

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

**Seventy-Fourth Session  
April 11, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 8:07 a.m., on Wednesday, April 11, 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:**

Assemblyman Harvey Munford, Clark County Assembly District No. 6  
Assemblyman James Settelmeyer, Assembly District No. 39  
Assemblyman William Horne, Clark County Assembly District No. 34  
Assemblywoman Bonnie Parnell, Assembly District No. 40  
Assemblywoman Rosemary Womack, Clark County Assembly District No. 23

**STAFF MEMBERS PRESENT:**

Mark W. Stevens, Assembly Fiscal Analyst  
Steve Abba, Principal Deputy Fiscal Analyst  
Michael Chapman, Senior Program Analyst  
Laura Freed, Program Analyst  
Joi Davis, Program Analyst  
Melinda Martini, Program Analyst  
Todd Myler, Committee Secretary  
Patricia Adams, Committee Assistant



**Assembly Bill 434: Revises provisions governing education. (BDR 34-1270)**

Chairman Arberry explained that the order of the agenda would not be followed exactly and opened the hearing on Assembly Bill 434, recognizing Assemblyman Harvey Munford from Assembly District 6.

Mr. Munford stated that he had retired from the Clark County School District as a teacher many years ago, and Assembly Bill (A.B.) 434 was one of several bills supported by Mr. Munford during this legislative session to improve public schools. He then explained the four provisions contained in the bill.

Mr. Munford said that A.B. 434 would require the Board of Trustees in counties with populations over 400,000 to take action on matters submitted by the public, as long as those matters were within the jurisdiction of the Board. The bill required the Board to issue a written explanation if no action was taken within 60 days after a request was made.

According to Mr. Munford, this measure required the State Board of Education to adopt a multicultural education program for students from grades 2 through 12. He thought this was a timely request because of recent events surrounding comments made by a prominent radio host in reference to the Rutgers University women's basketball team. He believed that multicultural education could induce some young students to reflect upon such issues.

Mr. Munford explained that A.B. 434 would require the course in American government to include the study of Nevada's government. He said that having taught government classes for many years, he discovered that many students had no awareness of the government and history of Nevada. Mr. Munford explained that even some of his constituents did not know what he did as a member of the Assembly.

Finally, Mr. Munford stated that A.B. 434 would make students who violated the code of honor relating to cheating while enrolled in public high schools in Nevada ineligible to receive a millennium scholarship. Mr. Munford said that cheating continued to be a problem in Nevada's schools, and he believed that the potential loss of a valuable scholarship may be an effective deterrent for students who might attempt to cheat. He noted that Nevada had policies regarding absenteeism and tardiness, but did not have a policy regarding cheating at school. Deceptive student behavior was a serious matter, according to Mr. Munford. He acknowledged that individual teachers might have their own methods of dealing with cheaters, but he felt there should be a formal policy at the school district level. He acknowledged the pressures on young people to get ahead, but thought that teaching the students to do it the correct way would be worth more to the students. Mr. Munford surmised that some millennium scholarship recipients struggled when on their own at college because they had not attained the proper knowledge and educational foundation, having acquired their grades by deceptive means.

Chairman Arberry thanked Mr. Munford for his testimony and asked about the fiscal impact associated with this bill. He wondered whether school districts needed to hire additional staff to meet the bill's requirements.

Mr. Munford said there would be costs associated with the multicultural classes for text books and class development. He did not believe there would be a fiscal impact on the school districts for the cheating requirements outside of establishing a policy, method, and criteria governing the revocation of the

millennium scholarship privilege. He mentioned that a "three strikes and you're out" concept might work. He said there was some feedback from several sources about the difficulty of monitoring cheating with this scholarship restriction in mind, especially when considering what would constitute a scholarship revoking action. Concerned individuals wondered whether cheating on a small quiz would be treated the same as cheating on a large test or whether a scholarship disqualification should only be made for behavior over an extended period. Mr. Munford noted that in other disciplinary situations, it took repeated offenses to warrant a suspension or expulsion and thought that this proposed cheating initiative could follow a similar pattern.

Mr. Marvel asked whether A.B. 434 had been heard by the Committee on Education.

Mr. Munford said the bill was not heard by the Committee on Education. He believed that this bill was more appropriate for the Committee on Education; however, he believed that because of the potential fiscal impact of the multicultural classes, it was referred to the Ways and Means Committee.

Mr. Marvel noted that unless more staff was needed to accommodate the bill's provisions, he did not see much of a fiscal impact.

Chairman Arberry recognized Ms. Joyce Haldeman, Executive Director of Community & Government Relations, Clark County School District (CCSD).

Ms. Haldeman noted that there would be two fiscal impacts on CCSD from this bill. First, the multicultural class requirement would require more resources. Also, the enforcement of the cheating provision would require some sort of appeal system with uniform objective criteria, rather than subjective procedures. Ms. Haldeman said that she had proposed an amendment ([Exhibit C](#)) to A.B. 434. In constructing the amendment, Ms. Haldeman said that discussions had been held with the Superintendent of Schools in Carson City, one of the Carson City School Board members, and Mr. Munford. In that meeting, reassurances were offered to Mr. Munford regarding the issues in the bill. The amendment proposed allowing section 2 of the bill, the multicultural class requirement, to remain while deleting the other three provisions.

Chairman Arberry asked whether Assemblyman Munford would accept the amendment as proposed.

Mr. Munford stated that he would accept the proposed amendment.

Assemblyman Hardy asked whether the amendment would have a fiscal note attached.

Ms. Haldeman said there would not be a fiscal note attached to the amendment and that the Department of Education would be able to develop the multicultural program on its own.

Chairman Arberry asked how long it would take to implement the bill as amended.

Ms. Haldeman said she was not sure, but that it would be made a priority.

Mrs. Smith noted that other bills that dealt with curriculum had been referred to the Standards Council because the Legislature had been trying to avoid

prescribing curriculum. She wondered whether that was a more appropriate way to handle this.

Ms. Haldeman said that allowing the Standards Council to handle determining the details of the multicultural class curriculum would be more effective.

Chairman Arberry asked whether anyone else wished to speak for or against A.B. 434. With no response, he closed the hearing on this bill.

**Assembly Bill 556: Makes supplemental appropriations to the Supreme Court of Nevada for judicial selection and unforeseen expenditures. (BDR S-1245)**

Chairman Arberry opened the hearing on A.B. 556 and recognized Mr. Ron Titus, Director and State Court Administrator, Administrative Office of the Courts.

Mr. Titus explained that he was present on behalf of the Supreme Court of Nevada to request a supplemental appropriation to fund increased and unforeseen costs associated with the operations of the Supreme Court. Assembly Bill 556 also requested funding for a fourth judicial selection process for FY 2007.

Mr. Titus said this bill requested \$309,429 for the Supreme Court; however, updated information and additional efforts to reduce or eliminate expenditures allowed for the request to be reduced by \$132,000. This made the total requested amount \$177,425. These funds were needed for the Regional Justice Center in Las Vegas, general operating costs, In-State Travel, and settlement conference expenses. Additionally, the Supreme Court was requesting funds for furnishings for an office in Carson City for one of the new Justices who would be moving.

Mr. Titus said the Supreme Court had the funds for all of these costs, but that the funds were held in reserve for reversion to the General Fund. The Supreme Court had received an increased amount of administrative assessments, which translated to a reversion amount of \$2.2 million at the end of FY 2007; however, using those funds to pay for these unforeseen expenses required approval from the Legislature.

Mr. Titus mentioned that A.B. 556 also requested funds in the amount of \$10,000 for a fourth judicial selection process because of the retirement of Clark County District Judge Joseph Bonaventure. The estimated costs were based on the number of applications received, the location of the selection process, and the number of days needed in the process. Mr. Titus said the selection process had just closed, and the cost had been reduced to \$9,000 because it took two days rather than the anticipated three days.

Chairman Arberry noted that the bill needed to be amended to the lower amounts mentioned by Mr. Titus.

Mr. Titus said that updated information was provided to Committee staff.

Chairman Arberry asked whether these costs were already in The Executive Budget.

Mr. Titus said the costs were included in the budget.

Chairman Arberry asked whether anyone else wished to speak for or against A.B. 556. With no response, he closed the hearing on this bill.

**Assembly Bill 580: Revises provisions relating to the disposition of fees and administrative fines for certain licenses and titles relating to motor vehicles. (BDR 43-1417)**

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 580 and recognized Mr. Troy Dillard, Administrator of the Compliance Enforcement Division, Department of Motor Vehicles.

Mr. Dillard read the following statement:

Assembly Bill 580 is a Department sponsored bill which is needed to implement the Department's budget. The bill provides for the reallocation of existing revenue sources from the Account for the Regulation of Salvage Pools, Automobile Wreckers, Body Shops, and Garages with the State General Fund to the Motor Vehicle Fund. It further establishes the Revolving Account for the Issuance of Salvage Titles within the Motor Vehicle Fund. The bill abolishes the Account for the Regulation of Salvage Pools, Automobile Wreckers, Body Shops, and Garages.

Ultimately, if the Budget is approved as recommended, the revenues from the accounts currently directed to the fee-funded budget would be directed to the Motor Vehicle Fund, and an allocation for expenditures from the Motor Vehicle Fund would be approved. With regard to the Revolving Account for the Issuance of Salvage Titles, a \$50,000 carry forward balance would be maintained within the fund and all excess revenues would be transferred to the Motor Vehicle Fund on an annual basis.

Assemblyman Parks asked for clarification on where the funds to be placed in the Motor Vehicle Fund would come from.

Mr. Dillard said the funds already existed and were derived from two sources: the licensing fees and administrative fines from the Account for the Regulation of Salvage Pools, Automobile Wreckers, Body Shops, and Garages; and the Salvage Title fees, which were generally paid by salvage pools after the vehicle was declared a total loss.

Mr. Parks asked the amount of the salvage title fee.

