

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session  
May 21, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:10 a.m. on Monday, May 21, 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  
Assemblyman John W. Marvel, Assembly District No. 32

**STAFF MEMBERS PRESENT:**

Michael J. Chapman, Senior Program Analyst  
Sarah Coffman, Program Analyst  
Rick Combs, Program Analyst  
Laura Freed, Program Analyst  
Gary L. Ghiggeri, Senate Fiscal Analyst  
Robin Hager, Program Analyst  
Eric King, Program Analyst  
Mark Krmpotic, Senior Program Analyst  
Larry L. Peri, Principal Deputy Fiscal Analyst  
H. Pepper Sturm, Chief Deputy Research Director  
Michael Archer, Committee Secretary

**OTHERS PRESENT:**

Gaylyn Spriggs, Nevada Taxpayers Association  
James Richardson, Nevada Faculty Alliance  
Martin Bibb, Retired Public Employees of Nevada  
George Ross, Las Vegas Chamber of Commerce  
Kimberly M. Surratt, Nevada Trial Lawyers Association  
Nancy K. Ford, Administrator, Division of Welfare and Supportive Services,  
Department of Health and Human Services  
Alexander Haartz, M.P.H., Administrator, Health Division, Department of Health  
and Human Services  
Lori Bagwell, Chief of Fiscal Services, Department of Corrections  
Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of  
Education

Senate Committee on Finance  
May 21, 2007  
Page 2

Al Bellister, Nevada State Education Association  
Scott E. Bice, Commissioner, Division of Mortgage Lending, Department of  
Business and Industry  
Louise Torres, Executive Director, The Rape Crisis Center  
Mandy Lundy, Child Assault Prevention Coordinator, The Rape Crisis Center  
Virginia (Ginny) Lewis, Director, Department of Motor Vehicles  
Troy Dillard, Administrator, Compliance Enforcement Division, Department of  
Motor Vehicles  
Sonja Leonard, Chairman, Nevada Discovery Museum  
Caryn Swobe, Chairman of the Board, Nevada Discovery Museum  
Ronald P. Dreher, Peace Officers Research Association of Nevada  
Rob Holley, President, Park Rangers Association of Nevada  
Mike B. Neville, Investigator, Washoe County District Attorney's Office  
Dana Bilyeu, Executive Officer, Public Employees' Retirement System  
David F. Kallas, Southern Nevada Conference of Police and Sheriffs  
Rusty McAllister, Professional Firefighters of Nevada  
Scott M. Craigie, Monte Cristo's Castle  
Andrea Robb-Bradick  
Frank A. Bradick  
David K. Morrow, Administrator, Division of State Parks, Department of  
Conservation and Natural Resources

CHAIR RAGGIO:  
We will begin with Senate Bill (S.B.) 422.

**SENATE BILL 422 (1st Reprint):** Requires the creation of a registry and  
inventory of greenhouse gases emitted in this State. (BDR 40-678)

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative  
Counsel Bureau):  
Amendment No. 774 was tentatively approved by the Senate Committee on  
Finance last week. This amendment changes the effective date of the  
Legislation from October 1, 2007, to July 1, 2007.

SENATOR COFFIN MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 422.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS BEERS, CEGAVSKE AND TITUS  
WERE ABSENT FOR THE VOTE.)

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CHAIR RAGGIO:  
We will close the hearing on S.B. 422 and open the hearing on  
Assembly Bill (A.B.) 196.

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

ASSEMBLYMAN JOHN W. MARVEL (Assembly District No. 32):

This bill will remove the General Fund expenditure cap so that when the State once again has the resources, we can begin prefunding some of these liabilities that must inevitably be paid in the future.

GAYLYN SPRIGGS (Nevada Taxpayers Association):

The Nevada Taxpayers Association supports A.B. 196. As these liabilities grow and become more expensive, this will have a negative impact on the revenue available for education, prisons, mental health, etc.

JAMES RICHARDSON (Nevada Faculty Alliance):

The Nevada Faculty Alliance supports A.B. 196. This bill provides options to allow money above the expenditure cap to be used not only in construction projects, but to help pay down this liability. We are also pleased S.B. 547 is being considered which would begin to provide funding to pay down these liabilities. By doing this, Nevada will ensure its bond rating stays high. Under that measure, money would be appropriated for this trust fund.

