

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session
May 17, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:14 a.m. on Thursday, May 17, 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:

Assemblyman Marcus Conklin, Clark County Assembly District 37

STAFF MEMBERS PRESENT:

Michael J. Chapman, Senior Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Larry L. Peri, Principal Deputy Fiscal Analyst
Sandra K. Small, Committee Secretary

OTHERS PRESENT:

Steven Burt, Executive Director, The Ridge House
Howard Skolnik, Director, Department of Corrections
John H. Emerson, Board of Church and Society, California-Nevada Conference
of The United Methodist Church
Sandy Mazy, Administrator, Office of Criminal Justice Assistance, Department
of Public Safety
Andrew Clinger, Director, Department of Administration

CHAIR RAGGIO:

The Committee has a few matters to hear before the agenda items.

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

Assembly Bill (A.B.) 554 was heard by the Committee on May 5, 2007. This bill extends the issuance of bonds authorized by the 17th Special Session to December 31, 2011.

[ASSEMBLY BILL 554](#): Makes various changes relating to bonds. (BDR 34-497)

Senate Committee on Finance
May 17, 2007
Page 2

CHAIR RAGGIO:

This bill relates to the State Permanent School Fund. The Committee had asked if it was all right to pass this bill.

MR. GHIGGERI:

The Legal Division has advised the bill can be passed. It does not fall under the restrictions for the Education First initiative.

SENATOR BEERS MOVED TO DO PASS A.B. 554.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

The Committee will open the hearing on Senate Bill (S.B.) 441. This bill is a request for an appropriation not included in the *Executive Budget*.

SENATE BILL 441: Makes an appropriation to Ridge House, Inc., for reintegration services and counseling for persons released from the Department of Corrections. (BDR S-1439)

STEVEN BURT (Executive Director, The Ridge House):

The Ridge House has submitted copies to the Committee of "SB 441 Senate Finance Committee" ([Exhibit C](#), original is on file in the Research Library).

CHAIR RAGGIO:

Tell the Committee about The Ridge House, how long it has been in existence and something about its history and accomplishments.

MR. BURT:

The Ridge House was incorporated in 1982 and serves approximately 400 clients leaving the prison system. We assist in reducing recidivism in Nevada. The Department of Corrections reports a recidivism rate of 26.37 percent. The Ridge House graduates have a recidivism rate of 9 percent.

CHAIR RAGGIO:

How long has The Ridge House been keeping these statistics?

MR. BURT:

The Department of Corrections has been keeping statistics for us for the past two or three years.

CHAIR RAGGIO:

What do you do at The Ridge House and how long do released inmates stay there?

MR. BURT:

Inmates are released directly to the residential program and stay in our residential house for three months, depending upon the client's issues. The client then participates in outpatient aftercare for the remainder of their parole sentence.

CHAIR RAGGIO:

What kind of assistance is given other than housing and food?

MR. BURT:

We also work with the community to provide the client a fresh wardrobe, counseling services and substance abuse treatment.

CHAIR RAGGIO:

Is assistance provided for reemployment?

MR. BURT:

Yes, we give them reemployment skills. In the first week, we assist them in attaining employment. The client is working within two weeks.

CHAIR RAGGIO:

Do you help them prepare for employment interviews?

MR. BURT:

Yes; we do whatever is needed to get them working within two weeks.

CHAIR RAGGIO:

How many clients do you accommodate with the existing facility?

MR. BURT:

At any given time, we can accommodate 75 to 100 outpatient clients and 42 residential clients.

CHAIR RAGGIO:

Are you located in Reno?

MR. BURT:

Yes, we are in Reno. We have eight facilities.

CHAIR RAGGIO:

Does [Exhibit C](#) contain a budget?

MR. BURT:

Yes, it does. A funding map is also included in [Exhibit C](#).

CHAIR RAGGIO:

In the preliminary budget for FY 2007-2008, the total grant and donation revenue is approximately \$2 million. Is this the amount with which you have historically operated?

MR. BURT:

We have historically operated at a budget of \$1.6 million. That amount has been reduced over the past couple of years due to decreased revenue.

CHAIR RAGGIO:

What are your principal sources of revenue?

MR. BURT:

The Substance Abuse Prevention and Treatment Agency is a principal source as well as the Justice Assistance Grant. We also receive many foundation grants to assist with capital projects.

CHAIR RAGGIO:

Do you receive funds from Washoe County? What is "SAMHSA"?

MR. BURT:

We receive a County housing reimbursement grant. When clients leave residential treatment, we are able to place the client into their first apartment with a deposit and first month's rent. The "SAMHSA" is the Substance Abuse and Mental Health and Services Administration. It is a grant written two months ago for increased capacity for HIV/AIDS clients. It is a collaboration with the Nevada AIDS Foundation.

CHAIR RAGGIO:

Your budget is based upon the amounts included in S.B. 441. The Committee must advise everyone, the available revenues are less than what was anticipated when we began the Session. If the bill is not approved, will you still be operating?

MR. BURT:

We will operate with reduced services. We will target our residential services and scale back our outpatient services.

HOWARD SKOLNIK (Director, Department of Corrections):

I am in favor of S.B. 441. The Ridge House provides an outlet for inmates who would otherwise be retained on parole in our institutions because they have no place to go. The cost of keeping those inmates and the bed crisis we are currently going through is desperate. We need help getting people out of the system.

CHAIR RAGGIO:

As you are aware, to address the overcrowding in the corrections system, there are proposals to be considered this Session which will, if approved, result in a higher number of inmates being released. Would this type of facility be essential to a release program?

MR. SKOLNIK:

Absolutely; under any type of program currently being considered, the majority of inmates released will be discharged. There will be no real support mechanism for them other than what the community is able to provide. The Ridge House would be a resource.

CHAIR RAGGIO:

How many similar programs are there in the Washoe County area?

MR. BURT:

The Ridge House is the only facility providing this service. There are some halfway houses, but services such as reintegration are not provided.

CHAIR RAGGIO

What is the difference between The Ridge House and a halfway house?

MR. BURT:

A halfway house is where a group of persons live with minimal support. We offer counseling and treatment services to support the reintegration process to reduce recidivism. The halfway houses have a higher recidivism rate than we do.

SENATOR TITUS:

I want to take this opportunity to ask Mr. Skolnik about the Federal Emergency Management Agency (FEMA) trailer project.