Mr. Dillard said it cost \$10 for a salvage title.

Chairman Arberry asked whether anyone else wished to speak for or against A.B. 580. With no response, he closed the hearing on this bill.

**Assembly Bill 466: Makes an appropriation to the State Conservation Commission of the State Department of Conservation and Natural Resources for distribution to conservation districts. (BDR S-824)**

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 466 and recognized Assemblyman James Settlemeyer from Assembly District 39.

Mr. Settlemeyer explained that A.B. 466 proposed increasing funding for conservation districts (CDs) throughout the State. The CDs played an important

role in preserving the natural resources of Nevada. Mr. Settlemeyer noted that it made sense to give the CDs more funding because Nevada CDs had historically received \$28.46 in matching funds for every dollar of state funding. Mr. Settlemeyer explained that Nevada's CDs varied greatly in their size and respective budgets, but he believed that the money was well spent because of the success in obtaining matching funds from such sources as the Bureau of Reclamation, the Bureau of Land Management, the Army Corps of Engineers, the U.S. Fish & Wildlife Service, the Natural Resources Conservation Service (NRCS), and so forth.

Mr. Settlemeyer stated that Nevada's CDs had not received an increase in State funding since 1999. Since then, costs had increased as federal and state regulations had been enacted that required additional expenses. For example, legislation had been passed that required all CD information to be placed on the Internet. Mr. Settlemeyer explained that some smaller CDs had to buy computers to accommodate that requirement. Because of the additional requirements placed on CDs, Mr. Settlemeyer submitted this bill for additional funding to facilitate the extra work.

Mr. Marvel asked how many CDs were in Nevada.

Mr. Settlemeyer said there were 28 CDs.

Mr. Marvel asked how much the CDs' budgets would increase through this legislation.

Mr. Settlemeyer said each CD would receive an extra \$5,000 per year.

Mr. Grady asked Mr. Settlemeyer to comment on the work that had been performed for the CDs by the NRCS in the area of engineering in the past, but which was not performed anymore.

Mr. Settlemeyer explained that the federal government was relying more heavily upon the State to take care of its engineering needs. He claimed that federal support for floods and other disasters was not as extensive as it once was. He also claimed that, in regard to engineering needs, if CDs waited for NRCS to perform the engineering work, it could take two to four years; whereas, those CDs across the country which had engineering work done quickly would receive federal funding more expediently. Mr. Settlemeyer claimed that access to funds for CDs were available on a competitive basis and could be acquired if action was taken quickly enough.

Chairman Arberry recognized Mr. Dan Caffer from the U.S. Department of Agriculture (USDA), NRCS.

Mr. Caffer stated that USDA had historically as many as 80 engineers dedicated to Nevada to work with various individuals and entities. Currently, however, there were only half that number of engineers, and the number continued to drop. This required CDs to find and hire their own engineering staff to complete various projects for restoration and also conservation of water, wildlife and other resources. The NRCS worked extensively with CDs to provide technical support for ranchers and farmers, but the federal funds were being reduced, which required the various CDs to obtain more support from their respective state governments to conserve water and land resources.

Mr. Settlemeyer noted that the federal government had field offices throughout Nevada; however, there was a federal policy that required a CD for a field office



to be located in any particular area, according to Mr. Settelmeyer. In the event that a CD shut down, the federal field office located there would also close.

Chairman Arberry noted that no new taxes were currently proposed and that there were numerous requests for funding of smaller initiatives such as this one. He then asked how Mr. Settelmeyer would feel if a new tax were needed to fund this bill.

Mr. Settelmeyer explained that he had introduced another bill that would save Nevada \$1 million per year and hoped that a portion of the savings could be used to fund the A.B. 466 initiative.

Chairman Arberry noted that he had many requests for funding and that it would be difficult to only fund this while ignoring so many others.

Mr. Settelmeyer said he understood the Chairman's concern and said this was why he made sure to introduce a bill that would save the State money at the same time he introduced one that would cost money.

Chairman Arberry recognized Mr. Paul Kolp, Manager of the Dayton Valley Conservation District (DVCD).

Mr. Kolp explained that many of the CDs had total budgets of \$5,000 to \$10,000 and that the proposed increased funding would represent a 50 to 100 percent increase for those smaller districts. Mr. Kolp then referred to a handout ([Exhibit D](#)) that had a photo from flooding that occurred in 2006 on the front of it, but explained that had the photo been taken during the flood of 1997, the water level at the house shown would have been up to the top of the steps. He said the photos in the packet showed the work done in the Dayton Valley, much of which was the clearing of debris and restoration of river trails, with very little state funding to support the work performed. Mr. Kolb explained that many of the funds expended in the clean up effort were matching federal funds. He then outlined a number of activities DVCD engaged in, which included community education and work with invasive species.

Chairman Arberry recognized Mr. Howard Glancy, representing the DVCD and the Nevada Association of Conservation Districts.

Mr. Glancy reminded the Committee that Nevada's rivers were property of the State. The CDs were responsible for maintaining those rivers. He said the monies received were multiplied 28 times by matching funds and did not see why the CDs would not be granted this additional funding for that reason.

Chairman Arberry recognized Mr. Bob Mills, Lyon County Commissioner and chairman of numerous conservation entities.

Mr. Mills supported A.B. 466 and said that Nevada ranked 48th in the nation in conservation support. According to Mr. Mills, Lyon County granted each of its three districts an extra \$7,500 in the most current county budget. He said it was difficult to find good employees to manage the CDs and to find the money for their salaries. Mr. Mills said these employees performed work required by not only the counties in which they worked, but work also required by the State.

Chairman Arberry recognized Mr. Brian Thomas, representing the Duck Valley Conservation District.

Mr. Thomas, a member of the Shoshone-Paiute Tribe, read testimony ([Exhibit E](#)) in favor of A.B. 466 and made the following main points:

- This bill would improve outreach to tribal farmers and ranchers.
- The CDs protect natural and cultural resources through education in conservation practices.
- Training is needed for CD staff.
- Additional funding will assist to further implement current programs and allow for new programs, especially in education.
- Duck Valley CD supports the Summer Youth Range Camp, the FFA Chapter of Owyhee Combined Schools, and higher education through scholarships for graduating high school seniors.

Chairman Arberry recognized Ms. Linda Conlin, Supervisor, Dayton Valley Conservation District.

Ms. Conlin supported this bill and mentioned a thank you letter from students from Gardnerville Elementary School who had recently gone on a field trip to the Carson River. The students had conducted experiments at the river and learned about the river's importance in the local ecosystem. Ms. Conlin said that CDs worked to educate and that any increase in funding would be well spent.

Chairman Arberry recognized Mr. Kyle Davis, Policy Director for the Nevada Conservation League (NCL).

Mr. Davis said that NCL supported A.B. 466 and that Nevada faced many challenges in regard to conservation.

Chairman Arberry recognized Ms. Barbara Perlman Whyman, Vice Chairwoman of the Nevada Tahoe Conservation District (NTCD), who also represented the Nevada Association of Conservation Districts on which she was the Chairwoman of Nevada Urban Conservation.

Ms. Whyman explained that Nevada's CDs were facing unique situations regarding urban impact on rural areas. She stated that the long-time employees of CDs were aware of the needs and the resources. She said that CD employees were dedicated and that what was asked of those employees was more than the increased funding would pay for. Ms. Whyman claimed that the amount of proposed increased funding was a "small price to pay" for what was required of the CDs and that Nevada would receive benefits from this increase.

Chairman Arberry recognized Mr. Doug Martin, Manager of the NTCD.

Mr. Martin moved to Nevada in 1970 because he had the choice to relocate to Nevada or Wyoming to attend college. He chose Nevada because the population was smaller, only 274,000. Much of what had been discussed already dealt mainly with farmers and ranchers, but Mr. Martin believed that much of CDs work was in the area of urban conservation. The NTCD had no ranching or farming, but there was still much work to be done within the district. For example, in the past year, NTCD assisted with the managing of runoff for 400 homes. He said that because of the growth that had taken place in Nevada, that urban conversation was important. Mr. Martin claimed that:

One of the best kept secrets in the state of Nevada and the country are conservation districts. We are a bipartisan, grassroots, volunteer-based group of people that assist with engineering and science principals in the area of soil erosion and storm runoff.



Mr. Martin then urged the Committee to pass A.B. 466.

Chairman Arberry asked whether anyone else wished to speak for or against this bill. With no response, he closed the hearing.

**Assembly Bill 102 (1st Reprint): Makes various changes to provisions relating to eminent domain. (BDR 3-38)**

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 102 and recognized Assemblyman William Horne, Clark County Assembly District No. 34.

Mr. Horne explained that this bill dealt with eminent domain, and this issue had recently moved to the forefront of attention in Nevada. He mentioned a U.S. Supreme Court case, Kelo v. City of New London, which caused states to strengthen eminent domain laws to protect property owners. Since then, this bill and Assembly Joint Resolution 3 had been introduced. Assembly Bill 102 was before the Committee because of a possible fiscal impact on the State and local government. Mr. Horne believed this bill would not have a fiscal impact on government.

Chairman Arberry invited others present to testify to that effect. He then recognized Ms. Sabra Smith-Newby, Director, Clark County Intergovernmental Relations.

Ms. Smith-Newby said there would be no fiscal impact on the State because of A.B. 102.

Chairman Arberry asked whether the Interim Finance Committee (IFC) would be approached in the future with funds requests should the bill be passed.

Ms. Smith-Newby said IFC would not be approached with such requests.

Chairman Arberry recognized Mr. Nick Anthony, representing the City of Reno.

Mr. Anthony said, "It is [the City of Reno's] belief that this is not an unfunded mandate on local government."

Chairman Arberry closed the hearing on this bill and asked the Committee to consider it.

