

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session
May 4, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:44 a.m. on Friday, May 4, 2007, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator William J. Raggio, Chair
Senator Bob Beers, Vice Chair
Senator Dean A. Rhoads
Senator Barbara K. Cegavske
Senator Bob Coffin
Senator Dina Titus
Senator Bernice Mathews

GUEST LEGISLATORS PRESENT:

Senator Terry Care, Clark County Senatorial District No. 7
Senator Steven A. Horsford, Clark County Senatorial District No. 4

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Cynthia Clampitt, Committee Secretary

OTHERS PRESENT:

Jean Gunter, Manager, Office of Vital Records, Bureau of Health Planning and Statistics, Health Division, Department of Health and Human Services
Louise Bush, Chief, Child Support Enforcement, Division of Welfare and Supportive Services, Department of Health and Human Services
Lawrence Casey, Executive Director, Nevada Commission on Homeland Security
Morgan Baumgartner, Nevada Resort Association
Tom Porta, P.E., Deputy Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources
Richard J. Yeoman, Administrative Services Officer, Nevada Department of Transportation
Paul Sawyer, Oregon, Nevada, California Emigrant Trail Association
Acting Major Mark Woods, Executive Officer, Division of Parole and Probation, Department of Public Safety
Tray Abney, Legislative Director, Office of the Governor
Andrew Clinger, Director, Department of Administration
Leo Drozdoff, P.E., Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources
Gary Stagliano, Deputy Administrator, Program and Field Operations, Division of Welfare and Supportive Services, Department of Health and Human Services

Steve Fisher, Applications Development Manager, Division of Welfare and Supportive Services, Department of Health and Human Services
Lawrence P. Matheis, Executive Director, Nevada State Medical Association and Nevada Covering Kids and Families Coalition
Jan Gilbert, Progressive Leadership Alliance in Nevada
Gary Back, Ph.D., Principal Ecologist, SRK Consulting and Member of the Great Basin College Agricultural Program Advisory Board
Bret Murphy, Dean of Applied Science, Great Basin College
Tracy Benson, Agriculture Instructor, Great Basin College
Angel Nicholson, SRK Consulting
James Barbee, Agriculture Education Consultant, Department of Education
Doug Busselman, Nevada Farm Bureau Federation
Tim Crowley, Nevada System of Higher Education
Jacob Bibee, Student, Great Basin College
Abby Johnson, Great Basin Heritage Area Partnership

CHAIR RAGGIO:

We will open the hearing with Senate Bill (S.B.) 71 (1st Reprint). The bill is before this Committee primarily for the fiscal note. This was heard previously in the Senate Committee on Judiciary. The fiscal note on this bill was drafted by the Health Division, Department of Health and Human Services (HHS).

SENATE BILL 71 (1st Reprint): Enacts certain provisions of the Uniform Parentage Act. (BDR 11-719)

SENATOR TERRY CARE (Clark County Senatorial District No. 7):

This bill contains a substantial portion of the language from the federal Uniform Parentage Act. Sections 50 through 63 were deleted in the Senate Committee on Judiciary. Those provisions created a Putative Fathers Registry proposal maintained by the State. Those provisions are now a part of S.B. 67 (1st Reprint).

SENATE BILL 67 (1st Reprint): Provides for the establishment of a registry for putative fathers for purposes of facilitating the termination of parental rights and the adoption of certain children. (BDR 11-478)

The remaining provisions of S.B. 71 are those contained in the Uniform Parentage Act. This act is an update or revision of an earlier uniform act that addresses issues of jurisdiction, determination of paternity and incorporates advances in technology, artificial insemination and other such matters.

The bill implicates the State Registrar of Vital Statistics in sections 40 and 49. I believe the fiscal note should have been reduced significantly with the deletions of sections 50 through 53. A number of people testified on this bill in the other committee, largely because of the Putative Fathers Registry, currently deleted from this bill.

The Legislative Counsel's Digest for this bill captures the essence of the bill in its current form.

CHAIR RAGGIO:

Are you a member of the Uniform Commission?

SENATOR CARE:
That is correct.

JEAN GUNTER (Manager, Office of Vital Records, Bureau of Health Planning and Statistics, Health Division, Department of Health and Human Services):
As currently amended, S.B. 71 simplifies the responsibilities of the State Board of Health to merely the adoption of regulations and creation of new forms. This reduces the estimated maximum fiscal note impact for the Health Division to \$10,339. During fiscal year (FY) 2007-2008, the requirement would be \$9,839. For FY 2008-2009, the amount is \$500. However, there may be an additional impact to the General Fund in section 41 of the bill based on the removal of a fee for filing an acknowledgement of paternity currently being charged.

CHAIR RAGGIO:
The Health Division needs to submit a new fiscal note that incorporates the reductions addressed in your testimony.

Ms. GUNTER:
I will ensure one is submitted immediately to your Committee staff.

SENATOR CARE:
There is a significant reduction in the fiscal note with the elimination of sections 50 through 53.

LOUISE BUSH (Chief, Child Support Enforcement, Division of Welfare and Supportive Services, Department of Health and Human Services):
I am present to address sections 35(d) and 35(e) of S.B. 71 which may impact the Child Support Enforcement Program (CSEP) funding.

CHAIR RAGGIO:
Do those provisions remain in the first reprint of S.B. 71?

Ms. BUSH:
That is correct.

Section 35(d), unless amended, will increase the number of court actions needed to establish paternity by limiting the current paternity presumptions. Section 35(e) would delay the child enforcement process by limiting the presumptions more than required by current law. It would initiate an additional step in paternity establishment.

As the Committee is aware, the CSEP receives federal funding. If we do not meet the paternity establishment percentage, problems arise.

CHAIR RAGGIO:
We need to clarify. Section 35 establishes certain presumptions. Are the provisions in section 35 new presumptions?

Ms. BUSH:
Current statute addresses presumptions in the *Nevada Revised Statutes* (NRS) 122.140. It recognizes the subsequent marriage of a child's parents to each other which legitimizes the child and establishes paternity.