MR. SKOLNIK:

Mr. Phillip A. Galeoto, Director, Department of Public Safety, has returned from inspecting the FEMA trailers. The travel trailers are not suitable. He found some large single-wide trailers which could be suitable. We are looking into that now. Some are 70-foot trailers. We think we can accommodate them at the Southern Nevada Correctional Center site.

SENATOR TITUS:

If this still moves forward with the potential release of inmates and putting funds back into services, I hope this project will stay as part of the mix.

MR. SKOLNIK:

At this point, it is still a part of the mix.

SENATOR MATHEWS:

There is an opportunity for the prison system to be involved in rehabilitation before the inmate is paroled. I am not aware of a forward program for rehabilitation. The Ridge House is a great place, but rehabilitation should start long before release.

MR. SKOLNIK:

The prison system has prerelease programming. Going Home Prepared is still operating, although not at the level it ought to be given the population we are servicing. One of the problems we are facing right now is the fact we are converting program space into bed space. The amount of programming we are able to provide is being reduced at the same time the number of inmates needing programming is increasing. Hopefully, by the end of this Session, we will be able to restore the programming space. Our budget request includes continuation and/or expansion of drug treatment and prerelease assistance. We open our doors to the community to work with inmates prior to release.

SENATOR MATHEWS:

How early does a person start rehabilitation?

MR. SKOLNIK:

The inmate is tested at intake. The test results identify program areas the inmate requires. To the degree we have programming space and the programs exist, the inmate is placed in programs as soon as possible. Education starts right away. We have educational programs throughout the system. Vocational training is available in most institutions through the high-school program. Prison Industries exists in all of the institutions. The bottom line is, we have more inmates than we have the availability of programming.

SENATOR RHOADS:

Are the grants indicated in **Exhibit C** received on an annual basis?

MR. BURT:

Many of the grants are annual; it depends upon whether or not we request them and if we have specific projects requiring the particular grant's funds.

JOHN H. EMERSON (Board of Church and Society, California-Nevada Conference of The United Methodist Church):

I have been a part of the prison ministry program titled KAIROS since 1982. It was out of the prison ministry program The Ridge House came into existence. The First Methodist Church had the vision for The Ridge House. Members of the KAIROS team go into the prison frequently and establish relationships with inmates who will, at some time, be released. We develop supportive relationships within the prison as inmates gain skills for the transformation of their lives. The support system continues upon release. There is one inmate with whom I have worked for the last 25 years. At some point, he may be discharged. It has been a great experience seeing how he and others like him have had their lives changed through the KAIROS ministry and to see how that is sustained upon release.

CHAIR RAGGIO:

The hearing on S.B. 441 is closed. The Committee voted on A.B. 554. Senator Titus, would you like your vote recorded?

SENATOR TITUS:

My vote is in support of A.B. 554.

CHAIR RAGGIO:

The Committee will open the hearing on A.B. 244.

ASSEMBLY BILL 244 (1st Reprint): Revises provisions governing the review of school districts based upon financial management principles. (BDR 34-283)

ASSEMBLYMAN MARCUS CONKLIN (Clark County Assembly District 37):

Last Session, one of the final bills passed was a performance and managerial audit provision for school districts. This is a permissive bill if money is available. Last Session, I sponsored a bill with some money; this Session, I have not. The funds were for an audit program for Clark County. This Session, I hoped someone would use the statute to sponsor funds for their constituency. Assembly Bill 244 is a "cleanup" bill; no funds are requested. The bill makes the audit process more workable. The substantive change to the statute is on page 2. In Clark County, we found putting the responsibility in the superintendent's office, like most things of this magnitude, meant the deputy level position would make time available to implement the program. We want to make that provision available in the statute. In a smaller school district, the audit process may stay in the superintendent's hands.

The second change is on page 3. This change reaffirms the only public document is the final document.

CHAIR RAGGIO:

Who makes this report?

ASSEMBLYMAN CONKLIN:

The report is made by the company requested to do the audit. A preliminary report is given to the school district to be reviewed to confirm the data is correct and findings are correct. If there is an issue and something is incorrectly reported, the district has a ninety-day period to respond.

CHAIR RAGGIO:

That process is similar to legislative audits. The entity being audited is given a preliminary report with an opportunity to respond; then, the final report is made public.

ASSEMBLYMAN CONKLIN:

That is correct. That is the same process recommended in this bill.

CHAIR RAGGIO:

Is the audit required only to the extent the Legislature makes funds available? Have the school districts contracted for audits within a reasonable period of time?

ASSEMBLYMAN CONKLIN:

I only speak to Clark County. Clark County has too many audits. I hope somewhere down the line we can use this product to consolidate the audits. Many of the audit products Clark County has are requested by the district; others are required by federal or State statute.

CHAIR RAGGIO:

What is the difference between the audit in A.B. 244 and a financial audit?

ASSEMBLYMAN CONKLIN:

A financial audit says books are clean, money is not missing and processes for accounting for funds are in place. This is designed to be a management audit. We look at how the funds are spent and make recommendations on how to streamline the process, save money, advance programs and stretch dollars so more can be accomplished with the same amount of money. The principles of the audits are different. A financial audit is performed by a Certified Public Accountant (CPA). It does not matter if the CPA is someone advanced in information technology, education, manufacturing or anything else. Accounting is accounting.

CHAIR RAGGIO:

This is a review of financial management. Senator Beers, do you agree with that assessment?

SENATOR BEERS:

Yes, I do. This is the type of audit the Legislative Counsel Bureau's Audit Division performs rather than a CPA firm.

CHAIR RAGGIO:

Is there further testimony on A.B. 244?

SENATOR BEERS:

What is the purpose of making the preliminary report confidential?

ASSEMBLYMAN CONKLIN:

The preliminary report is not fully vetted. Between the time the preliminary report comes out and the final report, there is a ninety-day period in which the school district has an opportunity to review the document and ensure the findings are based on the facts. If the public receives an incorrect document, it is hard to change public perception. Once a document is delivered to the Board of Trustees, it becomes a public document. The preliminary report cannot be given to the Board of Trustees. Both reports can be given to the Board once the final report is made public.

CHAIR RAGGIO:

This is not an exempt bill.

SENATOR TITUS MOVED TO DO PASS A.B. 244.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

The Committee will close the hearing on A.B. 244 and open the hearing on A.B. 165 which is a nonexempt bill.