ASSEMBLYMAN MARVEL MOVED TO DO PASS A.B. 102.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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**Assembly Bill 484: Requires the Legislative Committee on Education to study certain issues during the 2007-2009 interim. (BDR S-1372)**

Chairman Arberry opened discussion on Assembly Bill (A.B.) 484 and recognized Assemblywoman Bonnie Parnell, Assembly District 40.

Ms. Parnell explained that this bill asked that authority be given to the Legislative Committee on Education to study the testing of Nevada's students. In today's school environment, she claimed that she did not know of an issue more controversial to teachers than the amount of testing done in Nevada's schools. This bill requested a review of the tests currently administered that were required by state law, federal law, and school district policy. It also requested an assessment to determine if any of the tests could be consolidated to allow for increased instructional time. The bill required the Legislative Committee on Education to report to the Legislature in the next legislative session and to the Director of the Legislative Counsel Bureau. Ms. Parnell then introduced Jan Sullivan, Principal of Fremont Elementary School in Carson City.

Ms. Sullivan stated there was a test required by the federal government called the National Assessment of Education Progress (NAEP) test. The NAEP test was a one-day test administered to fourth grade students at randomly selected schools. Fremont Elementary School was selected for the test this school year, and the test was administered on January 23, 2007.

With regards to Adequate Yearly Progress [a provision in the No Child Left Behind Act which requires yearly testing of students administered by the states], Ms. Sullivan said criteria and reference tests were mandated by the State, along with a writing proficiency exam.

Additionally, Ms. Sullivan explained that the State required the Iowa Test of Basic Skills, which required one week of testing time for fourth grade students. This was a "normed reference test," which meant that it compared the test-takers to other students from around the country. Ms. Sullivan said that the criteria and reference tests mentioned earlier were based on state standards and were given to third, fourth, and fifth grade students. The tests administered to the third and fourth graders took three days, and the test given the fifth graders took four days. Ms. Sullivan said that the writing proficiency test, which was state-mandated, took three days. All of these tests she discussed were administered from January through March.

Ms. Sullivan said an additional state-required test was the "Lost Links Test." This was an assessment for students in English as a Second Language programs. This test took approximately nine weeks to administer, with four hours per student. At Fremont Elementary, 127 students were given this test.

Ms. Sullivan explained that the Carson City School District required the Measurement of Academic Progress test, which was given three times per year, while the school also performed assessments exclusive to Fremont Elementary.

Ms. Parnell concluded that the time required for all of this testing was not the only issue for the Committee to consider. It was also important to consider that approximately \$10.1 million was invested in state and district assessment programs. Based upon this amount, over \$8.2 million was spent by the State to support the state-mandated assessments. School districts and charter schools were responsible for 19 percent of the total state budget. Furthermore, Ms. Parnell explained that school districts and charter schools spent an additional \$3 million on local testing. She noted that there were fiscal ramifications to all this testing, beside just the amount of time required to administer the tests, which was taken out of instructional days. For these reasons, Ms. Parnell believed it was time to examine testing in Nevada through the proposed study.

Chairman Arberry asked whether the Legislative Committee on Education could undertake this study without spending additional monies on a legislative study.

Ms. Parnell said that she had considered that option and thought that the necessary information could be gathered by contacting school officials such as Ms. Sullivan and discussing testing concerns without spending the money requested.

Assemblywoman Smith asked Ms. Parnell to work with the staff that produced the fiscal note to determine how the \$100,000 cost was estimated, thinking that perhaps the intention of the Committee on Education was not completely understood.

Ms. Parnell said this had been discussed already and was surprised that this bill was sent to the Assembly Ways and Means Committee, because testing was one of many things the Committee on Education had discussed that needed to be studied in the interim. She believed there were other ways this study could be done, which would not involve a fiscal impact, such as gathering the information in a "Subcommittee format" prior to, or immediately following, the Legislative Committee on Education. If done this way, the fiscal impact would be completely eliminated, according to Ms. Parnell.

Assemblyman Hardy, who also sat on the Committee on Education, said he believed the intention of the Committee on Education was not to hire a consultant for this study, which would have caused the fiscal impact. Inasmuch as this study was to be performed in-house, Dr. Hardy concurred with Ms. Parnell's statements that this study could be done without a fiscal impact.

Chairman Arberry asked whether a consultant would be contracted or a new staff member hired to perform this study.

Ms. Parnell said that neither a consultant, nor a staff member was needed, because much of the needed information had already been compiled by the Department of Education and school districts. Ms. Parnell believed that appropriate determinations regarding adequacy of testing could be made by listening to the concerns of school officials, teachers, parents, and students. She thought that the information gathered from those groups of individuals could help to determine whether the testing performed contained excessive duplication of efforts. It could also help determine which tests could be eliminated, which would make many educators happy, according to Ms. Parnell.

Chairman Arberry asked whether Ms. Parnell agreed with passing A.B. 484 without a fiscal impact on the State.

Ms. Parnell agreed with the Chairman.

Chairman Arberry asked whether there was anyone else who wished to speak for or against A.B. 484. With no response, he closed the hearing on this bill.

**Assembly Bill 323 (1st Reprint): Revises the amount paid to witnesses for mileage in traveling to and from a proceeding. (BDR 4-1176)**

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 323 and recognized Assemblywoman Rosemary Womack, Clark County Assembly District No. 23.

Ms. Womack stated that the Police Association had approached her about introducing this bill. In 1995, the amount paid to witnesses for mileage to and from court proceedings was amended to be \$0.19 per mile. This bill asked that the amount be brought current with the standard mileage reimbursement rate for which a deduction is allowed for the purposes of federal income tax. Ms. Womack then introduced Mr. David Callas, Director of Governmental Affairs, Las Vegas Police Protective Association Metro, Inc., who also represented the Southern Nevada Conference of Police and Sheriffs.

Mr. Callas explained that the current rate of \$0.19 per mile had been in place since 1995, but reminded the Committee that governmental employees were reimbursed at the higher federal rate for the discharge of their job duties. This bill requested that citizens, regardless of profession, be compensated at the same rate. He said that no person would be unduly enriched by this increase, but acknowledged that critics of this bill would use the increased cost to the State and local governments as leverage to defeat it. Mr. Callas said it was unrealistic to underpay citizens, who were taxpayers, for required attendance in court, especially when those same persons would be reimbursed at a higher rate in the discharge of official job duties. He then asked the Committee to support A.B. 323 as written.

Chairman Arberry noted that the bill contained an unfunded mandate and asked for verification that it would not require State funds.

Mr. Callas said that it would not require state funds. He then explained that *Nevada Revised Statutes* (NRS) 50.225 as currently written allowed for County Commissions to allow for a higher reimbursement rate. Assembly Bill 323 proposed that a standard rate be set for the entire state.

Chairman Arberry recognized Mr. Denis Colling, Chief of the Administrative Services Division, Department of Motor Vehicles (DMV).

Mr. Colling said that DMV was neutral on this proposed legislation, but there would be a fiscal impact on DMV should this bill pass. The DMV held administrative hearings regarding suspension or revocation of driver licenses, vehicle registrations, business licenses, and so forth. When a request for a hearing was received by the Administrative Hearing Office and a hearing was scheduled, witnesses were subpoenaed to appear on behalf of DMV. These witnesses were typically law enforcement officers who were testifying on the circumstances of an alleged violation. The change from \$0.19 to \$0.485 per mile was a substantial change, though Mr. Colling acknowledged that DMV did not spend a large sum on these costs. He stated there would be an impact in the first year of the biennium based on the first nine months of the current fiscal year of \$3,218 and then \$4,466. The Administrative Hearing Office had a small budget to begin with, and this proposed reimbursement rate increase represented a substantial portion of the available funding, according to Mr. Colling.

Assemblywoman Weber commented on the "letter of the law and the spirit of the law," noting that the federal rate had increased while the State's had remained the same. She then asked Mr. Colling whether DMV was still "really paying the 19 cents."

Mr. Colling said DMV was still reimbursing at the 19-cent rate.

Chairman Arberry recognized Ms. Sabra Smith-Newby, Director of Intergovernmental Relations for Clark County.

Ms. Smith-Newby explained that approval of this bill would fiscally impact Clark County because Clark County funded court activities. In FY 2006, Clark County reimbursed \$263,000 in mileage costs. Had the new rate been in effect at that time, the total cost to the County would have been \$670,650. This represented a large increase, though Ms. Smith-Newby acknowledged that overall it was not a significant amount of Clark County's budget.

Ms. Weber asked whether Clark County was also reimbursing witness travel at 19 cents per mile.

Ms. Smith-Newby said that Clark County was paying 19 cents per mile.

Chairman Arberry asked whether anyone else wished to speak for or against A.B. 323. With no response, he closed the hearing on this bill.

After a brief recess, Chairman Arberry opened the hearing on budget closings. He asked Assembly Fiscal Analyst Mark Stevens to review the closing procedures for the Committee.

Mr. Stevens explained that there were a number of things that staff would request for Committee authorization to change, both in the entire state budget and also in individual budget accounts. These changes included:

- Various cost allocations on a statewide or agency level. He reminded the Committee that when budgets with cost allocations were closed, other budget accounts may be affected.
- Fringe benefit changes, which affected every budget account.
- State-owned building rent, motor pool rates, personnel assessments, or any other rates that impacted all budget accounts.
- Unclassified position salary increases. Mr. Stevens explained that these increases were not usually determined at the time of closing because those decisions were made later in the budget process.
- Equipment prices, particularly data processing items. Staff would be recommending differences in computer prices than those included in The Executive Budget. At that point, the Committee could decide whether those changes should be made.

Mr. Stevens explained that if any of the aforementioned costs changed later in the process, staff would make necessary adjustments to the affected budget accounts.

Before the Committee began discussing various budget closings, Chairman Arberry asked the Committee to consider A.B. 554.

**Assembly Bill 554: Makes various changes relating to bonds. (BDR 34-497)**

Chairman Arberry asked Mark Stevens, Assembly Fiscal Analyst, to review the details of this bill for the Committee.