MARTIN BIBB (Retired Public Employees of Nevada):

The Retired Public Employees of Nevada support A.B. 196.

GEORGE ROSS (Las Vegas Chamber of Commerce):

The Las Vegas Chamber of Commerce feels the most important issue facing this State is our large unfunded liability. We support A.B. 196.

SENATOR BEERS:

This legislation seems to decrease the importance of the issue.

MR. ROSS:

We believe this will enable us to begin fixing this problem.

SENATOR BEERS:

Should we also put economic development outside the expenditure cap?

MR. ROSS:

Without paying this large liability, there will be less revenue left for other purposes.

CHAIR RAGGIO:

We will close the hearing on S.B. 196 and open the hearing on S.B. 67.

**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)

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

Senate Bill 67 was originally introduced by Senator Warren Hardy. With his permission, that bill was changed and the Putative Father Registry, originally in S.B. 71, was moved to S.B. 67. Because of this, the cost reflected in the fiscal note has decreased.

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

Senate Bill 71 is also known as the Uniform Parentage Act. This allows for putative and unknown fathers, who have registered in a requisite time, to be notified about proceedings for adoption or terminations of parental rights.

There is also amended language in section 7, subsection 2 of S.B. 67 which changes the amount of the registration fee.

SENATOR COFFIN:

I am concerned about the maximum period of time restriction in which a putative father must register. There may be times when a father does not know he has a child until it is too late.

KIMBERLY M. SURRETT (Nevada Trial Lawyers Association):

That language was in the Uniform Parentage Act but is not included in S.B. 67.

SENATOR COFFIN:

The statute of limitations for an action is two years from the birth of a child. Does this put a mother at a disadvantage? Is this statutory time limit being adopted in other states?

SENATOR CARE:

Seven states have enacted some form of the Uniform Parentage Act. The two-year limit was recommended by the bill's drafting committee.

SENATOR COFFIN:

Does this time limit mean a mother would have only two years in which to have a father tested for paternity?

MS. SURRETT:

The reason for the two-year limitation is we wanted to avoid a situation where people, including same-sex couples and grandparents, could bypass adoption laws and gain parental rights by assertion. This presumption is meant to provide a reasonable basis for conclusion of paternity. If a man did not live in the same household as the mother and the child during the child's birth and infancy, the law should not presume he is the father.

SENATOR COFFIN:

Is the language in this bill needed to cover unusual circumstances like sperm donors?

MS. SURRETT:

The Uniform Parentage Act covers a wide variety of methods for determining parentage, including sperm donors and other methods of conception.

SENATOR COFFIN:

Under the more traditional method of conception and birth, would the mother be disadvantaged by the two-year statute of limitations?

SENATOR CARE:

The two-year statute of limitations contained in the Uniform Parentage Act only relates to the adjudication of parentage.

SENATOR COFFIN:

What is the current statute of limitations for a woman to claim a man is the father of her child and have that adjudicated?

Ms. SURRETT:

I do not know. However, if, a woman brings an action for a finding of paternity to court, she can receive up to four years of arrearage in child support. Section 81, subsection 2, of S.B. 71 states the two-year statute of limitations for a proceeding seeking to disprove the father-child relationship between the child and the child's presumed father may be maintained at anytime if the court determines it meets certain requirements in the Uniform Parentage Act.

SENATOR COFFIN:

Subsection 1 of section 81 states the proceeding " ... must be commenced not later than 2 years after the birth of the child." Does this means after two years the man could not be declared as the father?

NANCY K. FORD (Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services):

Section 80 of S.B. 71 states "A proceeding to adjudicate the parentage of a child having no presumed, acknowledged or adjudicated father may be commenced at any time, even after: The child becomes an adult, but only if the child initiates the proceeding ... ". Consequently, if it is a "putative" father, there is no statute of limitations. However, if it is a "presumed" father, the language in section 81 applies.

Please see the handout from Ms. Louise Bush, Chief of the Child Enforcement Program, Nevada Division of Welfare and Supportive Services ([Exhibit C](#)).

CHAIR RAGGIO:

Does section 80 change the existing statute? Can the child bring a paternity action at any time during his or her lifetime? This is a significant change.

Ms. FORD:

Currently, the law allows an action for paternity to be brought until two years after the child reaches the age of majority. The language in section 80 seems to indicate a change in that law.