Senate Bill 71 adds another bureaucratic layer to the legitimacy process requirement. Section 35(d) requires the addition of written records asserting paternity. The Division recommends retention of the current language in NRS 122.140. This will simplify the process for the families and improve the potential of increasing the paternity establishment percentage and, thus, federal funding for Nevada.

Section 35(e) enters the area where the Uniform Parentage Act has established a limit that one or either of the parents must live with, and hold out the child as their own, for the first two years of the child's life. The Division prefers that provision be retained with the language currently used in NRS 126.051(d).

CHAIR RAGGIO:

Are you proposing an amendment to alleviate potential court costs and litigation?

Ms. BUSH:

The proposed amendment is attached to my written testimony ([Exhibit C](#)).

SENATOR CARE:

The national conference is typically not adverse to amendments by states that do not alter the uniformity sought through the legislation.

CHAIR RAGGIO:

No action will be taken on this measure this morning. That will give the sponsor of the bill an opportunity to review the amendment.

SENATOR CARE:

I will forward the draft to the Chicago office this morning and have an answer on Monday, May 7, 2007.

CHAIR RAGGIO:

I hereby close the hearing on S.B. 71 and open the hearing on S.B. 90. This bill was sponsored by Senator Dennis Nolan, and I understand he has representatives in attendance to present the bill for this Committee. A fiscal note is attached on this bill from the Nevada Commission on Homeland Security.

SENATE BILL 90 (1st Reprint): Revises provisions relating to the Nevada Commission on Homeland Security. (BDR 19-299)

LAWRENCE CASEY (Executive Director, Nevada Commission on Homeland Security):

Senate Bill 90 is a housekeeping measure. It removes the voting status of two of the federal officers.

It cleans up certain language in statute. When the bill was crafted in November 2006, we included a provision for appointed members who are not Commission on Homeland Security members to receive travel and per diem to request they attend certain meetings. That action resulted in a fiscal note. Having followed the Legislative process throughout this Legislative Session, we realize our need to be more fiscally responsible because of the budget situation. We would amend the bill to remove the language from S.B. 90 and allow the Commission to change our membership requirements without fiscal requirements of per diem and travel expenses.

CHAIR RAGGIO:

Is the amendment you are discussing already incorporated into the first reprint of S.B. 90, or would this be an additional amendment?

MR. CASEY:

The amendment is not included in the first reprint. It is my understanding it was sent to the Legislative Counsel Bureau by Senator Nolan's staff yesterday.

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

I received a copy of the amendment last evening during a meeting. I have not had an opportunity to review its contents.

CHAIR RAGGIO:

The original fiscal note was nominal. It requested \$11,400 annually. We will await staff's review and report to the Committee as to whether or not the fiscal note is removed in its entirety. It is only fair the nonvoting members should receive at least some compensation.

I hereby close the hearing on S.B. 90 and open the hearing on S.B. 123. This measure was heard in the Senate Committee on Government Affairs. We are reviewing a first reprint of the bill.

SENATE BILL 123 (1st Reprint): Makes various changes to provisions relating to public records. (BDR 19-462)

SENATOR CARE:

The focus of S.B. 123 is found in sections 1 through 10. Sections 11 and forward make reference to section 6 which provides that after 30 years, with the exception of gaming documents, there is a presumption the records would be open to public inspection. It is a rebuttal presumption, that the holder of the records can demonstrate to the satisfaction of the court, the records should remain sealed. That language affects a number of entities and is the reason for the length of the measure.

Senators Beers, Townsend and I sat on a subcommittee that took public testimony twice on this bill. It was again discussed during a work session of the Senate Committee on Government Affairs. The measure was passed in its amended form.

A number of entities participated in the hearings. Many fears concerning the original language of the bill had to be alleviated. To my knowledge, the fears have been addressed and the measure now has the approval of most of those entities.

CHAIR RAGGIO:

At the time the Senate Committee on Government Affairs passed S.B. 123, it was well accepted. Is this the bill that excludes the application for licensing under the Gaming Control Board from being opened after 30 years?

SENATOR CARE:

Yes, sir. That is found in section 6, subsection 3.

CHAIR RAGGIO:

I believe there is a request for an amendment to S.B. 123. Was the sponsor of the bill informed of the minor amendment proposed?

SENATOR CARE:

Yes, sir.

MORGAN BAUMGARTNER (Nevada Resort Association):

This is a simple amendment to section 6 of S.B. 123 (1st Reprint). The language in the first reprint only excluded that information submitted pursuant to an application being submitted. It would not cover a license holder and all currently confidential information as specified in NRS 463.120. The amendment would ensure all gaming control records currently considered confidential would remain confidential.

CHAIR RAGGIO:

The amendment under section 6, subsection 3, would read, "The provisions of subsection 1 do not apply to any book or record declared confidential pursuant to subsection 4 of NRS 463.120."

Ms. BAUMGARTNER:

That is correct. Chapter 463 of the NRS is the gaming control chapter.

CHAIR RAGGIO:

The amendment would include not only applicants but persons who are licensed?

Ms. BAUMGARTNER:

There is an articulated list of confidential information in NRS 463.120.

CHAIR RAGGIO:

Is the proposed amendment acceptable to the sponsor of S.B. 123?

SENATOR CARE:

I concur. That is consistent with the sentiment of the original committee.

SENATOR COFFIN:

Does the bill involve the Legislature in any way?

SENATOR CARE:

It does not. This bill does not change in any way the status of documents already deemed confidential.

SENATOR COFFIN:

My next question is concerning board memberships consisting of private and public entities. Have we drawn in any organizations such as Las Vegas Events, development authorities and others?

SENATOR CARE:

I have had discussions previously about Las Vegas Events. It is not a governmental entity, or a private entity, that holds a contract to perform a governmental service. Those documents would not be available for public inspection. This bill does not implicate, in any way, the Open Meeting Law.

CHAIR RAGGIO:

The Committee will consider the fiscal notes if the measure is passed. There are a number of fiscal notes attached to the original bill. One by the Nevada Commission on Homeland Security was minimal. The Office of the Attorney General and the Office of the Secretary of State had substantial fiscal notes. The Department of Health and Human Services indicated substantial loss of revenue as a result of S.B. 123.