Mr. Stevens explained that the bill was heard previously and that it would make two changes. First, Assembly Bill (A.B.) 554 requested an increase in the amount of bonding that could be pledged against the Permanent School Fund from \$25 million to \$40 million. Second, this bill requested an extension on the date of the sale of Question 1 Bonds from the 2002 ballot, which Mr. Stevens believed was originally scheduled to be completed in 2008.

Chairman Arberry noted that this bill would be helpful for the rural areas of Nevada, as well as Washoe County.

ASSEMBLYMAN MARVEL MOVED TO DO PASS A.B. 554.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley was absent for the vote.)

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**ELECTED OFFICIALS**

**LIEUTENANT GOVERNOR (101-1020)**

**BUDGET PAGE ELECTED – 34**

Chairman Arberry opened discussion on Budget Account (BA) 1020, Lieutenant Governor.

Mark Stevens, Assembly Fiscal Analyst, noted that there were no closing issues with this budget account but that there were some staff recommended adjustments that would increase the General Fund monies needed.

First, Mr. Stevens explained that staff recommended the addition of \$18,354 in FY 2009 to fund the increased salary for the Lieutenant Governor of \$474 and also the required per diem for the 2009 Legislative Session of \$17,880, which was not properly included in the budget.

Mr. Stevens continued by saying that the Lieutenant Governor was entitled to receive the compensation provided for a majority of the members of the Legislature for the first 60 days of the legislative session (NRS 224.050) of \$137.90 per day. The additional \$474 requested was required to make that payment.

Additionally, Mr. Stevens explained that the Lieutenant Governor was entitled to receive per diem and travel expenses authorized for members of the Legislature (NRS 224.050). There was also a constitutional provision (Nevada Constitution, Article 4; Section 33) that allowed for an additional two dollars per day for the Lieutenant Governor. These items resulted in an increase of \$17,880 required in FY 2009 for the Lieutenant Governor's budget.

Mr. Stevens then explained there were additional closing adjustments recommended by staff to reduce the budget by \$61 in FY 2008 and \$487 in FY 2009 to reflect minor adjustments to membership dues, registration fees, publications, and so forth.

Mr. Stevens noted some other issues for Committee consideration. The Lieutenant Governor had requested that his staff become nonclassified. Additionally, the Lieutenant Governor received \$130 per day when he was Acting Governor. Typically, this amount was not budgeted, though it was paid from this budget account. Staff recommended not including this amount in the budget. Finally, there was computer equipment pricing that would be adjusted when staff revised computer pricing for all state budget accounts.

Assemblywoman Leslie commented that she did not believe that the \$130 per day when serving as Acting Governor was needed and did not wish to



encourage this action in the future. She believed that the staff recommendations were adequate.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE APPROVE BA 1020 AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

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

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**GOV, ENERGY CONSERVATION (101-4868)**  
**BUDGET PAGE ELECTED – 28**

Chairman Arberry opened discussion on BA 4868, Gov, Energy Conservation, and asked Mark Stevens, Assembly Fiscal Analyst, to review this budget account.

Mr. Stevens explained that there were some major closing issues with this budget account and that the agency had representation present to discuss them with the Committee.

First, Mr. Stevens said there were a number of budget amendments forwarded by the Budget Division regarding this budget account. These were budget amendment nos. 5, 6, 7. These amendments requested an increase in General Fund support by \$243,550 in FY 2008 and \$260,345 in FY 2009.

Mr. Stevens explained that Amendment No. 5 requested the restoration of two grants and project analyst positions that would be supported by the General Fund. These positions had been funded with federal dollars and were eliminated in The Executive Budget. This represented an increase in General Fund support of \$120,437 in FY 2008 and \$131,504 in FY 2009. According to Mr. Stevens, Legislative Counsel Bureau records indicated that these positions were currently vacant. One had been vacant for approximately a year and a half, while the other had been vacant since August 2006.

Mr. Stevens said the remaining portion of the Governor's revised budget requested the transfer [Amendment No. 7] of the Energy/Science Advisor [which is later identified as the Director] position from the Governor's Office budget account (101-1000) to BA 4868. This required that the position change from nonclassified to unclassified status [Amendment No. 6], which would add \$119,408 of General Fund support to BA 4868 in FY 2008 and \$124,984 in FY 2009, though there would be a corresponding savings in BA 1000. Mr. Stevens stated that the recommended salary for this position would be \$95,574 in FY 2008 and \$99,397 in FY 2009.

Mr. Stevens said that all of these proposed changes would increase the General Fund support of this budget account from \$114,856 in the current biennium to \$818,439 in the 2007-09 biennium. He then outlined some options for the Committee to consider:

- Approval of Amendment No. 5 that would restore two grants and project analyst 2 positions with General Fund support
- Approval of Amendments No. 6 and No. 7 which would transfer the Energy/Science Advisor to BA 4868 and make it an unclassified position

Mr. Stevens also mentioned that there were some proposed budget reductions in response to the Governor's request to reduce General Fund expenditures in The Executive Budget. The Budget Division recommended reductions to this budget account in the amounts of \$11,945 in FY 2008 and \$14,145 in FY 2009, which would be replaced by corresponding federal funds. Mr. Stevens said the Budget Division also recommended small increases in Cooperative Agreement revenue of \$294 in FY 2008 and \$2,494 in FY 2009.

Assemblyman Hardy asked what the difference between a nonclassified employee and an unclassified employee was.

Mr. Stevens explained that nonclassified positions in the Executive Branch consisted of positions within the Governor's Office budget account. The Governor had the authority to determine the amount of salary paid for those authorized positions within the salary dollars available. Unclassified salary maximums were set by the Legislature and were included in the Unclassified Pay Bill, which was usually voted on later in the session.

Dr. Hardy asked about the federal dollars mentioned to offset the decrease in General Fund support.

Mr. Stevens explained that one of the major issues with this budget account was a loss of federal funding. He said the General Fund support increase from \$114,856 in the current biennium to \$818,439 in the next biennium was in part because of the transfer of the Energy/Science Advisor in the account, but was mostly because of a loss of federal funding. Mr. Stevens acknowledged that some federal funding might be brought in that was not currently budgeted for; however, the current budget request was constructed under the assumption that the federal funding would not be available. He referred to the General Fund reductions and mentioned that there was a small increase in federal funding to offset General Fund reductions in The Executive Budget.

Dr. Hardy asked for more detail regarding how much federal funding was available.

Mr. Stevens deferred to agency representatives.

Chairman Arberry recognized Ms. Hatice Gecol, Director of the Nevada State Office of Energy (NSOE).

Ms. Gecol explained that there had been a 25 percent reduction in federal funds for this budget account, or \$100,000 of lost revenue. Because of this lost revenue, the two grants and project analyst positions were never filled. Ms. Gecol also said that a report was generated by an independent renewable energy conservation taskforce. She said that portions of that report were previously provided to staff along with a memo of justification for these positions. The report emphasized that the State was in danger of losing the NSOE because of the reduced federal funding. According to Ms. Gecol, the report also mentioned that NRS 701.217 had given NSOE the responsibility of Green Building Standards adoption and monitoring for tax abatement. Ms. Gecol stated that another responsibility given NSOE as provided in NRS 701.215 was to create a program to reduce electricity consumption in state-owned buildings. Another responsibility placed upon the office in NRS 701.170 was to assist renewable energy companies prepare applications for industrial development revenue bonds. Because the two grants and project analysts were unable to be filled because of the lack of federal funding, the

obligations placed on NSOE under NRS 701.215 and 701.170 had never been fulfilled. Ms. Gecol mentioned that NSOE had one grants and project analyst, one staff engineer, one accountant, and one part-time administrative assistant, which were all funded through federal grants. The only positions funded by the General Fund were the Director and the Deputy Director. Ms. Gecol then urged the Committee to fund the two requested positions to allow NSOE to meet the demands placed upon the Office through the aforementioned legislation. She also said that there were several pending bills in the current session that would further increase NSOE's responsibilities should they be passed.

Chairman Arberry asked Ms. Gecol to verify that the positions were not filled because federal funding was no longer available and that NSOE was now requesting that the positions be paid for from the General Fund.

Ms. Gecol verified the Chairman's remark.

Dr. Hardy asked whether NSOE would be in a position to apply for federal matching funds should the positions be approved and whether the Legislature needed to pass legislation to authorize NSOE to use any funds received.

Mr. Stevens explained that the Interim Finance Committee could authorize NSOE to use any federal monies received.

Dr. Hardy asked for clarification on whether NSOE would be in a position to receive federal funds should the General Fund be used to pay for these positions.

Ms. Gecol said that the positions requested would, for the most part, not be able to be used as leverage in obtaining more federal funding, because those positions would be primarily responsible for taking care of the demands placed on the office from the State; however, she explained that the Director and Deputy Director salaries could be used as leverage for possible future federal matching grants. She mentioned that both she and her new Deputy Director had extensive federal grant writing experience through university work and that NSOE hoped to be able to use that experience to increase federal grants.

Assemblywoman Leslie noted that the main idea was if NSOE had the two positions and the positions were funded by the General Fund, more federal dollars would be available; however, Ms. Leslie believed that federal funding was being reduced universally and that more federal funding was not necessarily going to be received. She said if the positions were going to be responsible for state-mandated work, then position descriptions and justifications should be submitted. As currently drafted, Ms. Leslie did not see that funding these positions had been justified, especially since the potential for future federal grants was unknown.

Assemblywoman McClain agreed with Ms. Leslie. She said that if the federal government wanted certain things done, then federal funding should have been made available for those purposes. She said, "I'm tired of replacing federal funds with General Funds." Ms. McClain then asked for clarification on Ms. Gecol's comment regarding the assistance given to entities who wished to apply for tax rebates from the Green Building Standards.