Ms. SURRETT:

If a finding of paternity is not made, there is no basis for inheritance rights and other conditions of a parent-child relationship.

CHAIR RAGGIO:

Can an adopted child bring an action to determine paternity?

Ms. SURRETT:

The parental rights would have been terminated. It may not be specific to a person, but all parental rights must be terminated before an adoption can go forward.

SENATOR CEGAVSKE:  
How does this affect foster-care children?

MS. SURRETT:  
Under the Uniform Parentage Act, if paternity is established, there could be some benefits available to the child.

SENATOR CEGAVSKE:  
Was there a particular situation or court case that gave rise to this legislation?

SENATOR CARE:  
No. The National Conference Commissioners on Uniform State Laws determined the need for this Act.

CHAIR RAGGIO:  
Under section 80, if an adopted a child reaches the age of majority, can they bring an action of paternity to identify their biological father? This troubles me. What is the purpose of that?

MS. SURRETT:  
Under section 80, they could have a finding of paternity. It can be troubling.

CHAIR RAGGIO:  
How many other states have adopted similar laws?

MS. SURRETT:  
Six or seven states have adopted the current version of this Act. Many other states have adopted prior versions. I have encountered many procedural problems while helping people with issues arising from assisted reproduction technology. Our rules are outdated and inconsistent.

CHAIR RAGGIO:  
Please comment on the fiscal note for S.B. 67 and S.B. 71.

ALEXANDER HAARTZ, M.P.H (Administrator, Health Division, Department of Health and Human Services):

Please see my handout "Fiscal Note Summary for S.B. 67" ([Exhibit D](#)). The fiscal note on S.B. 67 will be \$10,339 in the first year of the coming biennium and \$1,000 in the second year. The primary costs in the first year are for the Board of Health to adopt the regulations for the forms. There is \$1,000 in operational costs in the first year and that is primarily for mailing and \$9,339 for the State Board of Health to adopt the regulations and forms. The \$1,000 in the second year is for mailing.

In the fiscal note for S.B. 71, we are looking at the same amount of costs for each year. If the bills were combined, we would not have to deal with duplicative regulations. Please see handout entitled "Fiscal Note Summary for S.B. 71" ([Exhibit E](#)).

CHAIR RAGGIO:  
The fiscal note shows a significant amount for General Fund loss of revenue from vital statistics fees.

MR. HAARTZ:

The language in S.B. 67, section 18 indicates there should not be fees charged for providing search information. This sets up a conflict with the *Nevada Revised Statutes* (NRS) 440.700 which provides the fees for vital records. Currently the statute says "For establishing and filing a record of paternity (other than a hospital-based paternity) and providing a certified copy of the new record." the statute calls for a \$20 fee.

CHAIR RAGGIO:

If the Office of Vital Records will still be charging a fee, why are you anticipating a loss of revenue?

MR. HAARTZ:

There may be a conflict which will require clarification. In S.B. 67, section 18, subsection 2, the law allows a fee of \$8 for making a file search for one name with no copies made.

However, S.B. 71 is where we are more concerned about the revenue loss. In section 41 of the first reprint, the Registrar of Vital Statistics may not charge a fee in a filing for either an acknowledgement or denial of paternity. The loss of this fee revenue would cost \$69,394 in each year of the upcoming biennium.

CHAIR RAGGIO:

We will close the hearing on S.B. 67 and S.B. 71 and open the hearing on S.B. 123.

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

CHAIR RAGGIO:

The fiscal note indicates a cost of \$208,157 in the first year of the upcoming biennium and \$256,973 in the second year.

SENATOR CARE:

Senate Bill 123 is a public policy issue. I do not feel its passage will increase the number of requests for copies of public records.

SENATOR BEERS:

Unless these costs represent something other than employee time, will this bill result in an increase in State spending?

MR. GHIGGERI:

The only two agencies who have reported a need are the Health Division, for two positions, and the Department of Corrections (DOC) for two positions. Please see the handout entitled "Fiscal Note for Summary for S.B. 123" ([Exhibit F](#)).

SENATOR BEERS:

I would like to exempt those two agencies for two years. The Health Division will be getting their data warehouse and may not need the positions, and the DOC will have their data system fully implemented in two years.