ASSEMBLY BILL 165 (1st Reprint): Creates the Justice Assistance Grant Trust Account in the State General Fund. (BDR 43-1083)

SANDY MAZY (Administrator, Office of Criminal Justice Assistance, Department of Public Safety):

The Committee has received a copy of "AB 165-Request to Establish an Interest Bearing Trust Fund Account" ([Exhibit D](#)). In 2005, Congress combined the local law enforcement block grant and the Byrne Memorial Grant into the Byrne Justice Assistance Grant. At that time, the rules were changed. We were required to draw the total amount of the grant at one time, ahead of time, and put the funds into an interest-bearing or noninterest-bearing account. If the funds are put into an interest-bearing account, the interest must come back to the program for activities allowable under the grant. If not, the interest must be paid back to the federal government at the end of the grant period. I have been playing ping pong with Mr. Brian Krolicki since October 2005 trying to get this interest. I was made to understand I would need a bill approved by the Legislature to accept the interest.

CHAIR RAGGIO:

Will creating the Justice Assistance Grant Trust Account accommodate your concerns?

MS. MAZY:

Yes, except for a needed amendment. The effective date in the bill is July 1, 2007. We need to amend the date to October 5, 2005, because that is when the first grant funds were deposited in the General Fund.

CHAIR RAGGIO:

Staff, is that feasible?

MR. GHIGGERI:

It would be feasible; however, it will cost the General Fund between \$75,000 and \$80,000 to replenish the interest.

SENATOR BEERS:

I do not understand the fiscal note. If the funds must go back to the federal government when the grant period is expired, then the General Fund is out the money either way.

MR. GHIGGERI:

Currently, the interest earned on the funds is deposited into and retained in the General Fund. If this bill is retroactive, an adjustment would probably need to be made by the Office of the Treasurer or the Office of the Controller to provide for a recalculation of the interest that went to the General Fund and return it to this new account. Money would be drawn from the General Fund to the new account if the bill is retroactive. If the bill is not retroactive, and is effective July 1, 2007, no calculation would be made and no interest would be paid.

SENATOR BEERS:

A calculation would still need to be made and a check written to the federal government.

MR. GHIGGERI:

If the federal government audits the program, you are correct.

MS. MAZY:

The federal government has e-mailed and called me often to determine the status of this interest. They are aware of it. [Exhibit D](#) contains a letter from the Department of Justice, Office of the Comptroller, dated April 24, 2006. This letter states the consequences if the grant rules are not followed.

CHAIR RAGGIO:

We want to accommodate the concern, but I am not absolutely certain it is necessary to make the date retroactive or run the risk of an audit.

MS. MAZY:

Texas ran the risk and was audited. Texas paid back \$7 million. When the federal government audits, it audits not only our grants but all federal money.

CHAIR RAGGIO:

How much will need to be paid back if we make the bill retroactive?

MS. MAZY:

The estimate is \$150,000 at this time. If we could get these funds, my intent is to use them for methamphetamine and gang programs.

CHAIR RAGGIO:

Staff is indicating we should amend the bill and make it retroactive to October 5, 2005.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 165 WITH A RETROACTIVE EFFECTIVE DATE OF
OCTOBER 5, 2005.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

The hearing is closed on A.B. 165. We will open the hearing on A.B. 201.

ASSEMBLY BILL 201: Makes a supplemental appropriation to the Budget Division of the Department of Administration for overtime and increased costs. (BDR S-1246)

ANDREW CLINGER (Director, Department of Administration):

The Committee has received a copy of "Assembly Bill 201, Supplemental Appropriation for the Budget Division" (**Exhibit E**). The exhibit describes the reasons for the budget shortfall of \$371,115 in the Budget Division. The shortfall consists of excess overtime, terminal leave payouts, an error in the Director's office cost allocation, increased single-audit costs, publications and forfeited annual leave payouts. This bill requests a \$135,218 appropriation. **Exhibit E** describes measures taken to mitigate some of the shortfall, including vacancy savings, software purchases, etc.

SENATOR RAGGIO:

Can you live with these savings?

MR. CLINGER:

Yes, we can.

SENATOR COFFIN MOVED TO DO PASS A.B. 201.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

The Committee will now hear a report from the Joint Subcommittee on Public Safety, Natural Resources and Transportation on the Colorado River Commission (CRC) budgets.

INFRASTRUCTURE

COLORADO RIVER COMMISSION

CRC - Colorado River Commission – Budget Page CO RIVER COMMISSION-1
(Volume III)

Budget Account 296-4490

MICHAEL J. CHAPMAN (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on Public Safety, Natural Resources and Transportation has completed its review of the CRC and recommends the following closing actions.

In budget account (B/A) 296-4490, the Subcommittee recommends five positions, consisting of an accountant technician, an administrative aide, an administrative assistant, a program officer and a natural resource specialist, which have been vacant for one year or more, be eliminated. This action increases reserves by \$539,799 over the biennium.

The Subcommittee did not approve the Governor's recommendation for a new senior power facilities electrician and a power facilities communications technician which reduces cost allocation transfers by \$146,922 in FY 2007-2008 and by \$193,588 in FY 2008-2009. However, the Subcommittee authorized the reclassification of two other vacant positions to these position titles. Accordingly, the CRC identified two additional vacant program officer positions to be reclassified as a senior power facilities electrician and a power facilities communications technician. This action increases expenditures by \$70,610 in FY 2007-2008 and \$69,798 in FY 2008-2009.

The Subcommittee also approved reserve funding of \$168,331 in the 2007-2009 biennium to support the reclassification of two classified accountant positions to unclassified energy accountant positions. The Subcommittee recommends reducing the Governor's recommended increased out-of-state travel of \$106,989 in FY 2007-2008 and \$112,523 in FY 2008-2009 to an increase of \$14,339 each year. The increase funds out-of-state travel as approved by the Subcommittee at \$65,519 each year based upon the CRC's average cost for fiscal years 2003-2004 and 2004-2005.

CHAIR RAGGIO:

Does the Committee have any questions on B/A 296-4490? Hearing none, we will hear B/A 296-4496.

CRC - Fort Mohave Development Fund – Budget Page CO RIVER

COMMISSION-9 (Volume III)

Budget Account 296-4496

MR. CHAPMAN:

The Governor's recommended budget for the Fort Mohave Development Fund displayed a minimal reserve of \$33,902 at the end of FY 2008-2009. The Subcommittee approved staff's recommendation to adjust the budget for FY 2006-2007 work program changes to increase land sales income, Treasurer's interest transfers and miscellaneous income by \$671,335 which results in a projected ending reserve of \$705,237 at the end of FY 2008-2009. This appears to be an adequate reserve level for this account.