TOM PORTA, P.E. (Deputy Administrator, Division of Environmental Protection, Department of Conservation and Natural Resources):

The amendments that have been provided allow the Division of Environmental Protection to withdraw our fiscal note.

RICHARD J. YEOMAN (Administrative Services Officer, Nevada Department of Transportation):

I am the custodian of records for the Nevada Department of Transportation (NDOT). We worked with Senator Care and the subcommittee which alleviated many of our concerns. However, our fiscal note is minor. We feel two additional positions will be needed to address the bill requirements.

CHAIR RAGGIO:

Has the NDOT submitted a new fiscal note to that effect?

MR. YEOMAN:

The original fiscal note from the NDOT includes that request.

CHAIR RAGGIO:

Staff, please contact the other agencies that have submitted fiscal notes on this measure, and who are not present at this hearing, to determine the status of their fiscal notes with the first reprint of S.B. 123.

I hereby close the hearing on S.B. 123 and open the hearing on S.B. 215. This bill requests an appropriation to Elko County for acquisition and maintenance of exhibits for the California Trail Interpretive Center.

SENATE BILL 215: Makes an appropriation to Elko County for the acquisition and maintenance of exhibits for the California Trail Interpretive Center. (BDR S-884)

SENATOR RHOADS:

I am pleased to tell the Committee the California Trail Interpretive Center is under construction. Mr. Paul Sawyer, the inspiration for the project, is present.

PAUL SAWYER (Oregon, Nevada, California Emigrant Trail Association):

I have provided a packet of information ([Exhibit D](#)) in support of the request in S.B. 215. The bill relates to the funding of some of the interpretive exhibits for the California Trail Interpretive Center located approximately eight miles west of Elko.

Currently, the site improvements, the infrastructure items and building are under construction on a 40-acre site, and a road easement has been donated by the Bill Searle family of the Maggie Creek Ranch. The underlying mineral estates have also been donated by several parties. The contract for this portion of the project is \$9.4 million and it is being fulfilled by the West Coast Contractors of

Nevada, Incorporated. Completion of this phase of development is expected in mid-2008.

The design and planning of the interpretive exhibits have been ongoing in conjunction with the building phase. They are ready to be bid whenever the requested federal appropriation is received.

[Exhibit D](#) includes a funding expenditure chart for the California Trail Interpretive Center. All is consistent with the federal authorization legislation except the need for \$500,000 to develop outdoor exhibits. This deficit evolved through the decision to create an exterior interpretive plaza as a substitute for a larger exhibit building. The plaza concept provides for a substantial reduction in building and operating costs, but increased the exhibit costs beyond our budget. The plaza is important because it is a scale model of the Great Basin. It will allow visitors to walk the stone and lake trails of the Great Basin, calculating for themselves the number of days required to cross the Basin and the obstacles to be overcome. Such storytelling requires interpretive exhibits.

The story needs to be told well because it is intended, by the Elko supporters of the Center, to aggressively market the Center. The intent is a western Americana package to be marketed, including the California Interpretive Trail Center, the nationally-endowed Western Folklife Center, home of Cowboy Poetry, the nationally-accredited Northeastern Nevada Museum, the Elko Convention Center, the early-day log cabin ranching complex known as Sherman Station, numerous trailside sites and exhibits and other Elko features of western Americana.

The populations of Idaho and Utah are important marketing areas. However, the prime market area is the large California population and its historical interest in western Americana. Visitors from California are doubly important because they will enter Nevada either through southern or western Nevada. As they travel, they will bring tourist-trade benefits to a number of Nevada locations. That includes sales, room and fuel taxes.

CHAIR RAGGIO:

[Exhibit D](#) includes interesting sketches of the proposal. I would like to acknowledge Mr. Sawyer's long service in Elko County.

SENATOR RHOADS:

Mr. Sawyer created the first community college located in Elko, Nevada.

CHAIR RAGGIO:

I hereby close the hearing on [S.B. 215](#), [Senate Bill 232](#) and [S.B. 471](#) both contain issues concerning sex offenders. I note the bills are similar in many aspects, but each has unique points as well. Was any consideration given to combining the bills to perhaps limit the fiscal impact?

[SENATE BILL 471 \(1st Reprint\)](#): Revises provisions relating to sex offenders and offenders convicted of a crime against a child. (BDR 14-1426)

SENATOR TITUS:

I am not sure of the actions taken by the Senate Committee on Judiciary. I can speak to [S.B. 232](#).

CHAIR RAGGIO:

I hereby open the hearing on S.B. 232.

SENATE BILL 232 (1st Reprint): Makes various changes to the provisions governing sex offenders. (BDR 14-17)

SENATOR TITUS:

There are three parts to S.B. 232. One establishes a distance requirement for Tier III level sex offenders who have committed violence against children and where they can reside. They cannot enter areas within 1,000 yards of a school or a park.

The second provision establishes a monitoring system for Tier III sex offenders with global positioning system (GPS) ankle bracelets.

The third provision establishes increased penalties for different offenses and lengthier prison incarceration before becoming eligible for parole. The third provision should be considered in all prison penalty issues presented.

The monitoring costs are a part of the *Executive Budget*. This bill was requested more than one year ago, prior to the Governor placing the provision in the budget. That provision can now be considered in budget deliberations.

The part of the bill with no fiscal impact is the provision for distance requirements. I hope we could enact at least that portion of S.B. 232.

CHAIR RAGGIO:

The fiscal note was provided by the Division of Parole and Probation (P&P). Which provision does the fiscal note address? The provision for distance requirements is also requested in S.B. 471.

SENATOR TITUS:

That is correct. I have also been told the provision is in the Governor's budget. The costs are to be partially paid for by offenders who can afford the cost. The P&P estimated approximately 50 percent of sex offenders could afford the ankle bracelet. Only 13 percent of other offenders are estimated to have the ability to pay for the ankle bracelets. I think perhaps the P&P may be a little optimistic.

