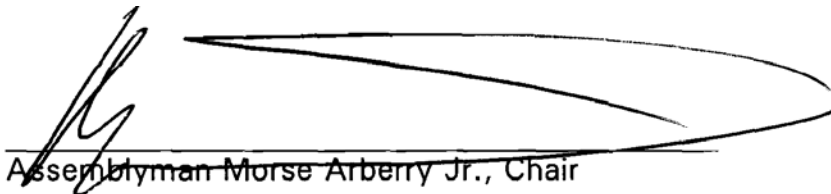
THE MOTION CARRIED.

Chairman Arberry adjourned the meeting 10:27 a.m.

RESPECTFULLY SUBMITTED:

Barron Brooks
Committee Secretary

APPROVED BY:



Assemblyman Morse Arberry Jr., Chair

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>March 28, 2007</u>		Time of Meeting: <u>8:06 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 126	C	Assemblywoman Leslie	Power Point
A.B. 213	D	Marv Teixeira and Robert Hadfield	History of V&T Railway
A.B. 245	E	Cordell Stokes	Appropriation to build
A.B. 314	F	Cordell Stokes	Appropriation to fund
A.B. 317	G	Shawn Lecker-Pomaville	Biennial Report