Ms. Gecol said that Green Building Standards were adopted for commercial buildings. Builders or developers registered with NSOE before construction or remodel work began. Once the work was completed, certification of the

construction work was submitted to NSOE for review and was forwarded to the Commission on Economic Development.

Ms. McClain asked whether NSOE helped the construction entities applying for this property tax rebate fill out the applications properly.

Ms. Gecol said NSOE helped those companies prepare applications.

Ms. McClain asked whether this help was necessary because the building companies were familiar with the process of applying for the rebate.

Ms. Gecol said this assistance was mandated in the *Nevada Administrative Code* (NAC).

Ms. McClain said NAC could be changed.

Assemblywoman Weber asked whether the federal funding lost was a result of not filling the two grants and project analyst positions or whether the positions were lost as a result of losing federal funding.

Ms. Gecol said it was her understanding that the positions were funded through federal grants. Because of the 25 percent reduction in the grants, the positions were unable to be filled. The intention was for the grants and project analysts to write proposals and bring in federal grant money.

Chairman Arberry recognized that Ms. Leslie wished to make a motion.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE DO THE FOLLOWING:

1. APPROVE ONE GENERAL FUND SUPPORTED GRANTS AND PROJECT ANALYST POSITION.
2. APPROVE THE TRANSFER OF THE ENERGY/SCIENCE ADVISOR (DIRECTOR) FROM THE GOVERNOR'S OFFICE (101-1000) TO THIS BUDGET ACCOUNT AND CONVERT THE POSITION FROM NONCLASSIFIED STATUS TO UNCLASSIFIED STATUS.
3. APPROVE REDUCING GENERAL FUND APPROPRIATIONS AS RECOMMENDED BY THE GOVERNOR IN THE AMOUNTS OF \$11,945 IN FY 2008 AND \$14,145 IN FY 2009.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED WITH ASSEMBLYWOMAN MCCLAIN VOTING NO. (Assemblywoman Buckley was not present for the vote.)

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**HIGH LEVEL NUCLEAR WASTE (101-1005)**  
**BUDGET PAGE ELECTED – 11**

Chairman Arberry opened discussion on BA 1005, High Level Nuclear Waste.

Mark Stevens, Assembly Fiscal Analyst, explained that this budget account was recommended to receive an increase in General Fund support from just over \$3 million to just under \$4 million. A majority of the increase was contained in decision unit E350. This enhancement unit contained an increase of \$395,709

in each year of the biennium in the Nevada Protection expenditure category for Yucca Mountain pre-licensing and licensing activities. Combined with the existing base budget amount of \$604,291, this would provide \$1 million annually for these activities.

Mr. Stevens said information had been requested to specify how these funds would be spent. The agency relayed to staff that \$750,000 would be used for legal services with representation before the Nuclear Regulatory Commission's pre-hearing licensing board, \$250,000 would be used for legal services to challenge the Department of Energy's (DOE's) document certification, and \$250,000 for legal and scientific work to challenge DOE's license application.

Mr. Stevens then explained that in response to the Governor's request to reduce General Fund expenditures, the agency proposed reducing this budget account in the Nevada Protection category by \$259,232 in FY 2008 and \$255,901 in FY 2009. This reduction would result in available annual funds in the Nevada Protection category of approximately \$750,000.

Mr. Stevens then mentioned that there was a supplemental appropriation that was moving through the legislative process and had been passed out of the Senate Finance Committee.

Assemblywoman Leslie asked Mr. Robert R. Loux, Executive Director, Agency for Nuclear Projects (ANP), how acceptance of the Governor's recommended reductions to this budget account would affect Nevada's efforts to prevent Yucca Mountain from becoming a nuclear waste dump.

Mr. Loux explained that there would be little effect in the next few months; however, he said that if the reductions were adopted, ANP would have to approach the Interim Finance Committee (IFC) about having those monies restored. He commented that if DOE filed a licensing application in June 2008 as had been discussed, then ANP would have to appear before IFC to request a substantial increase in July 2009 of approximately \$4 million to \$5 million to oppose the application process for a number of years. This would involve many attorneys and paralegals, according to Mr. Loux.

Chairman Arberry asked the Committee to consider this budget.

Ms. McClain noted that this was an important budget to her and that Nevada needed to do everything possible to stop the federal government from opening the proposed Yucca Mountain repository. She said she preferred to fund this budget as originally recommended by the Governor without the agency-proposed reduction.

Ms. Leslie stated that she was in agreement with Ms. McClain because she believed that ANP would only return to IFC to seek restoration of the reduced funds.

Ms. McClain said that cutting funds to this budget account sent "a false message." She believed that voters throughout the State were united on opposing the Yucca Mountain project.

Chairman Arberry asked for a motion on this budget.

ASSEMBLYWOMAN MCCLAIN MOVED THAT THE COMMITTEE  
DO THE FOLLOWING:

1. APPROVE THE INCREASE IN GENERAL FUND APPROPRIATION BY \$395,709 IN EACH FISCAL YEAR AS RECOMMENDED BY THE GOVERNOR.
2. DISAPPROVE AN AGENCY-PROPOSED REDUCTION OF GENERAL FUND SUPPORT IN THE AMOUNTS OF \$259,232 IN FY 2008 AND \$255,901 IN FY 2009.
3. APPROVE EQUIPMENT PURCHASES AS RECOMMENDED BY THE GOVERNOR.
4. APPROVE THE SUPPLEMENTAL APPROPRIATION OF \$604,291 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

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**SECRETARY OF STATE (101-1050)**  
**BUDGET PAGE ELECTED-107**

Chairman Arberry opened discussion on BA 1050, Secretary of State.

Mark Stevens, Assembly Fiscal Analyst, said that Ms. Laura Freed, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, would explain this budget account for the Committee.

Ms. Freed explained that this budget account had no major closing issues; however, she noted there were some closing items to discuss.

Ms. Freed mentioned that decision unit E325 originally contained Governor recommended General Fund appropriations for the Advisory Committee in Participatory Democracy for \$5,000 in each year of the biennium. This decision unit, however, was affected by the proposed statewide budget reductions and the Governor now proposed to reduce this enhancement to \$2,492 in FY 2008 and \$2,500 in FY 2009. Ms. Freed said the decision to be made by the Committee was whether to fund this decision unit at the original recommended level or at the revised level.

Ms. Freed explained that decision unit E327 was the Confidential Address Program (CAP), which was established in the 69th Legislative Session to provide confidential mailing addresses for victims of crime. Originally, there were recommended General Fund appropriations of \$8,320 in FY 2009, but as part of budget reductions to accommodate the Governor's request, this enhancement was decreased to \$5,434 in FY 2009.

Ms. Freed said that decision unit E329 originally recommended \$40,054, \$15,054 of which was from the General Fund, in FY 2008 and \$25,000 in FY 2009 to support overtime costs. The \$25,000 in each year of the biennium was to support the Commercial Recordings Division, which was Special Services funding, while the \$15,054 of General Fund monies in FY 2008 was for the Elections Division. The Budget Division submitted an amendment that requested switching the \$15,054 from FY 2008 to FY 2009 to cover costs associated with the upcoming Presidential Election in November 2008. Ms. Freed said that this decision unit was also affected by the Governor's requested budget cuts and that the Governor now recommended decreasing the Elections Division's overtime amount from \$15,054 to \$3,018 in FY 2009.



Continuing on, Ms. Freed explained that decision unit E710 originally recommended replacement equipment of \$278,980 in FY 2008 and \$280,085 in FY 2009. As a result of the Governor's requested budget reductions, the Secretary of State's Office reduced its equipment request to \$68,346 in FY 2008 and \$74,365 in FY 2009.

Ms. Freed stated that decision unit E720 originally recommended new equipment in the amounts of \$58,326 in FY 2008 and \$16,632 in FY 2009; however, because of Governor-requested budget cuts, this enhancement was recommended for elimination.

Decision unit E806 concerned staffing. There were recommended General Fund appropriations of \$63,681 in FY 2008 and \$66,448 in FY 2009 to reclassify three positions. The proposed reclassification involved the Chief of Registration, the Chief of Enforcement, and the Securities Administrator from classified service to unclassified service. There were also proposed raises for all of the unclassified employees in the Office. Ms. Freed noted that, during the Secretary of State's budget hearing, it was requested that the Public Information Officer become unclassified as well, though this was not included in The Executive Budget. Additionally, Secretary of State staff communicated its wish to revise the pay of its unclassified personnel from the Governor's initial recommendations. The Secretary of State wished to move the Securities Administrator (currently Tier 5) and the Deputies of Commercial Recordings, Southern Nevada and Operations (currently Tier 8) to Tier 6. The Chiefs of Registration and also of Enforcement were requested to move from Tier 7 to Tier 8. Ms. Freed then reminded the Committee that unclassified salary decisions were not made as part of the budget hearing process.

Finally, Ms. Freed addressed two technical adjustments. First, continuing education and professional association dues were not funded for professionals, pursuant to State Administrative Manual 2628.0. In the base budget, the Office continued reimbursing the cost of bar association dues for the former Chief Deputy. Staff removed these costs from the base budget.

Second, Ms. Freed explained that the Election Expense category contained a scanner maintenance agreement that was reduced by staff after receiving a quote from the agency.

Chairman Arberry asked whether the Office needed large sums of money for replacement equipment in consecutive years.

Ms. Freed said that staff had concerns with the number and type of printers in the replacement equipment decision unit prior to the Governor's request for budget reductions. Staff discussed these concerns with the Secretary of State's Office and an evaluation of the request was agreed to be performed; however, in the intervening time, the Governor made his request for budget reductions. Ms. Freed suggested that the amended request was consistent with the Governor's request. She stated that if the Committee wished to fund at a higher level than the amended request, she could discuss with the Office what would be useful and necessary.

Mr. Stevens noted that proposed changes in unclassified salaries contained in decision unit E806 would normally be addressed later in the budget process. Normally, this decision unit would be eliminated at this time, and the salary decisions would be made later in the process and then the agencies affected would be able to access additional funds from the Salary Pool.