ACTING MAJOR MARK WOODS (Executive Officer, Division of Parole and Probation, Department of Public Safety):

The fiscal note has been significantly reduced through the amendments in S.B. 232 (1st reprint). The provisions are now in the *Executive Budget*. The original note had several sex offenders wearing the GPS monitoring devices requiring 18 additional P&P officers.

With the amendments, as deemed appropriate by the Chief, Division of Parole and Probation, we will begin with tracking of the 40 worst offenders through the GPS system. They will be split with 20 offenders in the south and 20 in the north selected for the pilot project. There are several issues with the use of GPS devices. We would like to work with the Legislature and gather data on the project. Then, during the 2009 Legislative Session, we can report the best practice for use of the GPS devices. The \$6 million fiscal note has been reduced.

CHAIR RAGGIO:

Is there a new estimate of the cost?

MAJOR WOODS:

The current fiscal needs are not within our budget; we are requesting two additional officers.

CHAIR RAGGIO:

The budget has not yet been approved. What is the cost related to S.B. 232?

MAJOR WOODS:

The overall cost is now slightly more than \$500,000.

CHAIR RAGGIO:

Are there any other fiscal notes and any other portions of S.B. 232?

MAJOR WOODS:

Not to my knowledge.

CHAIR RAGGIO:

Senate Bill 471 is similar. Are there any fiscal notes on that measure?

MAJOR WOODS:

The same amendments were placed into S.B. 471; thus, the fiscal note would be the same for S.B. 471.

SENATOR COFFIN:

Why was Bill Draft Request 14-1426 (S.B. 471) requested? What is the difference between the two measures?

CHAIR RAGGIO:

There are differences in the bills. The only similarity is the monitoring system. I will invite testimony on S.B. 471 also at this time.

TRAY ABNEY (Legislative Director, Office of the Governor):

There are a few differences. The monitoring system is the same in both measures. Senate Bill 471, the Governor's bill, requires incarcerated sex offenders to register with local law enforcement before they are released from prison. Current law states the offenders must register within 48 hours of their release.

The second difference is the requirement that out-of-state sex offenders living in Nevada must submit a deoxyribonucleic acid (DNA) sample to local law enforcement. Current law only requires sex offenders convicted in Nevada to provide a DNA sample.

CHAIR RAGGIO:

Staff, if there are other fiscal notes on either S.B. 232 or S.B. 471, of which I am not aware, please check with the agencies to determine whether or not they remain valid. It is the Chair's understanding that the P&P fiscal note, according to testimony, is in the budget for the agency.

MR. GHIGGERI:

There has been an additional budget amendment for S.B. 471 to reflect the cost of an additional \$366,450 in FY 2007-2009 and \$15,000 additional in FY 2008-2009.

CHAIR RAGGIO:

Was that an amendment from the budget office?

MR. GHIGGERI:

That is correct. The amendment covers the testing in the first year of the budget for existing offenders that may be in the State. The funding in the second year of the budget is for testing of new offenders.

ANDREW CLINGER (Director, Department of Administration):

The Budget Division submitted a budget amendment in the amounts stated by Mr. Ghiggeri.

CHAIR RAGGIO:

Where are the budget amendments in the *Executive Budget*?

MR. CLINGER:

They are placed in the budget of the Division of Parole and Probation.

It was estimated the cost would be \$150 per offender. There are currently 2,343 offenders in the State, totaling \$351,450 in FY 2007-2008. Additionally, it was anticipated there would be 100 additional offenders each year at \$150 each. That represents the additional \$15,000 request in FY 2008-2009.

CHAIR RAGGIO:

Have those budget amendments been considered in the Joint Subcommittee on Public Safety, Natural Resources and Transportation?

MR. GHIGGERI:

That budget is tentatively scheduled to close in the next two weeks.

SENATOR RHOADS:

I chair that Subcommittee.

CHAIR RAGGIO:

Please work with staff on the amounts required if these bills are processed.

SENATOR TITUS:

The second budget amendment for costs of DNA testing is not in S.B. 232.

CHAIR RAGGIO:

The testing and monitoring provisions are equally important.

SENATOR TITUS:

I agree. I was simply noting that difference in the two bills.

CHAIR RAGGIO:

I hereby close the hearing on S.B. 232 and S.B. 471. We will open the hearing on S.B. 276.

SENATE BILL 276 (1st Reprint): Makes various changes relating to water.
(BDR 30-207)

SENATOR RHOADS:

Senate Bill 276 was requested by the interim Committee on Water Resources, of which I was chair. Seven or eight meetings were held throughout the State. This bill expands the use of the Water Rights Technical Support Fund to include grants for water resource funding and information management. It appropriates \$1 million to the Water Rights Technical Support Fund and expands the use of Assembly Bill No. 198 of the 66th Legislative Session to include grants for infrastructure development and implementation of water resource plans.

The Water Rights Technical Support Fund was created through S. B. No. 62 of the 73rd Legislative Session with a \$1 million appropriation. As the trend to convert agricultural water to municipal use continues, rural governments are under increasing pressure to protect their existing water rights, and by extension, their economic future. The Water Rights Technical Support Fund was created to assist rural governments working to protect their water rights.

During the interim, the Water Resource Committee heard testimony from regional water authorities and rural cities and counties about the critical need for water resource planning and information management. The bill would expand the need-based grants for water resource planning and information management. Rural governments will be better able to plan for the future.

The interim Water Resource Committee supported this request and added a preference for rural counties and local governments, outside the urban areas in Clark and Washoe Counties, to clarify the intent. In addition to the assistance provided by the Water Rights Technical Support Fund, the Central Nevada Regional Water Authority noted rural communities could also use assistance in the implementation of their water resource plans. Accordingly, the interim committee supported expansion of the provisions in A.B. No. 198 of the 66th Legislative Session fund to include grants for infrastructure development to assist rural cities and counties in implementation of their water resource plans.

Although new developments should pay for their own infrastructure, rural communities often lack the financial capacity to expand, supply and build transmission facilities for water in a way that directs future growth to the appropriate areas.