CHAIR RAGGIO:

How likely is it there will be land sales?

MR. CHAPMAN:

I am not aware of any land sales in the works at this time.

Senate Committee on Finance
May 17, 2007
Page 12

CHAIR RAGGIO:
The Committee will now hear B/A 296-4497.

CRC - Research and Development – Budget Page CO RIVER COMMISSION-11
(Volume III)
Budget Account 296-4497

MR. CHAPMAN:
The Subcommittee approved the Research and Development account as recommended by the Governor. The budget includes funding of \$1.14 million in FY 2007-2008 and \$1.39 million in FY 2008-2009 to support Nevada's share of the costs of the Lower Colorado River Multi-Species Conservation Program, a regional environmental project to preserve wildlife along the river.

CHAIR RAGGIO:
Who shares in these costs?

MR. CHAPMAN:
The other states sharing in the costs include Arizona and California. The federal government also participates. This is a \$650 million project over a 50-year period.

CHAIR RAGGIO:
Is Nevada paying a proportionate part of that cost?

MR. CHAPMAN:
That is correct. This is Nevada's share for the next two years.

The Subcommittee closed two additional budgets as recommended by the Governor: B/A 502-4501 and B/A 505-4502.

CRC - Power Delivery System – Budget Page CO RIVER COMMISSION-13
(Volume III)
Budget Account 502-4501

CRC - Power Marketing Fund – Budget Page CO RIVER COMMISSION-16
(Volume III)
Budget Account 502-4502

CHAIR RAGGIO:
If the Committee approves the actions of the Joint Subcommittee on these budgets, is that action impacted by the action taken on S.B. 301 dealing with reimbursements?

Senate Bill 301: Clarifies the purposes for which money in the Fort Mohave Valley Development Account may be used. (BDR 26-1317)

MR. GHIGGERI:
I do not believe so. We are attempting to get some clarifying information from the CRC. The amendment is being drafted.

SENATOR RHOADS MOVED TO ACCEPT THE RECOMMENDATIONS OF THE JOINT SUBCOMMITTEE AND TO CLOSE THE COLORADO RIVER COMMISSION BUDGETS.

SENATOR BEERS SECONDED THE MOTION.

SENATOR COFFIN:

I do not serve on the Joint Subcommittee on Public Safety, Natural Resources and Transportation. I have a problem with the joint subcommittee system. The Senate Committee on Finance has not heard any of this budget. We are reducing the number of positions. Is that due to the lack of work or because the positions were not filled?

MR. CHAPMAN:

A number of positions were approved in the 2003 and 2005 Sessions. Some of those positions were never filled. There was a projected need for the positions on the power side of the CRC's operation. Part of this is associated with S.B. 211 of the 71st Session which allowed the CRC to provide power sales to some of the Southern Nevada Water Authority customers. Those customers have not moved to the CRC. It is anticipated they could move at some point in time.

SENATOR COFFIN:

What is the price per acre of land sales in recent years?

MR. CHAPMAN:

I do not know. In 2005, the CRC sold approximately 110 acres in the development area. The sales price was approximately \$13 million.

SENATOR COFFIN:

We had to overcome a heritage in the 1980s because the CRC literally gave away land with the idea of stimulating development. The CRC continued to give land away as well as the mineral wealth; gravel was practically free. There was near-scandalous behavior. Has the CRC been bound to market value and a bidding process for land sales to guarantee the best return?

MR. CHAPMAN:

I do not have an answer for that question. I am not aware of a minimum price.

SENATOR COFFIN:

Was the question asked in Joint Subcommittee hearings?

MR. CHAPMAN:

Not that I am aware of.

SENATOR COFFIN:

That is where institutional memory comes in. We are segmented so much it is almost impossible for us to know what is going on.

CHAIR RAGGIO:

I do not know if the Joint Subcommittee members have additional information. The sale of land referred to is \$110,000 for each acre.

SENATOR COFFIN:

If that information is correct, it is not much. I do not know what the market value is along the river. There is a scarcity of land. It will all be casino land along the edge unless the land owned is inland.

MR. CHAPMAN:

I do not have specific information regarding the parcels of land. The sale was undeveloped land at about \$118,000 for each acre.

SENATOR COFFIN:

Undeveloped land is selling for five times that closer to Las Vegas. That is a money-making area with retirement potential. Could the Committee get a report on past and future land sales by the CRC? I would like to put the CRC on notice the Committee wants to know about the bidding process.

CHAIR RAGGIO:

The Committee will ask the CRC to provide that information and report it to the Interim Finance Committee (IFC).

SENATOR COFFIN:

I would also like to have an inventory of how much land is left and its location.

CHAIR RAGGIO:

The Committee can prepare a letter of intent requesting the information be provided to the IFC.

SENATOR COFFIN:

It would be useful to have the information before the end of this Session.

CHAIR RAGGIO:

Staff will follow through with this request. If the information is not available prior to the end of the Session, we will want a letter of intent from this Committee requesting the information.

MR. CHAPMAN:

Is there a period of time the report should cover?

SENATOR COFFIN:

I would like the report to go back four years.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

The Committee has received the Senate Committee on Finance Closing List #5-C ([Exhibit F](#), original is on file in the Research Library) which pertains to the Office of the Attorney General (AG). The first is B/A 101-1030.

ELECTED OFFICIALS

AG - Administrative Fund – Budget Page ELECTED-38 (Volume I)
Budget Account 101-1030

LARRY L. PERI (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The closing details for B/A 101-1030, Administrative Fund, are on pages 2 through 6 of [Exhibit F](#). The AG has submitted correspondence to the Budget Division and the Fiscal Analysis Division requesting budgetary adjustments to

several of the AG's accounts. The requested budget adjustments are summarized in "Attorney General's Office - Requested Budget Adjustments" ([Exhibit G](#)). All personnel-related adjustments requested are cost neutral and within the Governor's recommended budget. Staff concurs with that analysis. The Budget Division has supported these requested adjustments.

This account is funded primarily with General Funds and from cost-allocation assessments paid by non-General Fund agencies receiving legal services from the AG. The Budget Division has submitted budget amendments seeking to correct an overstatement in the cost-allocation revenue. The net effect of the amendments requires the addition of General Fund support of \$2,266,553 in FY 2007-2008 and \$1,802,779 in FY 2008-2009 for a total of \$4,069,332. In addition, various adjustments have been made during the closing process. Staff concurs with these adjustments.