Assemblywoman Smith noted that the Advisory Committee on Participatory Democracy (ACPD) had been established by the State and believed that group's expenses should be paid by the State. She believed it unreasonable that ACPD members had been paying their own expenses and asked how the reductions in the original recommendation would affect the group and what would be paid for with the funds.

Ms. Freed explained that plane fare, meeting room expenses, postage, and per diem, would be paid for with the requested funds.

Mrs. Smith asked what would be cut if the requested reduction was adopted.

Chairman Arberry requested that an agency representative answer this question and recognized Ms. Nicole Lamboley, Chief Deputy, Office of the Secretary of State.

Ms. Lamboley said there were concerns about the budget cuts, but that the Office had complied with the Governor's request voluntarily; however, it was believed that ACPD could fulfill its duties with the revised amount because it did not currently receive any funding. Some of the costs had been absorbed through the agency's budget where savings had been experienced. Ms. Lamboley explained that the requested amount would enable some committee members to travel occasionally to attend meetings. Otherwise, teleconferencing systems would continue to be used. She further explained that new appointments to ACPD were coming in the next fiscal year, so it was not known how the committee members would be geographically spread throughout the State. It was not intended to reduce the awards program it administered to groups which helped promote participatory democracy, and ACPD would continue to seek gift monies for this fund to help with those costs.

Mrs. Smith said she supported funding ACPD at the reduced amounts because it was important to "take care of our advisory committees."

Ms. Leslie asked why the amount requested in decision unit E327 for FY 2009 was lower than in FY 2008.

Ms. Lamboley said that the growth pattern in CAP participation was such that the funding level requested was realistic.

Ms. Leslie asked for clarification on the amounts requested.

Ms. Lamboley explained that anticipated postage costs accounted for the difference.

Ms. Leslie believed this figure appeared "artificial."

Ms. Lamboley said that a formula was used to arrive at the figures, but acknowledged that the amounts were so close that they could be appropriately changed to be the same.

Chairman Arberry noted there were items that the Committee needed to make decisions about and asked Mr. Stevens to outline the various options the Committee had.

Mr. Stevens noted there were options available on decision units E325, E327, and E329.

Chairman Arberry asked what the Committee wished to do regarding unit E325.

Mrs. Smith suggested that the Committee approve the amended recommendations to provide General Fund appropriations of \$2,492 in FY 2008 and \$2,500 in FY 2009 to pay the expenses of the Advisory Committee on Participatory Democracy.

Chairman Arberry asked for any further discussion about this decision unit. With no response, he moved on to decision unit E327.

Mr. Stevens noted that the choices for E327 were similar to the last one, in that the Committee could approve the original amount requested, the revised amount, or no funding at all.

Ms. Leslie suggested that E327 be approved with the revised amounts.

Chairman Arberry asked whether the Committee objected to the suggestion by Ms. Leslie. With no response, he moved the discussion to the next item, overtime amounts in decision unit E329. He outlined the various choices for the Committee:

- Approve overtime at the amended amounts of \$25,000 in FY 2008 and \$28,108 in FY 2009.
- Approve overtime at the previously budgeted amounts of \$25,000 in FY 2008 and \$40,054 in FY 2009.
- Disapprove overtime funding.

Assemblyman Grady suggested the Committee consider the first option containing the lower amount of \$28,108 in FY 2009.

Chairman Arberry asked whether the Committee objected to Mr. Grady's suggestion. With no response, Chairman Arberry asked for the Committee's consideration of decision unit E710 for replacement equipment. The options available to the Committee were:

- Approve replacement equipment in the amounts of \$59,446 in FY 2008 and \$74,365 in FY 2009.
- Approve replacement equipment in the amounts of \$278,980 in FY 2008 and \$280,085 in FY 2009.
- Disapprove replacement equipment funding.

Assemblyman Denis suggested the Committee consider the first option for the reduced amounts.

Chairman Arberry asked whether there were any objections to Mr. Denis' suggestion. With no response, he asked the Committee to consider decision unit E720 and the following options:

- Approve the Governor's amended recommendation for elimination of this decision unit.
- Approve the previous recommendation of \$58,326 in FY 2008 and \$16,632 in FY 2009.

With no response, Chairman Arberry suggested that the Committee accept the first option of eliminating this decision unit.

Mr. Stevens suggested that the Committee consider eliminating decision unit E806 as well, as unclassified salaries would be considered later in the budget process. He noted that should the positions be funded, the Secretary of State could make a draw from the Salary Pool for those salary increases. He said there were also some technical adjustments in the base budget that the Committee should consider.

Chairman Arberry noted that the Committee could approve an adjustment that would eliminate reimbursement for bar dues from the operating category of the base budget. This elimination represented a reduction in General Fund expenditures of \$450 per year. Chairman Arberry then recognized Ms. Freed.

Ms. Freed drew the Committee's attention back to the fourth item discussed regarding decision unit E710 for replacement equipment. She noted that there was an error in the amount of \$59,446 for FY 2008. Ms. Freed said she received a letter from the Secretary of State's Office the previous day regarding this figure. The letter explained that the amended amount should be \$68,346. Ms. Freed said that should the Committee choose to fund this decision unit under the first option discussed, it would be at this new amount.

Mr. Denis asked what caused the difference in the two amounts.

Ms. Freed explained that an automated letter opener was added back into the request.

Mr. Denis recalled that an automated letter opener had been mentioned in a previous hearing.

Mr. Stevens clarified that the technical adjustments mentioned earlier were for the elimination of bar dues and for a reduction in a scanner maintenance contract. Staff recommended that these adjustments be approved.

Chairman Arberry asked the Committee to consider the preceding suggestions.

ASSEMBLYWOMAN MCCLAIN MOVED THAT THE COMMITTEE:

1. APPROVE THE AMENDED RECOMMENDATIONS TO PROVIDE GENERAL FUND APPROPRIATIONS OF \$2,492 IN FY 2008 AND \$2,500 IN FY 2009 TO PAY THE EXPENSES OF THE ADVISORY COMMITTEE ON PARTICIPATORY DEMOCRACY.
2. APPROVE SUPPORT OF THE CAP AT THE AMENDED LEVELS OF \$5,538 IN FY 2008 AND \$5,434 IN FY 2009.
3. APPROVE OVERTIME AT THE AMENDED AMOUNTS OF \$25,000 IN FY 2008 AND \$28,018 IN FY 2009.
4. APPROVE REPLACEMENT EQUIPMENT IN THE AMOUNTS OF \$68,346 IN FY 2008 AND \$74,365 IN FY 2009.
5. APPROVE ELIMINATION OF DECISION UNIT E720 AS RECOMMENDED BY THE GOVERNOR.
6. HOLD DECISION UNIT E806 REGARDING UNCLASSIFIED SALARIES.
7. APPROVE STAFF RECOMMENDED ELIMINATION OF BAR ASSOCIATION DUES IN THE AMOUNT OF \$450 ANNUALLY.
8. APPROVE THE STAFF RECOMMENDED REDUCTION IN THE SCANNER MAINTENANCE CONTRACT BY \$500 IN EACH YEAR OF THE BIENNIUM.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

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**SoS, HAVA ELECTION REFORM (101-1051)**  
**BUDGET PAGE ELECTED – 115**

Chairman Arberry opened discussion on BA 1051, SoS, HAVA Election Reform and recognized Laura Freed, Program Analyst of the Fiscal Analysis Division.

Ms. Freed said there were no major closing issues in this budget account and staff recommended the budget be closed as adjusted; however, there was a closing item for the Committee's consideration. Decision unit E325 recommended \$25,000 in Help America Vote Act (HAVA) Title II funding in each year of the biennium to support poll worker training. This enhancement appeared reasonable to staff, but a technical change was recommended to place the funding in a new category to make funds tracking clearer. According to Ms. Freed, Secretary of State staff concurred with the change.

Ms. Freed mentioned that there were some technical adjustments recommended by staff. She explained that The Executive Budget contained separate reserve categories for Title I, Title II, and the Special Services funds that were used as match for Title II funds. According to Ms. Freed, during the building of this budget, the Budget Division requested that three separate balance forward object codes be instituted to make funds tracking clearer. There were some discrepancies with the balances forward, so technical adjustments were made by staff and approval for those adjustments was sought.

ASSEMBLYMAN MARVEL MOVED TO APPROVE THIS BUDGET ACCOUNT AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

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**SoS, INVESTIGATIONS AND ENFORCEMENTS (101-1053)**  
**BUDGET PAGE ELECTED – 119**

Chairman Arberry opened discussion on BA 1053, SoS, Investigations and Enforcements, and recognized Laura Freed, Program Analyst, Fiscal Analysis Division.

Ms. Freed explained that there were no major closing issues with this budget account; however, there were closing items for the Committee's consideration.

Ms. Freed said that decision unit E327 recommended the addition of one monthly assigned rental vehicle from the State Motor Pool, and this recommendation appeared reasonable to staff.

Ms. Freed explained that decision unit E710 originally had recommended replacement equipment in the amount of \$45,268 in each year of the biennium,

but a letter had been received the previous day regarding proposed reductions at the request of the Governor. The new totals requested were \$22,220 in FY 2008 and \$40,220 in FY 2009. According to Ms. Freed, staff agreed with these reductions.

Ms. Freed said that the third item to consider was decision unit E720, which originally requested the addition of four scanners and some software at a cost of \$1,978 in each year of the biennium. Per the letter mentioned earlier, this amount was reduced to \$1,078 in each year, which staff concurred with.

Finally, Ms. Freed said there were 26 full-time positions in the Securities Division contained in the base budget. These positions were currently contained in BA 1050, Secretary of State, which was held over from when this budget account was not part of The Executive Budget. The current biennium was the first time these positions were included. According to Ms. Freed, staff recommended moving these positions into BA 1053.