Senate Bill 276 does not expand the bonding capacity of A.B. No. 198 of the 66th Legislative Session fund, currently set at \$125 million. The new grant applications would be required to compete for existing funding.

LEO DROZDOFF, P.E. (Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources):

Officially, the agency testified it was neutral on S.B. 276, and it still is. When S.B. No. 62 of the 73rd Legislation Session was passed, the agency used a combination of staff resources to review the applications, maintain the records and disburse the grants. We have allocated the \$1 million funding to 13 projects.

CHAIR RAGGIO:

There is no remaining capability for grants from that funding?

MR. DROZDOFF:

That is correct. During the hearings on Senate Concurrent Resolution No. 26 of the 73rd Legislative Session, our testimony was if this became an ongoing project, one additional full-time equivalent (FTE) position would be needed. Our staff, in addition to processing applications, makes field visits. We submitted an unsolicited fiscal note for one FTE position.

CHAIR RAGGIO:

In other words, if S.B. 276 is processed, one additional staff will be necessary. How were you able to address the grant process previously?

MR. DROZDOFF:

The agency thought this was a onetime program. Therefore, we pulled staff from other assigned duties to perform the requirements of the previous legislation.

Our Nevada State Board to Review Claims members wanted us to emphasize there are two important policy decisions. Section 2(e) of S.B. 276 (1st reprint) added "property formerly served by," in the bill. This is a key provision from the perspective of the Board.

CHAIR RAGGIO:

Does that provision address a connection to a water system if the property was previously served by a well?

MR. DROZDOFF:

That is correct.

CHAIR RAGGIO:

Would it increase the eligibility?

MR. DROZDOFF:

That is correct. Similarly, on page 5, section 4, subsection 3, our Board supports changing the term "grant" to "water project."

The individual currently staffing A.B. No. 198 of the 66th Legislative Session Program is paid through the Water Rights Technical Support Fund. We would assume funding for the requested additional position would be allocated from that fund as well.

CHAIR RAGGIO:

If I understand correctly, in addition to the \$1 million appropriation in S.B. 276 for grant purposes, the agency budget would require one FTE to be considered?

MR. DROZDOFF:

Yes.

CHAIR RAGGIO:

Has that request been submitted to our staff?

MR. DROZDOFF:

That is correct.

CHAIR RAGGIO:

I hereby close the hearing on S.B. 276 and open the hearing on S.B. 311. The bill requires the HHS to establish a system allowing applications for Nevada Medicaid and children's health services to be submitted electronically.

SENATE BILL 311: Requires the Department of Health and Human Services to establish a system that allows applications for Medicaid and the Children's Health Insurance Program to be submitted electronically. (BDR 38-606)

GARY STAGLIANO (Deputy Administrator, Program and Field Operations, Division of Welfare and Supportive Services, Department of Health and Human Services):

Mr. Steve Fisher, our Applications Development Manager for the Division is also present to answer detailed questions.

Senate Bill 311 is an exciting proposal. We have worked in partnership with the Division of Health Care Financing and Policy (HCF&P) and Senator Steven Horsford on this proposal. The bill allows individuals to make application through the Internet for Nevada Medicaid, administered through the Division of Welfare and Supportive Services (WSS) or for Nevada Check Up eligibility, administered through the HCF&P.

The system is currently bifurcated, in that, if an individual is not eligible for Nevada Medicaid services, the Nevada Medicaid unit would send them to HCF&P and vice versa. If an individual was not eligible for the State Children's Health Insurance Program (SCHIP) they would be sent to the Nevada Medicaid unit. This bill would allow the agency to have a common portal for individuals to make application, allow a high-level screening and have the ability to notify the applicant whether or not they should proceed with their application. If the application is appropriate, it would electronically send the application to the appropriate division for further consideration.

A like endeavor was approved and begun in 2001. The Legislature funded a similar appropriation. There was a General Fund shortfall and the funding was reverted before a program could be developed.

CHAIR RAGGIO:

This Committee is interested in the fiscal note on this measure. At this time, I will turn the gavel over to Vice Chair Beers.

SENATOR STEVEN A. HORSFORD (Clark County Senatorial District No. 4):

This bill, S.B. 311, was passed unanimously by the Senate Committee on Human Services and Education. The electronic application for Nevada Check Up will reduce costs once the initial investment is made to develop the electronic application. Electronic applications are much more cost effective. The current method includes printing and distributing paper applications and their associated postage costs, manual entry and manual review for errors or incomplete information.

There are approximately 105,000 uninsured children in Nevada. That is approximately one in every six children in our State. Analysts estimate approximately 7 out of 10 uninsured children are eligible for coverage under Nevada Medicaid or Nevada Check Up.

I have provided a document ([Exhibit E](#)) listing the enrollment by age and by county, for the approximately 28,000 children currently enrolled in Nevada Check Up. While there has been a slight gain in Clark and Washoe Counties, there has been an overall decline in the number of children enrolled in Nevada Check Up. It is also estimated out-of-pocket medical expenses are higher for families of uninsured children. Nearly 30 percent of uninsured children have medical costs exceeding \$500 annually.

Utilizing those estimates, if we increase the enrollment of uninsured children in Nevada Check Up through the electronic application process by 30 percent, or 22,000 children, two benefits would occur. First, based on average medical costs, children who would otherwise not be covered may access more expensive medical care by seeking treatment through visits to emergency rooms or other alternatives. Individuals who have health insurance bear the burden of those costs.

The second benefit is that when more children are deemed eligible, Nevada is able to leverage increased federal funding. For every dollar Nevada invests, it is doubled, or nearly tripled, depending on the program to provide health care coverage for Nevada children.

Based upon my math, coverage of an additional 22,000 children at the estimated cost of \$500 annually, this bill could ultimately provide \$11 million of additional coverage through leveraging efforts. Those costs would, otherwise, be a burden on those of us who are insured or to the county systems through subsidies to the uninsured.

The content of this bill was approved and funded in legislation during the 2001 Legislative Session. Because of the tragic events of September 11, 2001, the funds earmarked for the program were reverted. Many other states have implemented a similar process and those states have seen a decline in the rate of their uninsured children.