The *Executive Budget* recommends a total of 15 new positions over the 2007-2009 biennium. Six of those positions are recommended to be transferred to a new budget account, the High Tech Crime Unit. Other positions are recommended to transfer, leaving this budget with a net gain of 3.25 FTE positions. The AG has requested several adjustments regarding new positions. If the AG's request is approved, this budget would realize 11 new positions for a net gain of a 0.25 FTE position.

CHAIR RAGGIO:

[Exhibit G](#) indicates three new positions for the Tobacco Enforcement Unit funded by the Healthy Nevada Fund were requested in the *Executive Budget*.

MR. PERI:

That is correct.

Decision unit E-328 originally included four new positions, to assist with the increased volume and complexity of work required with boards and commissions, as indicated in [Exhibit F](#) on page 2. The AG has requested the recommended new deputy attorney general position be changed to an unclassified chief personnel officer at a proposed salary of \$94,586. The position was recommended by the National Association of Attorneys General which conducted a management study of the office and provided a report in March 2007. Instead, staff believes the size of the AG's staff is appropriate for a personnel officer III in classified service. This change would reduce the proposed salary.

E-328 Services at Level Closest to People – Page ELECTED-43

As shown on page 3 of [Exhibit F](#), the AG adjustments seek to combine the salary of the Governor-recommended new legal researcher with the salary of an existing chief deputy attorney general position to create a new unclassified solicitor general position at a proposed salary of \$139,097.

In decision unit E-327, the *Executive Budget* recommends \$309,288 over the biennium for a new deputy attorney general and legal secretary II to reduce large caseloads in the AG's Special Prosecution Unit.

E-327 Services at Level Closest to People – Page ELECTED-42

In decision unit E-326, the *Executive Budget* recommends \$540,185 in transfers from the Healthy Nevada Fund to add three new positions to the Tobacco Enforcement Unit. The AG has requested these positions and the transfer be eliminated, and that one new investigator position recommended in decision unit E-325 be moved to this decision unit and funded with a combination of General Funds and cost-allocation revenue. This investigator position is necessary to support anticipated growth related to the enforcement of counterfeit/contraband cigarette statutes through the passage of A.B. 464 of the 73rd Legislative Session.

E-326 Services at Level Closest to People – Page ELECTED-42

E-325 Services at Level Closest to People – Page ELECTED-41

CHAIR RAGGIO:

Is all of this information consistent with [Exhibit G](#)?

MR. PERI:

That is correct.

The AG has requested adjustments, as indicated on pages 3 and 4 of [Exhibit F](#) and in [Exhibit G](#), to the following decision units included in the *Executive Budget*: decision units E-325, E-924, E-925 and E-926.

E-924 Transfer Existing High Tech Crime to BA 1044 – Page ELECTED-46

E-925 Transfer Existing High Tech Crime to BA 1044 – Page ELECTED-47

E-926 Transfer Existing PCN Salary Increases to BA 1044 – Page ELECTED-47

The requested changes, indicated on page 4 of [Exhibit F](#), are as follows: in decision unit E-325, retain one of the two new investigator positions and move it to decision unit E-326; in decision unit E-806, reduce the recommended salary of the executive director of the High Tech Crime unit from a senior deputy attorney general to a mid-level deputy attorney general. The savings from the requested adjustments would be used to reclassify an existing chief deputy attorney general position to an unclassified chief of staff.

E-806 Unclassified Position Salary Increases – Page ELECTED-44

The *Executive Budget* recommends \$11,045 in each year of the biennium for attendance at eight out-of-state conferences, on page 4 [Exhibit F](#), for the High Tech Crime Unit. The AG has provided a priority list of proposed conferences. Staff recommends the Committee consider funding the two top priorities, which would fund attendance at four conferences, yielding a reduction of \$5,118 in each year of the biennium.

The *Executive Budget* recommends in-state travel of \$28,916 per year for this Unit. This was later reduced by \$14,939 per year by the Governor leaving \$13,977 in each year of the biennium. Staff has reviewed this request which appears to be reasonable.

The Governor has recommended operating costs of \$144,145 in FY 2007-2008 and \$144,303 in FY 2008-2009. The majority of these costs are for dues and registrations. In response to the Governor's request for General Fund reductions,

dues and registration expenses have been reduced to \$45,740 in each fiscal year. The reduction appears reasonable. In addition, staff recommends reductions of \$7,060 per year for Peace Officer's Standards and Training costs, resulting in a net amount of \$38,680 per year for dues and registrations.

Equipment is recommended at \$25,112 in FY 2007-2008. Information services are recommended at \$80,177 in FY 2007-2008 and \$4,459 in FY 2008-2009. Staff recommends price adjustments for duplicate software. For training, the *Executive Budget* recommends \$68,030 in each year of the biennium. The Governor has reduced the amount by \$38,718 per year, leaving \$29,312 annually.

Decision unit E-806 recommends \$160,671 over the biennium for unclassified position salary increases. Decision unit E-807 recommends \$122,932 for the reclassification of six unclassified positions as shown on page 5 of [Exhibit F](#). The requested salary increases and reclassifications will be reviewed and determined as part of the unclassified pay bill.

Decision unit E-902 recommends the transfer out of 2.75 full-time positions funded by the Violence Against Women Grants budget. These positions are currently funded in this account through a transfer from the Violence Against Women Grants budget.

Staff requests authority to make several technical adjustments related to the Statewide Cost Allocation Plan (SWCAP) assessments. Decision unit E-817 has been eliminated. The AG indicates the expense for radio usage can be absorbed in the Base Budget.

E-817 NDOT MHZ Radio Cost Allocation – Page ELECTED-45

In decision unit E-806, page 5 of [Exhibit F](#), a salary increase from \$52,379 to \$105,714 is included in the *Executive Budget* for the executive director of the High Tech Crime Task Force. On page 4 of [Exhibit F](#), the AG recommends, in lieu of the \$105,714, the salary be increased to \$81,818.

SENATOR COFFIN:

The incumbent Attorney General was appointed to a judgeship. The appointed replacement decided not to run for the position. I do not know what interest the appointed person had in working on the budget knowing he would not be serving under a future budget. A new Attorney General usually serves for eight years. On any of the items which have been cut, I would like to lean in favor of the current Attorney General because that person has taken a new look at the budget.