Chairman Arberry asked for clarification on whether the additional supporting information needed regarding replacement equipment had been received and whether that item still needed to be held.

Ms. Freed said the additional information had been received, and it was no longer recommended to hold this item.

Assemblyman Denis asked what information had been asked for.

Ms. Freed said she had asked for justification for the number of replacement printers.

Mr. Denis noted that the printers requested did not have networking capability and wondered why.

Ms. Freed explained that the new list provided requested one color printer in each year of the biennium and two black and white printers in each year. All of the newly requested printers would be placed on the local network. Additionally, two fax machines, two overhead projectors, and two paper shredders were requested for replacement.

Mr. Denis noted that he understood that the equipment would have limited networking capability and wanted to know if that had changed.

Ms. Freed said that through informal discussions she believed that the Secretary of State's Office intended to increase networking capabilities.

Chairman Arberry asked for the Committee's consideration of the aforementioned items.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE  
APPROVE THIS BUDGET ACCOUNT AS RECOMMENDED BY  
STAFF.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

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

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**ETHICS COMMISSION (101-1343)**  
**BUDGET PAGE ELECTED – 166**

Chairman Arberry opened discussion on BA 1343, Ethics Commission, and recognized Joi Davis, Program Analyst from the Fiscal Analysis Division.

Ms. Davis explained that this budget account was funded during the current biennium with 35 percent state support and 65 percent local support; however, for the upcoming biennium, the Governor recommended that the State fund 40 percent of the budget, while local government fund 60 percent. This change was based on actual use of the Commission's services for calendar years 2005 and 2006.

Ms. Davis said there were no major closing issues with this budget; however, there were some closing items for the Committee's consideration.

Ms. Davis explained that The Executive Budget included a supplemental appropriation of approximately \$10,000. This supplemental request was withdrawn through Budget Amendment No. 35 because of a case that the Commission on Ethics anticipated would take an extended period of time to resolve; however, this case had settled.

Ms. Davis then mentioned that Assembly Bill 142 would require the Commission on Ethics to teach ethics courses to elected officials and lobbyists. This bill contained a fiscal note that would require a training officer and additional costs associated with the classes. According to Ms. Davis, if the bill was approved as currently written, staff recommended that those costs be included in the legislation and that the Commission approach the Interim Finance Committee for the local portion of the funding.

Ms. Davis said that staff also recommended this account be approved as adjusted, with a slight adjustment regarding the 60/40 split mentioned earlier and other technical adjustments as needed.

Chairman Arberry asked the Committee for any questions regarding this budget and recognized Mr. Stevens.

Mr. Stevens noted decision unit E813, which contained salary increases for all unclassified positions within this budget. The justification of this request was because of the addition of a tenth step in the classified pay schedule in the 73rd Legislative Session. Mr. Stevens was not sure whether the Committee wanted to approve these funds, since all of the E813 decision units could possibly be removed from all budget accounts for consideration by the Legislature at a later time. If this course was taken, staff would make necessary adjustments when the approval was made.

Chairman Arberry asked for clarification on how the Committee should treat decision unit E813.

Mr. Stevens explained that the decision unit could remain in this budget as constructed, but that it could also be removed for collective consideration later.

Chairman Arberry noted that any motion by the Committee should place decision unit E813 on hold.

ASSEMBLYWOMAN GANSERT MOVED THAT THE COMMITTEE:

1. APPROVE FUNDING FOR THE REQUIREMENTS THAT WOULD BE PLACED ON THE ETHICS COMMISSION SHOULD ASSEMBLY BILLS 142 AND 605 BE PASSED.
2. HOLD DECISION UNIT E813.
3. APPROVE TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

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

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**GOV, OFFICE OF CONSUMER HEALTH ASSISTANCE (101-1003)**  
**BUDGET PAGE ELECTED – 23**

Chairman Arberry opened discussion on Budget Account 1003, Gov, Office of Consumer Health Assistance, and recognized Melinda Martini, Program Analyst, Fiscal Analysis Division.

Ms. Martini explained that there were two major closing issues within this budget account. First, a new full-time bilingual administrative assistant was requested, but was not included in The Executive Budget. During the previous budget hearing for this account, the Senate Committee on Finance requested that staff work with the agency to determine the need to hire this new bilingual administrative assistant 1 to assist the agency with increased workloads and issues with non-English speaking consumers. In working with the agency, staff learned that the agency had submitted an item for special consideration to the Governor's Office, but it was not included by the Governor in The Executive Budget.

According to Ms. Martini, the agency indicated that its case volume had increased 58 percent over the past year because of legislative mandates, as well as the agency's outreach efforts. The agency also noted that the number of Hispanic cases increased from 187 in FY 2005 to 354 in FY 2006, an 89.3 percent increase. Ms. Martini explained that Hispanic cases represented between 10 to 14 percent of the total agency caseload.

Ms. Martini said the agency had other administrative assistant positions. There was an administrative assistant 3, who was an assistant to the Director and who also managed the agency's databases. The agency also had an administrative assistant 2 who provided clerical assistance to the quality assurance specialists and was currently the primary intake position for the agency. Ms. Martini explained that the agency requested a new administrative assistant 1, who would take over the responsibility of primary intake.

Ms. Martini explained that the total cost of adding the new position, including salary, benefits, and other costs, would be \$35,275 in FY 2008 and \$44,277 in FY 2009. She further explained that the agency was funded from four different sources, and the cost to the General Fund would be \$21,927 in FY 2008 and \$27,523 in FY 2009. Ms. Martini noted that the Senate Committee on Finance approved this position.

Ms. Martini then explained the next major issue of enhancement of services to rural counties. The Legislature approved in the 73rd Legislative Session an increase in In-State Travel for the agency to increase services to rural areas. In

FY 2007, it was projected that 10 visits would be made to rural counties at a cost of \$6,734. Ms. Martini said that the Governor recommended only \$4,947 in each fiscal year for In-State Travel, so the Committee requested that the agency review its In-State Travel needs to provide sufficient services to the rural areas of the State. Therefore, a revised budget was submitted that requested \$7,124 for FY 2008 and \$6,467 for FY 2009. The increase in General Fund expenditures from these revised amounts was \$1,353 in FY 2008 and \$945 in FY 2009.

Ms. Martini said there were some other closing issues she mentioned for the benefit of the Committee. The Executive Budget was built with a 75 percent reimbursement rate for Medicaid expenses. The Office of Health Care Financing and Policy indicated, however, that Medicaid expenses could only be reimbursed at 50 percent. These adjustments were made by staff and resulted in an increase in General Fund expenditures in the amount of \$26,154 in FY 2008 and \$27,414 in FY 2009.

Next, Ms. Martini mentioned an issue with Workers' Compensation Assistance. The Executive Budget was built with a reserve for reversion. According to Ms. Martini, Committee members had asked whether that money could revert to the General Fund at the end of FY 2007. She explained that the Budget Division concurred with that adjustment, so it was made by staff.

Ms. Martini then said the following adjustments had been made by staff:

- Correction of revenue allocations.
- Correction of Hospital Assessment for the support of the Bureau for Hospital Patients.
- Statewide Cost Allocation Plan adjustments.
- AG Cost Allocation Plan adjustments.

Mr. Stevens mentioned that there was a savings of \$115,000 in FY 2008 in this budget account, resulting in budget flexibility if the Committee wished to change portions of it without increasing overall General Fund expenditures.

Mr. Grady commented about the enhancement for In-State Travel to better service rural areas. He noted that the visits funded in the last biennium were not made and hoped that the visits would be made this time.

Mr. Denis supported the request for the bilingual administrative assistant because he felt there was not enough help for those who did not speak English. He said that state employees who were bilingual were overworked because there were too few of them.

ASSEMBLYWOMAN SMITH MOVED THAT THE COMMITTEE DO THE FOLLOWING:

1. APPROVE THE REQUEST FOR THE BILINGUAL ADMINISTRATIVE ASSISTANT 1 WITH ASSOCIATED COSTS, WHICH WAS NOT CONTAINED IN THE EXECUTIVE BUDGET.
2. APPROVE IN-STATE-TRAVEL TO MEET NEEDS IN RURAL AREAS OF NEVADA AS RECOMMENDED BY STAFF.
3. APPROVE ALL OTHER ADJUSTMENTS AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

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

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**LEGISLATIVE—JUDICIAL**  
**JUDICIAL DISCIPLINE (101-1497)**  
**BUDGET PAGE COURTS – 75**

Chairman Arberry opened discussion on Budget Account 1497, Judicial Discipline, and recognized Melinda Martini, Program Analyst, Fiscal Analysis Division.

Ms. Martini said there were no major closing issues with this budget account, but explained that there were other items for the Committee's consideration. First, staff was concerned with Out-of-State Travel, which staff adjusted from Out-of-State Travel into Operating Out-of-State Travel because the costs were for witnesses. Second, staff recommended the Committee approve the Governor-recommended replacement equipment request.

ASSEMBLYMAN MARVEL MOVED THAT THE COMMITTEE APPROVE THIS BUDGET REQUEST AS RECOMMENDED BY STAFF WITH ADJUSTMENTS.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

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

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**DEPARTMENT OF EDUCATION**  
**COMMISSION ON POSTSECONDARY EDUCATION (101-2666)**  
**BUDGET PAGE K-12 ED – 103**

Chairman Arberry opened discussion on Budget Account 2666, Commission on Postsecondary Education, and recognized Melinda Martini, Program Analyst, Fiscal Analysis Division.

Ms. Martini explained that this budget account had one major closing issue for the Committee to consider, which concerned a new compliance/audit investigator 3 that was not included in The Executive Budget. Ms. Martini stated that in the previous hearing on this budget account the agency had indicated that 10 percent of active schools would be reviewed in the current biennium, but that no active schools were reviewed. Additionally, the agency was only projecting a review of five percent of active schools in the upcoming biennium. The agency indicated in the previous budget hearing that it did not have the personnel capacity to perform the reviews.