VICE CHAIR BEERS:

Has our staff been provided any detail of the project costs? Has a Technology Investment Request (TIR) been developed on this bill? There must have been a TIR for the 2001 legislation.

MR. STAGLIANO:

A fiscal note has been submitted.

VICE CHAIR BEERS:

I have the fiscal note; I was hoping for more detail.

MR. STAGLIANO:

We can provide further detail. Are you requesting the estimated cost of the contractor and the hardware components?

VICE CHAIR BEERS:

That is correct. Was a Request for Information or a Request for Proposal (RFP) done in 2001?

MR. STAGLIANO:

An RFP was completed in 2001. The agency chose to break the project into three phases at that time. The initial phase was to open an architectural domain site. We had utilized funds for that portion and were just beginning the next phase when the remaining funds were reverted. A TIR was completed in 2001. A TIR has not been completed on the current proposal.

STEVE FISHER (Applications Development Manager, Division of Welfare and Supportive Services, Department of Health and Human Services):
A TIR has not been completed on the project requested under S.B. 311.

VICE CHAIR BEERS:

How were the cost estimates derived?

MR. FISHER:

The agency reviewed the current infrastructure and leveraging software we already own. There are licensing costs associated with some of the software we own. The software development costs were derived by reviewing other Web applications developed within the agency. The complexity involved with placing a Web application outside the agency firewall system is a new concept for the Department. We will have to work closely with the Department of Information Technology on that aspect of implementation.

VICE CHAIR BEERS:

Is your current Uniform Resource Identifier (URI) the browser? Is it all internal?

MR. FISHER:

Our URI is our browser and it is entirely internal in nature.

LAWRENCE P. MATHEIS (Executive Director, Nevada State Medical Association and Nevada Covering Kids and Families Coalition):

I submitted a letter to the Committee ([Exhibit F](#)) from Jon L. Sasser, Chair of the Advocacy Committee for the Nevada Covering Kids and Families Coalition. I request that be made a part of the record.

I will summarize. The Nevada Covering Kids and Families Coalition is comprised of approximately 50 organizations that are trying to ensure every eligible adult or child is accepted into the programs for Nevada Medicaid or Nevada Check Up.

A constant frustration is that we are only able to identify 40 to 45 percent of those who are eligible for these programs. The eligibility process is a frustration. Clearly, in a technological approach, individuals are not lost in the system or have forms that must be corrected.

This is a step the Legislature wisely committed to in 2001. It could not be done at that time. It is now time to implement the process.

JAN GILBERT (Progressive Leadership Alliance in Nevada):

We support S.B. 311. We feel the saving could be enormous for Nevada. The Nevada Check Up is funded 65 percent from federal funds and the State funds 35 percent. It is cost effective to implement this measure; it is also the humane thing to do. If these children are identified and accepted in Nevada Check Up, they do not take up room in emergency rooms and public hospitals.

I would remind the Committee, this is an insurance-style program. Individuals in the program pay co-payments and small premiums. I urge support of this bill. It is time to enter the electronic age with this program.

Individuals who wish to apply for the program, who do not own computers, can use computers in public facilities or public libraries. There are ways for people to access computers and make electronic applications.

VICE CHAIR BEERS:

I hereby close the hearing on S.B. 311 and open the hearing on S.B. 332.

SENATE BILL 332: Makes an appropriation to Great Basin College for its agricultural program. (BDR S-723)

SENATOR RHOADS:

The Great Basin College (GBC) has been trying to implement an agriculture program for several years. Elko County is probably the largest agricultural revenue producer in the State. Most of our students go to Idaho or Utah for an education in agriculture. The program at the University of Nevada, Reno (UNR), is not generating as much interest as we had hoped.

This is a classic situation. The GBC cannot entice students because they do not have instructors, and they cannot get instructors until they have more students. The bill proposes a pilot program.

GARY BACK, PH.D. (Principal Ecologist, SRK Consulting and Member of the Great Basin College Agricultural Program Advisory Board):

I am present to support the passage of S.B. 332. The intent of S.B. 332 is to request funding for two FTE faculty positions and one half-time administrative assistant for a two-year period.

The intent of the funding is to jump-start the program. The program has existed for some period of time. I first approached Senator Rhoads to request this legislation supporting the expansion of the faculty in August 2006. Following a program review by the members of the Blue Mountain Community College, it was recommended additional staff be added to the GBC to strengthen the program. I have provided the Committee with a copy of the review as a part of the information packet ([Exhibit G](#), original is on file in the Research Library). The Agricultural Program Advisory Board decided to approach the GBC administration to see what was needed to hire additional staff for the program. However, before we could act, the agriculture instructor resigned to accept another position. His resignation identified two issues.

First, we cannot have program stability with only one instructor. Secondly, the students realized the program was at risk and many decided to continue their education elsewhere.

The GBC administration, the Agricultural Program Advisory Board and the local ranching communities worked together to ensure courses were taught last fall to continue the program while a search for a new instructor was initiated. Ms. Tracy Benson was hired during the fall, and the program is again operating with one faculty member. The program is still at risk with only one faculty member. Students are concerned about the program.

The GBC policy for adding faculty is to require a specific number of students before additional faculty is recruited and hired. This is a sound fiscal policy, but for a new program such as this, it presents a conundrum such as "which came first, the chicken or the egg?" We need faculty members to attract students and we need students to have authority for additional faculty.

The Agricultural Advisory Board feels we have a better chance of attracting students if we have a stable and quality program. We began to look at other methods of funding for the faculty positions.

There are many other bills the Legislature will be considering over the next month and they all have merit. We are all aware there is insufficient revenue to fund all the requested legislation. I cannot sit before you and say S.B. 332 is any more important, or of higher merit, than any other bill you will consider. However, timing of S.B. 332 is of critical importance. We do not believe the Agriculture program at the GBC can wait until the next Legislative Session. It is critical the program be built into a quality-niche program. It was intended to attract greater numbers of students and become a self-sufficient program.

SENATOR COFFIN:

Did the faculty member who resigned leave for salary concerns or for acceptance of a position elsewhere?