CHAIR RAGGIO:

I have had a number of discussions with the AG. These adjustments reported by staff were requested by the new Attorney General.

MR. PERI:

[Exhibit G](#) represents the AG's requests.

CHAIR RAGGIO:

The Attorney General also asked the National Association of Attorneys General to study the office. Many of these adjustments are the result of that review.

SENATOR BEERS:

Do the adjustments in [Exhibit G](#) for decision unit E-326, the new positions for the Tobacco Enforcement Unit, and decision unit E-325 go together?

MR. PERI:

Decision unit E-326, adjustment 2 on [Exhibit G](#), originally recommended three new positions for tobacco enforcement activities. The AG, after reviewing the *Executive Budget*, has asked decision unit E-326 be eliminated and instead, one new investigator recommended in decision unit E-325, adjustment 1 on [Exhibit G](#), be redirected to decision unit E-326 for tobacco enforcement activities. There would be a net of one position in decision unit E-326 and the funding would change from the Healthy Nevada Fund to the normal combination of General Fund and cost-allocation assessment revenue.

SENATOR BEERS:

What is the purpose of the Tobacco Enforcement Unit?

MR. PERI:

The Unit focuses on counterfeit and contraband cigarette stamps and statutes.

SENATOR BEERS:

Can that be done with the Healthy Nevada Fund?

MR. PERI:

The AG is eliminating the funding by the Healthy Nevada Fund.

CHAIR RAGGIO:

Does the Committee have other questions? The Chair has discussed with the AG better utilization of the existing staff and the use of outside counsel. I would like a report to the IFC delineating the progress being made. I have been assured the AG is looking into these concerns. At the conclusion of our budget closings, I am going to propose a letter of intent to the AG requiring the information be presented to the IFC on a regular basis. Does staff feel the adjustments requested by the AG are reasonable?

MR. PERI:

Staff has no other exceptions.

SENATOR COFFIN MOVED TO APPROVE B/A 101-1030 AS RECOMMENDED BY THE GOVERNOR WITH THE ADJUSTMENTS REQUESTED BY THE OFFICE OF THE ATTORNEY GENERAL; AND TO GIVE AUTHORITY TO STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

The Committee will close B/A 101-1030 and open the hearing on budget account 101-1044.

AG - High Tech Crime – Budget Page ELECTED-50 (Volume I)
Budget Account 101-1044

MR. PERI:

The closing detail for B/A 101-1044, High Tech Crime, appears on pages 7 through 9 of [Exhibit F](#). Staff requests approval to implement the action taken by the Committee in B/A 101-1030. This account will include eight of the nine Governor-recommended positions. This includes the transfer in of three existing full-time positions in addition to five new positions.

SENATOR BEERS MOVED TO APPROVE B/A 101-1044 AS RECOMMENDED BY THE GOVERNOR WITH THE ADJUSTMENTS REQUESTED BY THE OFFICE OF THE ATTORNEY GENERAL; AND TO GIVE AUTHORITY TO STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

That action closes B/A 101-1044. The Committee will hear B/A 101-1031.

AG - Special Fund – Budget Page ELECTED-54 (Volume I)
Budget Account 101-1031

MR. PERI:

The closing details for B/A 101-1031, Special Fund, are on pages 10 and 11 of [Exhibit F](#). In the *Executive Budget*, decision unit E-325 recommends \$909,919 in General Fund appropriations in FY 2007-2008 for legal costs associated with the State's efforts to prevent the location of a federal nuclear waste repository at Yucca Mountain. The Governor also recommends the continuation of base expenditures of \$590,081 in each year of the biennium. This would provide \$2,090,081 over the biennium. The Governor subsequently recommended a reduction in this decision unit of \$477,885 in FY 2007-2008. The reduction results in a total amount available for the biennium of \$1,612,196.

E-325 Services at Level Closest to People – Page ELECTED-55

The Governor's initial budget recommendation included \$200,000 in each year of the 2007-2009 biennium in the State Public Works Board (SPWB) inspection budget, page 11 of [Exhibit F](#), to hire a contract attorney for assistance with construction-related matters and claims. Since the submittal of the original budget, the AG, SPWB and the Budget Division have agreed the AG could provide the services. The proposed budget totals \$196,329 in FY 2007-2008 and \$191,976 in FY 2008-2009; in lieu of a contract attorney, the budget would provide for the creation of a new unclassified construction law counsel at the same level and salary as the existing assistant attorney general, the proposed new chief of staff and solicitor general positions. That new position is proposed to be put into this budget account.

CHAIR RAGGIO:

When we heard these budgets, both of these items were discussed extensively. Would the reduction result in nuclear waste litigation funding at \$1.6 million?

MR. PERI:

The reduction to \$1.6 million compares to \$2.1 million in the Governor's initial recommendation.

CHAIR RAGGIO:

If we approve \$1.6 million, will this budget have access to the Contingency Fund?

MR. PERI:

Yes, it will.

CHAIR RAGGIO:

The Committee will be receiving two bills next week to revamp the SPWB. I do not disagree with having the expertise within the AG rather than contracting for the service. Will the amount still be required in the SPWB budget?

MR. PERI:

The \$200,000 initially recommended in the SPWB budget would have been used for contract services. That would now transfer into this account.

SENATOR RHOADS MOVED TO APPROVE B/A 101-1031 AS
RECOMMENDED BY THE GOVERNOR.

SENATOR BEERS SECONDED THE MOTION.

SENATOR TITUS:

I do not think this is a good time to cut the litigation fund. We do not know how much money will be available in the Contingency Fund.

CHAIR RAGGIO:

If additional funds are required, this budget has access to the Contingency Fund.

SENATOR BEERS:

I seconded this motion because we are reducing the fund.

SENATOR COFFIN:

Are we proposing to have a larger appropriation to the Contingency Fund? It will be a bad fire season. The Contingency Fund is expected to last 1.5 years, until the next Session.

CHAIR RAGGIO:

The Governor has proposed a larger amount in the Contingency Fund than previously, because we have run short in the past.

THE MOTION CARRIED. (SENATORS TITUS AND COFFIN VOTED NO.)

* * * * *

CHAIR RAGGIO:

We will close B/A 101-1031 and open the hearing on B/A 101-1037.