Ms. Martini said the Commission requested approval of additional General Fund expenditures of \$53,696 in FY 2008 and \$74,409 in FY 2009 to support this new position, including related costs for a new computer and software in FY 2008. According to Ms. Martini, the Budget Division recently supported the addition of this position through General Fund expenditures; however, this support was not yet formally verified in writing. Ms. Martini said that staff understood that the Budget Division would be asking for slightly more funding of \$55,274 in FY 2008 and \$75,200 in FY 2009 for increased In-State Travel

and some additional operating costs. Staff had not yet determined whether these small additional costs were appropriate.

Ms. Martini said that the other closing item for the Committee to consider concerned the revenue to support the new requested position. She explained that the Commission on Postsecondary Education generated fees from the schools supported. She said that Senate Bill 63, which had been indefinitely postponed, included fee increases that would go directly into the General Fund. The fees charged by the Commission had not increased since 1989 and staff understood that the Governor did not support any fee increases, including this fee increase.

Ms. Leslie said, "I don't think there is any doubt that we need this position, but I think the Administration wants to have it both ways. They don't want to raise a fee." She then asked Ms. Martini whether the fees generated through this budget account went into the General Fund and then the costs associated with the budget account were paid accordingly.

Ms. Martini said that the Budget Division had indicated to the Senate Committee on Finance that sometimes fees were collected, but operating expenses exceeded the fee revenue. At other times, the fee revenue was higher than the expenses.

Mr. Stevens explained that the fees assessed by the Commission were deposited directly into the General Fund. The expenses of this budget account were provided for by a General Fund appropriation. Therefore, if the position was approved, it would be paid for with an appropriation; however, if the Committee wished to pay for the position with fees, the fees would have to be increased to offset the cost.

Ms. Leslie said it appeared the Administration supported this position, but recommended that taxpayers pay for it instead of raising a fee and having the institutions pay for it. Ms. Leslie said she supported the position, but opposed having taxpayers pay for it. She supported having the institutions being regulated pay for the position. Based on this issue, Ms. Leslie was not sure how the Committee should handle this budget account.

Chairman Arberry said this budget account would not be closed and would be held until a later date.

Mrs. Smith stated that she recalled hearing testimony regarding the programs that the agency reviewed. Some of these programs gave veterans money while training in apprenticeships. According to the testimony given, federal funding was being reduced. Mrs. Smith believed that the programs were not losing out on this money, but rather the veterans were the ones losing the benefits of the programs. She thought that this issue needed to be resolved.

Chairman Arberry noted her response and closed discussion on this budget account.

**SPECIAL PURPOSE AGENCIES**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM (101-4821)**  
**BUDGET PAGE PERS - 1**

Chairman Arberry opened discussion on Budget Account 4821, Public Employees' Retirement System (PERS), and recognized Melinda Martini, Program Analyst, Fiscal Analysis Division.

Ms. Martini said there were four major closing issues with this budget account. The first issue concerned a new retirement examiner 1. According to Ms. Martini, PERS requested \$57,999 in FY 2008 and \$57,647 in FY 2009 to support this new position with related costs. She reminded the Committee that this position was requested because of increased workload associated with the one-fifth retirement credit for teachers, as well as some federal mandates. Overtime had been budgeted for the past several years because of these workload increases. Ms. Martini pointed out that should this position be approved, however, overtime would be deleted altogether, resulting in a savings. She further explained that the Governor had recommended discontinuance of the one-fifth retirement credit for teachers and that the issue was still being considered by the Legislature. The agency indicated that the position would still be needed whether the credit was discontinued or not. Ms. Martini said the agency had provided staff with workload statistics to support this assertion.

Ms. Martini then explained the second major closing issue with this account, which concerned the upgrade of the Computer Automated Retirement System of Nevada (CARSON). She noted that the current software platform was at its "end-of-life" and would no longer be supported. As such, PERS was requesting funds to convert CARSON to a Java-based platform. Ms. Martini said PERS had provided backup information concerning this system and indicated that the estimated timeline for implementation of the new system would be 18 to 20 months. The new system would be completed in FY 2009. Training costs were included in this budget account through the vendor's contract. Ms. Martini explained that the Committee needed to consider whether this funding should be approved for the system conversion.

Ms. Martini said the third major closing issue concerned a new counseling office in Las Vegas. The PERS had requested \$165,521 in FY 2008 and \$168,737 in FY 2009 to support the opening of a second counseling office. The request would support two new positions—a retirement examiner 1 and a retirement examiner 2. One of the current positions in Las Vegas would also be moved to this new office for a total of three examiners in the new office.

Ms. Martini explained that the fourth major closing issue with this budget account concerned an upgrade of an administrative assistant 2 to an administrative assistant 4, which was requested because of additional duties required of the employee holding this position.

Ms. Martini noted that there were other equipment requests for new equipment and replacement equipment, which appeared justified to staff.

ASSEMBLYMAN MARVEL MOVED THAT THE COMMITTEE  
APPROVE THIS BUDGET REQUEST AS RECOMMENDED BY  
STAFF.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

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

Chairman Arberry then declared for the record that the following members of the Committee were participants in PERS:

- Assemblywoman Koivisto



- Assemblywoman McClain
- Assemblyman Parks
- Assemblywoman Leslie
- Assemblyman Denis
- Chairman Arberry

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**PUBLIC UTILITIES COMMISSION**  
**PUBLIC UTILITIES COMMISSION (224-3920)**  
**BUDGET PAGE PUBLIC UTILITIES COM – 1**

Chairman Arberry opened discussion on Budget Account 3920, Public Utilities Commission (PUC), and recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division.

Mr. Stevens mentioned that Mr. Michael Chapman, Senior Program Analyst, Fiscal Analysis Division, would review this budget account for the Committee.

Mr. Chapman explained that this budget account did not involve General Fund expenditures because it was funded by a mill assessment which was charged the utility companies throughout the State. He explained that there was one major closing issue with this budget account for the Committee's consideration. The reserve level recommended by the Governor was to be \$161,183 at the end of FY 2009. According to Mr. Chapman, this was a minimal amount of reserve for this account. The target reserve for this account had been between \$1.8 million and \$2.4 million in previous biennia. Given the lack of other enhancements in this account, staff worked with the Budget Division on a budget amendment, which contained two main provisions. Mr. Chapman said the first provision was an increase in the mill assessment from 2.00 mills in FY 2007 to 2.10 mills in FY 2008 and to 2.15 mills in FY 2009. This would increase revenues to the PUC by \$427,606 in FY 2008 and \$661,202 in FY 2009. Additionally, the agency processed a work program in FY 2007 that reduced expenditure authority for the new electronic filing and records management system. Mr. Chapman explained that this realized a cost savings of \$600,000, which would balance forward to the next biennium. Because of the budget amendment and the work program, the agency's reserves would increase to approximately \$1.85 million in FY 2009, which appeared adequate to staff.

Mr. Chapman said that other items in this budget included replacement equipment in decision unit E710, which appeared reasonable to staff. He also mentioned decision unit E813, which was a pay increase for unclassified employees. This pay increase would be considered later in the budget closing process.

Mr. Denis noted that he would be abstaining from voting on this budget as he was an employee of the PUC.

Ms. Leslie asked whether raising mill assessments constituted raising a fee.

Mr. Chapman said it appeared that it was the same as raising a fee.

Ms. Leslie said expressed concern regarding the circumstances under which fee increases could be approved.

Chairman Arberry recognized Ms. Elizabeth Barber, Deputy Budget Director, Budget Division.

Ms. Barber said that mill assessments were set by statute and PUC was allowed to meet and set the assessment based upon the Commission's needs. She stated that PUC was not exceeding the statutory limits of the assessments. According to Ms. Barber, PUC met every May to determine the amount of assessment to be charged. Ms. Barber contended that because of this it was "not really a change or increase."

Ms. Leslie noted that the assessments were still raised and that the other fees that the Committee had discussed were also contained in the *Nevada Revised Statutes*. She noted that adjusting fees based on need was a normal activity, but it was not okay from the Governor's point of view to raise fees in other ways.

Ms. Barber noted that there was a difference between this mill assessment and the fees discussed earlier under the Commission on Postsecondary Education (CPE) budget because CPE was already collecting the maximum allowed under statute. CPE was seeking to increase the maximum allowable fee; whereas, PUC was not yet charging the maximum allowed.

Ms. Leslie noted for the record that a fee was still being raised to pay for necessary expenses based on The Executive Budget.

ASSEMBLYMAN MARVEL MOVED THAT THE COMMITTEE APPROVE THIS BUDGET ACCOUNT WITH ADJUSTMENTS AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

THE MOTION PASSED, WHILE ASSEMBLYMAN DENIS ABSTAINED. (Assemblywoman Buckley was not present for the vote.)

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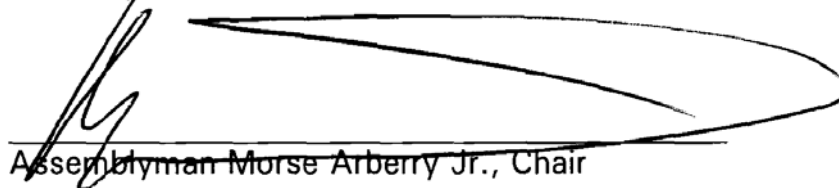
Chairman Arberry adjourned the meeting at 11:03 AM.

RESPECTFULLY SUBMITTED:

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Todd Myler  
Committee Secretary

APPROVED BY:



Assemblyman Morse Arberry Jr., Chair

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

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>April 11, 2007</u>		Time of Meeting: <u>8:00 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 434	C	Joyce Haldeman / Clark County School District	Proposed amendment
A.B. 466	D	Paul Kolp / Dayton Valley Conservation District	Photo Report
A.B. 466	E	Brian Thomas / Duck Valley Conservation District	Testimony