DR. BACK:

His resignation was due to a combination of factors. He was developing the course work, teaching the courses and developing other hands-on programs. It was somewhat overwhelming. He ultimately accepted a position elsewhere.

SENATOR COFFIN:

Can faculty be enticed to apply for positions with a one-shot funding appropriation?

DR. BACK:

There appeared to be considerable interest when the position was awarded last fall. There is a good market for students as well. There are many high-school agricultural programs. Those students would certainly like to continue their education at the GBC, use their Millennium Scholarship Funds and remain in Nevada.

It is a risk for potential faculty members to accept a position in a program with only two years of funding provided.

SENATOR COFFIN:

Was a four-year program the ultimate goal?

DR. BACK:

That is correct.

SENATOR TITUS:

Is the Board of Regents supportive of the program? Why is it not in the Board of Regent's budget?

BRET MURPHY (Dean of Applied Science, Great Basin College):

The request for positions is a grassroots effort. It was promoted by the Agricultural Advisory Board. We support the prioritized list, but this is a grassroots effort. We have support from community members as well.

The provisions of S.B. 332 would help our agricultural program grow significantly and benefit northern Nevada and the entire State. There are currently five degree options from which students can choose. They are Associate of Arts, Associate of Applied Science, Associate of Science, Bachelor of Applied Science (B.A.S.) and a Bachelor of Arts in Secondary Education with emphasis in agriculture. These degree options have been developed at the request of northern Nevada community members and through the guidance of the Great Basin College Agriculture Advisory Board.

Unfortunately, full funding for the positions has not been attainable because we are also in a "Catch-22" situation. To develop a new program, you must first have students to justify the program; however, without funding, there are no instructors; and, consequently, no students.

The initial funding for the program was derived from the Carl D. Perkins Vocational Act funding, allowing the program to begin. The agriculture program is now supported by State funding; however, its potential for growth and its benefit to the State of Nevada will not culminate without additional funding.

The two most recent options, the B.A.S. degree and the Bachelor of Arts in Secondary Education, would benefit the most from this bill. The B.A.S. degree is a natural balance between natural resource management and animal science, and was designed with the Great Basin in mind. The Bachelor of Arts in Secondary Education will benefit Nevada and the nation as a whole. There is a significant shortage of high-school agriculture teachers around the country, and Nevada is not exempt. The GBC recognized the need and developed a comprehensive agriculture teacher education program in 2005.

TRACY BENSON (Agriculture Instructor, Great Basin College):

I have been at the GBC since January 2007. I am currently teaching approximately 22 full- and part-time students. Most of the students attend the GBC to explore potential careers, prepare for transfer to a four-year university, or to complete an Applied Associates or Applied Bachelor degree. They prepare for careers in farming, ranching, or in natural resource management. Several of my students wish to return to their farming and ranching heritage. It is important we help maintain that career option for our students.

Currently, the associate degrees require 14 classes in agriculture and natural resources. There are at least 6 upper-division courses offered for a total of 20 required classes. One full-time faculty member teaches ten classes each year, leaving a critical shortage in the number of faculty to teach the classes required. There are two adjunct faculty members assisting with a couple of the lower-division classes.

My other duties include advising students; finding, coordinating and providing the annual reviews for adjunct faculty members; and recruiting students. Unfortunately, during my evaluation, student recruitment is low on the priority list.

In the recruiting I have conducted, high-school students have indicated they are most interested in programs in equine science and would greatly appreciate experiential-learning opportunities in rodeo and livestock judging. The experiential-learning opportunities are critical to application of their degrees in the real world. They are time-consuming events for faculty, and one faculty member cannot do it all.

ANGEL NICHOLSON (SRK Consulting):

I am a graduate of the GBC Agricultural Program. I am presently a staff biologist with SRK Consulting.

I urge passage of S.B. 332. The GBC provides a quality education to individuals in rural Nevada who otherwise may not have the ability to attend college and earn a degree. The GBC serves not only Elko, but reaches out to 20 other rural communities.

Numerous degrees and certificates are offered at the GBC. The agricultural degree is designed to provide the training and skills necessary to enter agricultural employment. Modern agriculture is a business and a science as well as a way of life.

Many individuals, such as I, have already graduated with one or more of these degrees. We are proof of the program's product of individuals who are qualified and can prosper in the ever-growing industry of agriculture. Like me, many of these people in rural areas are unable to relocate for one reason or another. We desire an education to enhance our lives and to become more valuable to our communities. Individuals who are enrolled in, or have graduated from, the agricultural program at the GBC have had the opportunity to serve as interns. A number have obtained employment at some of the most valuable entities in northeastern Nevada. Examples are the Natural Resource and Conservation Service, Bureau of Land Management, U.S. Department of Agriculture, U.S. Forest Service, as well as ranches, mining companies and consulting agencies.

JAMES BARBEE (Agriculture Education Consultant, Department of Education):

I am the State Future Farmers of America supervisor. I am also representing the Nevada Agriculture Teachers' Association and the Nevada Association for Career and Technical Education in support of this bill.

Career and technical education articulation, at the secondary to the postsecondary level, is a vital piece of our educational system. There are not many opportunities for our 1,400 students in agriculture education at the secondary level to articulate with community colleges in Nevada. We have a green industry program at the Community College of Southern Nevada that includes an ornamental horticulture option for students to articulate in terms of natural resources, wildlife management, ranch management and animal production. There is no community college for those students to articulate.

In addition, many students are lost each year to surrounding states. We would like to encourage them to remain, and become agriculture teachers, in Nevada.

Two out of six students who were in the program last year moved to Utah to obtain their agricultural degrees. It will be difficult to encourage them to return to Nevada. They make connections where they are residing.

There are 1,400 students in secondary agriculture education and they are looking for postsecondary agriculture education opportunities. Those students have a .75-percent dropout rate, one of the lowest in career and technical education in the State. On average, agricultural students test 10-percent higher on all portions of the proficiency test. These are significant, solid students, who qualify for the Millennium Scholarship Program and who do not have a place to further their education.