AG - Medicaid Fraud – Budget Page ELECTED-57 (Volume I)
Budget Account 101-1037

MR. PERI:

The closing details for B/A 101-1037, Medicaid Fraud, are on pages 12 and 13 of [Exhibit F](#). Decision units E-710 and E-720 recommend funding for equipment including software licensing costs and upgrades; personal computers and laptops. Staff proposes two technical adjustments. The first reduces the recommended General Fund appropriation from \$1,000 to \$100 each year which will still allow access to the Contingency Fund. The second adjustment reduces the amounts recommended for the SWCAP.

E-710 Replacement Equipment – Page ELECTED-59

E-720 New Equipment – Page ELECTED-60

SENATOR RHOADS MOVED TO APPROVE B/A 101-1037 AS
RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS
REQUESTED BY STAFF.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

That action closes B/A 101-1037. We will hear B/A 101-1033.

AG - Workers' Comp Fraud – Budget Page ELECTED-63 (Volume I)
Budget Account 101-1033

MR. PERI:

The closing details for B/A 101-1033, Workers' Comp Fraud, are on pages 14 and 15 of [Exhibit F](#). The proposed transfer of revenue from the Insurance Regulation budget is overstated by \$28,220 in FY 2007-2008 and by \$9,747 in FY 2008-2009. Staff requests approval to make the necessary adjustments to match the \$1,008,525 approved for transfer each year from the Insurance Regulation budget. The Budget Division has recommended adjustments to the SWCAP assessments in this budget.

SENATOR RHOADS MOVED TO APPROVE B/A 101-1033 AS
RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR STAFF TO
MAKE TECHNICAL ADJUSTMENTS.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

The next account is B/A 330-1038.

AG - Consumer Advocate – Budget Page ELECTED-69 (Volume I)
Budget Account 330-1038

MR. PERI:

The closing details for B/A 330-1038, Bureau of Consumer Protection, are on pages 16 and 17 of [Exhibit F](#). There are two major closing issues in this budget account. The first one is an overstatement of mill assessment revenue. The Governor's budget overstates this revenue by \$367,390 over the biennium. An amendment has been received to correct the error. Staff concurs with the amendment. The amendment requires the addition of General Fund revenue of \$145,598 in FY 2007-2008 and \$207,461 in FY 2008-2009, along with a \$14,331 reduction to reserve in FY 2008-2009.

Decision unit E-252 recommends the elimination of an existing unclassified program specialist position the AG says is no longer needed. The AG has submitted a requested adjustment to this decision unit to eliminate another existing unclassified administrative assistant position and to use the savings from the elimination of these two positions to create a new unclassified administrative services officer at a salary equivalent to a classified administrative services officer II.

E-252 Working Environment and Wage – Page ELECTED-71

CHAIR RAGGIO:

Does that appear reasonable to staff?

MR. PERI:

Yes, it does.

Decision unit E-807 recommends position upgrades for two existing unclassified deputy attorney general positions to the senior deputy level. Decision unit E-806 recommends salary increases for an existing senior engineer and a technical staff manager. The salary levels contained in the budget are in error and restoration to the original level is requested. The request is to increase the senior engineer salary from \$86,086 to \$96,416, a 12-percent increase. The technical staff manager position salary would increase from \$86,161 to \$91,331, a 6-percent increase. Decision unit E-710 recommends \$29,176 over the biennium for the replacement of small equipment items, two facsimile machines, software upgrades and three personal computers. Staff requests authority to make technical adjustments to the SWCAP.

E-807 Position Upgrades – Page ELECTED-73

E-806 Unclassified Position Salary Increases – Page ELECTED-72

E-710 Replacement Equipment – Page ELECTED-72

SENATOR COFFIN:

If revenue comes in above projections and there is a need for new positions, can the AG go to the IFC for authorization?

MR. PERI:

Yes, it could. The reserve is at a level to do what you are suggesting.

SENATOR BEERS MOVED TO APPROVE B/A 330-1038 AS RECOMMENDED BY THE GOVERNOR; WITH THE AMENDMENT TO ADJUST THE MILL ASSESSMENT REVENUE; WITH ELIMINATION OF THE UNCLASSIFIED PROGRAM SPECIALIST AND ADMINISTRATIVE ASSISTANT AND ADDITION OF THE UNCLASSIFIED ADMINISTRATIVE SERVICES OFFICER; AND WITH AUTHORITY FOR STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:
The Committee will hear B/A 101-1036.

AG - Crime Prevention – Budget Page ELECTED-76 (Volume I)
Budget Account 101-1036

MR. PERI:
The closing details for B/A 101-1036, Crime Prevention, are on page 18 of [Exhibit F](#). There are no major closing issues in this account and no closing adjustments.

SENATOR TITUS MOVED TO APPROVE B/A 101-1036 AS RECOMMENDED BY THE GOVERNOR.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:
The next budget is B/A 715-1348.

AG - Attorney General Tort Claim Fund – Budget Page ELECTED-80 (Volume I)
Budget Account 715-1348

MR. PERI:
The closing details for B/A 715-1348, Tort Claim Fund, are on pages 19 and 20 of [Exhibit F](#). The *Executive Budget* recommends a one-time General Fund appropriation of \$9,483,407 to replenish this account in FY 2006-2007 following the binding arbitration award in favor of the plaintiffs in *Addison v State Public Works Board*. This was a dispute over the Southern Nevada Veterans' Home.

Senate Bill 345, which recommends the \$9,483,407, includes refunding \$2,979,282 to the State agencies assessed to raise funds needed in FY 2006-2007 for payment of the arbitration decision. The remaining amount of \$6,504,125 is recommended to restore current FY 2006-2007 Tort Claim

expenditure authority and reserve funding, which was reduced to pay the award.

This Committee amended S.B. 345 from \$9,483,407 to \$4,255,865 which provided \$2.9 million in refunds to State agencies and \$1,276,583 to restore the Tort Claim expenditure authority to \$4 million in FY 2006-2007 as requested by the AG. The Committee asked staff to address replenishing the reserve at budget closings or in separate legislation. The intent in amending S.B. 345 was to avoid a problem with Education First. The remainder of \$5,227,542 (\$9,483,407 minus \$4,255,865) is available for consideration in replenishing the reserve. Staff has identified two options for the Committee's consideration as shown on page 20 of [Exhibit F](#). Option A would result in a General Fund savings of \$452,597. Option B suggests reducing the recommended Tort Claim expenditure and reserve levels and would result in General Fund savings of \$1,247,879. The Assembly Committee on Ways and Means has approved Option B, to use surplus funds and to place the request in a bill.

SENATE BILL 345 (1st Reprint): Makes an appropriation to the Office of the Attorney General to replenish the balance in the tort claim fund. (BDR S-1204)

Staff also requests authority to make technical adjustments to the SWCAP assessments.

CHAIR RAGGIO:

How did we get from \$9 million down to \$4.2 million?

MR. PERI:

The initial \$9 million included three components: refunding \$3 million to the agencies; reestablishing expenditure authority in FY 2006-2007; and replenishing the reserve. To accommodate Education First and allow the refund to agencies in FY 2006-2007, S.B. 345 removed the reference to the 2007-2009 biennium.

CHAIR RAGGIO:

I am not sure Option B is preferable.

MR. PERI:

Option B is a higher risk. This account has access to the reserve for statutory contingency, carryforward balances and the IFC Contingency Fund.

CHAIR RAGGIO:

We are always bumping up against the ceiling and must dig for funds like we did this time by assessing the agencies. Option A is less risky.

MR. PERI:

There is no risk with Option A.

SENATOR BEERS MOVED TO APPROVE B/A 715-1348 WITH OPTION A, USING GENERAL FUNDS; TO APPROVE THE REMAINDER OF THE BUDGET AS RECOMMENDED BY THE GOVERNOR; AND TO GIVE STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR CEGAVSKE SECONDED THE MOTION.

SENATOR TITUS:

Does this account have access to the Contingency Fund?

MR. PERI:

This account has statutory access to the reserve for statutory Contingency Fund administered by the Board of Examiners. If General Funds are placed in this account, it would have access to the IFC Contingency Fund. There is always the least attractive alternative of another special assessment to agencies during a fiscal year.

SENATOR TITUS:

I think Option B would be better.

THE MOTION CARRIED. (SENATORS TITUS AND MATHEWS VOTED NO.)

* * * * *

MR. PERI:

I need clarification on the mechanical method of making the appropriation. The Committee has two choices. The amount could be added to this budget for FY 2007-2008 or it could be added to an existing bill.

MR. GHIGGERI:

This could be placed into the Appropriations Act as a separate section and become effective upon passage and approval. There would be no reversion for that money. We have replenished the Contingency Fund in this manner and have provided appropriations for the operation of the Session in the Appropriations Act. Instead of doing a separate bill, place the amount in the Appropriations Act.

CHAIR RAGGIO:

We are always up against the cap. I do not want to get into that situation. If the intent is to save General Fund money at the expense of running the risk of not having funds available for this type of situation, I suggest we exercise caution. That is the reason I support Option A.

SENATOR TITUS:

I appreciate your position. That is why I felt strongly about the nuclear litigation fund. What did you mean when you mentioned being up against Education First?

MR. PERI:

The initial appropriation had several components. The larger of the components was to replenish the reserve. It was knowingly conveyed the appropriation was for the next biennium; that it would not be touched in the current fiscal year even though the initial \$9.5 million would be in the current fiscal year. Our concern is to separate approving a bill now that perhaps should not be approved before Education First. We removed that part to allow the Committee to act independently so the refund could be made to the State agencies in the current year and then consider the replenishment of the reserve which you are doing right now.

Senate Committee on Finance
May 17, 2007
Page 26

CHAIR RAGGIO:

The Committee will close B/A 715-1348 with Option A. The Committee will hear B/A 101-1002.

AG - Extradition Coordinator – Budget Page ELECTED-84 (Volume I)
Budget Account 101-1002

MR. PERI:

The closing detail for B/A 101-1002, Extradition Coordinator, is on page 21 of [Exhibit F](#). There are no closing issues or recommended adjustments for this account.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-1002 AS RECOMMENDED BY THE GOVERNOR.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

The budget is closed; we will open B/A 101-1041.

AG - Council for Prosecuting Attorneys – Budget Page ELECTED-88 (Volume I)
Budget Account 101-1041

MR. PERI:

The closing details for B/A 101-1041, Council for Prosecuting Attorneys, are on pages 22 and 23 of [Exhibit F](#). There are no major closing issues. Staff requests authority to make technical adjustments for the SWCAP.

SENATOR COFFIN MOVED TO APPROVE B/A 101-1041 AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS RECOMMENDED BY STAFF.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

The Committee has closed B/A 101-1041 and will open the discussion on B/A 101-1042.

AG - Victims of Domestic Violence – Budget Page ELECTED-93 (Volume I)
Budget Account 101-1042

MR. PERI:

The closing detail for B/A 101-1042, Victims of Domestic Violence, is on page 24 of [Exhibit F](#). There are no issues or closing adjustments in this account.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-1042 AS RECOMMENDED BY THE GOVERNOR.

SENATOR TITUS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

SENATOR RAGGIO:

The Committee has closed B/A 101-1042 and will open B/A 101-1040. Where does the funding come from for this budget?

AG - Violence Against Women Grants – Budget Page ELECTED-98 (Volume I)
Budget Account 101-1040

MR. PERI:

The funding is all federal grants. The detail for B/A 101-1040, Violence Against Women Grants, is on page 25 of [Exhibit F](#). There are no issues or closing adjustments in this account.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-1040 AS RECOMMENDED BY THE GOVERNOR.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

SENATOR TITUS:

Is there anyone with the AG dealing with immigration issues?

MR. PERI:

I will get the information to you.

CHAIR RAGGIO:

I would like a formal motion to send a letter of intent from this Committee to the AG to require information regarding the efficient utilization of existing positions and a plan to reduce the necessity of outside counsel for specialized litigation.

SENATOR CEGAVSKE MOVED TO REQUEST A LETTER OF INTENT BE SENT TO THE OFFICE OF THE ATTORNEY GENERAL REQUIRING INFORMATION REGARDING THE EFFICIENT UTILIZATION OF EXISTING POSITIONS AND A PLAN TO REDUCE THE NECESSITY OF OUTSIDE COUNSEL FOR SPECIALIZED LITIGATION BE PRESENTED TO THE INTERIM FINANCE COMMITTEE ON A REGULAR BASIS.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Senate Committee on Finance
May 17, 2007
Page 28

CHAIR RAGGIO:
There being no further business to come before the Committee at this time, we
are adjourned at 10:19 a.m.

RESPECTFULLY SUBMITTED:

Sandra K. Small,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE:_____