SENATOR COFFIN:

Do you know how many students return to Nevada when they have gone out of state to complete their education?

MR. BARBEE:

We have no way to collect that data; however, my experience is based on some top-end students I work with at the State level. I was one of those students. I went to Douglas High School, graduated, went to Lassen Community College in Susanville, California, taught in California, and returned to Nevada to accept my current position. There was not a Nevada opportunity for me. I graduated from high school one year after the agriculture program at the UNR had closed down.

SENATOR COFFIN:

The topic of agriculture sounds like a single topic, but it is probably comprised of many things.

MR. BARBEE:

You are correct.

SENATOR COFFIN:

Is it possible students would be more attracted to a program if it had a more narrow field of study focusing on specialties?

MR. BARBEE:

Students are looking for training in specialties. Regardless, there is a base level of knowledge that must be learned. As students progress at a university, they branch into the various specialties. Mr. Murphy noted the GBC program included specialty areas. Some of those are ranch management, animal production and agricultural education.

SENATOR COFFIN:

I have to use my own experience. I majored in accounting in a school of business, and my degree is a Bachelor of Science (B.S.) in business, rather than accounting. I would like to think I graduated with a degree in accounting, but that is not the case.

DOUG BUSSELMAN (Nevada Farm Bureau Federation):

As an organization of farmers and ranchers, we have a high level of interest in this bill and in the program. The Nevada Farm Bureau Federation policy strongly supports the agricultural program at the GBC. The primary reason we support it is because the program gives our agricultural young people the opportunity to attend college if they want to work on the farms and ranches. It is the only opportunity for agricultural students in Nevada who want to return to farming and ranching.

In reference to the earlier question about a general studies approach, from our standpoint, this kind of general approach gives the broad-based background that farmers and ranchers need in business and vocational aptitudes they will need for their careers. Past expectations of what universities could provide are no longer available.

Last fall, when the faculty vacancy occurred at the GBC, individuals in the community stepped forward, including our organization. Our organization provided staff for assistance in holding classes.

SENATOR MATHEWS:

What is happening with the program at the UNR? We are still funding it.

MR. BUSSELMAN:

The program at the UNR no longer provides education in plant science and applied agricultural options. It is more of a university approach. That is one of the reasons we support strengthening of the GBC program.

SENATOR MATHEWS:

The UNR situation "does not want to get into the dirt, they want you to bring the dirt to them to test?"

MR. BUSSELMAN:

They are more concerned with the science side of learning such as DNA and cell-structure issues.

TIM CROWLEY (Nevada System of Higher Education):

I want to commend Senator Rhoads for sponsoring S.B. 332. It is the job of the Nevada System of Higher Education to be responsive to communities. It seems the need is great for this program. This program is not a part of the Board of Regents priority list. I respectfully request the priority list be funded before going further with other enhancements.

JACOB BIBEE (Student, Great Basin College):

I am present to speak on behalf of current students at the GBC. I have attended the GBC and have participated in the agricultural program during the past two years.

I chose the GBC because it has more of a small-town atmosphere with a base in agriculture as opposed to larger communities and universities. The GBC students conduct fund-raising events to earn money for scholarships and field trips. This bill would supply much-needed support for our program.

VICE CHAIR BEERS:

Hearing no additional testimony I will close the hearing on S.B. 332 and open the hearing on S.B. 334.

SENATE BILL 334: Makes an appropriation to support the Great Basin Heritage Area Partnership. (BDR S-1002)

SENATOR RHOADS:

The Great Basin Heritage Area Partnership has done wonderful projects in White Pine County and throughout the State.

ABIGAIL JOHNSON (Great Basin Heritage Area Partnership):

I am representing Ms. Denys Koyle, Chair of the Great Basin Heritage Partnership, who was unable to attend this hearing.

The Great Basin Heritage Area Route legislation was signed by President Bush on October 12, 2006. The designation is a first for Nevada and is one of only four heritage areas in the western states.

Federal designation enables the Great Basin Heritage Area Route to apply for federal funds to market, interpret and preserve historic and cultural attractions within White Pine County, once a management plan is completed. However, federal funding will not become available until the federal 2008 budget year.

Since its early beginnings, the heritage area has been a volunteer 501c3 nonprofit organization. With federal designation comes the responsibility of developing a management plan, including the environmental impact studies, interpretive and marketing components. To accomplish the development of the plan, an administrative structure must be established with paid staff to develop the plan and write grant proposal requests to government agencies and private foundations.

The most difficult task for a heritage area is making the transition from an all-volunteer planning group to a management entity. The management entity must have financial resources to provide staff support and initial funding for those all-important first community projects. Senate Bill 334 is a request for the initial funding.

The heritage area has been fortunate to have technical support from Mr. Bill Farrand from the Salt Lake City, Utah, Office of the National Park Service, Rivers and Trails Program, who has helped the partnership in developing an outline and work plan for the management plan.

The Great Basin National Park in Baker, Nevada, has agreed to provide the necessary office space for the partnership. The Great Basin Heritage Area Partnership would pay utilities and telephone expenses. Office furnishings need to be provided. As a process of establishing a new national heritage area, the staff and volunteer board would require training.

Besides achieving national designation, the Great Basin Heritage Area Partnership has developed cultural inventories, sponsored a folklife study and cultural programs, developed brochures, designed a compact disk promoting the Heritage Route and a Website, greatbasinheritage.org. The heritage area has already secured funding from the Nevada Commission on Tourism, Nevada Humanities, Nevada Arts Council and the Nevada Department of Transportation to complete these projects.

All of the programs were developed to promote White Pine County and to enhance its economic base. Until the management plan is in place, the heritage route will be unable to generate projects that will foster more economic development for White Pine County and eastern Nevada. An appropriation of \$94,600 would provide the initial funding for the project to function productively during the period before federal funding is available. I have provided my written testimony ([Exhibit H](#)) for the Committee.

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VICE CHAIR BEERS:
Seeing no further business before the Committee we are adjourned at
10:14 a.m.

RESPECTFULLY SUBMITTED:

Cynthia Clampitt,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE:_____