SENATOR TITUS:

We need an independent body to provide these fiscal notes. I agree that these computer systems will soon allow greater accessibility and accountability.

SENATOR BEERS:

Is there an outside time limit during which these compliances must be met?

SENATOR CARE:

No. If, within the five days, they cannot comply with an Open Meeting Law request, or the document will not be provided, the agency must notify the requester. If the requester believes he or she has not been dealt with fairly, they can, under current law, seek legal redress.

CHAIR RAGGIO:

Whether we like the process or not, the Legislature set up the process to require fiscal notes on these bills and, in preparing a budget, we must utilize the fiscal notes.

SENATOR BEERS:

I would like to know from these two agencies specifically how they would be affected by not getting these positions.

MR. HAARTZ:

I will provide that information after I review the first reprint of this bill and check with my staff.

LORI BAGWELL (Chief of Fiscal Services, Department of Corrections):

The DOC reviewed the first reprint of S.B. 123 and determined we would need two staff positions, one in northern Nevada and one in Southern Nevada, to respond to these requests. Statute now requires us to redact many documents. This is labor intensive. The DOC does not have a position dedicated to responding to requests for public information. To comply with such requests, we use existing staff members.

SENATOR CARE:

The Board of Parole Commissioners has submitted a letter ([Exhibit G](#)) with some concerns about S.B. 123. I would agree to exempt the 30-year time limit for victims.

CHAIR RAGGIO:

We will close the hearing on S.B. 123 and open the hearing on S.B. 540.

**SENATE BILL 540:** Revises provisions governing the system of public education in this State. (BDR 34-113)

H. PEPPER STURM (Chief Deputy Research Director, Research Division, Fiscal Division, Legislative Counsel Bureau):

Proposed amendments to S.B. 540 are described in the handout entitled "Mock-up: Proposed Amendment to Senate Bill 540" ([Exhibit H](#), original is on file in the Research Library).

The State Board of Education retains its current regulatory and policy role by deletions of various sections throughout the original bill. The proposed amendment deletes those sections of the bill that made the State Board of



Education advisory to the Superintendent of Public Instruction. Also deleted are the associated provisions that made the Superintendent the regulatory and policy authority for the Nevada Department of Education. Instead, the bill, as amended, allows the State Board of Education to retain its current regulatory and policy role.

The amendment revises the original bill's requirement for the direct appointment by the Governor of the Superintendent of Public Instruction. Instead, a five-member search committee would be constituted that would review candidate qualifications, conduct interviews and recommend three potential candidates to the Governor for his appointment. The search committee would consist of one member of the State Board of Education, two members appointed by the Governor, one non-legislator member appointed by the Senate Majority Leader and one non-legislator member appointed by the Speaker of the Assembly.

The proposed amendment would provide the Governor, or his designee, serve ex officio as a voting member of the State Board of Education. The Governor will select the President of the Board from among its members. The Governor may place items on the agenda of the Board and the Governor would have the authority to reject the policy decisions and regulations adopted by the Board. The regulations are then forwarded to the Legislative Commission.

The requirement for a new division of the Department of Education is deleted, but the Legislative Bureau of Educational Accountability and Program Evaluation remains intact. The amendment also removes the fiscal note for the Nevada Department of Education.

The process for compiling and reviewing a proposed budget for the Distributive School Account would involve the Superintendent and the State Board of Education prior to its submittal to the Budget Division. Existing law requires the board of trustees of each school district to submit a written report of the annual budget for the school district to the Superintendent of Public Instruction and the Department of Taxation. The Superintendent of Public Instruction is required to compile the reports of the annual budgets and submit the written compilation to the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau.

Section 14 of the amendment requires the Superintendent of Public Instruction to include certain information in the biennial budget request for the State Distributive School Account for submission to the Department of Administration based upon the annual budgets submitted by the school districts. This change would make the process similar to the manner in which other Executive Branch agencies submit their budgets.

As provided in the original bill, certain of the education commissions and councils are now advisory to the Superintendent of Public Instruction. Although the State Board of Education is no longer advisory, various commissions listed in the bill continue to report to the Superintendent of Public Instruction. As in the original S.B. 540, the Commission on Educational Excellence makes recommendations for grant funding to the Legislative Committee on Education and the Board of Examiners, with final review and approval by the Interim Finance Committee (IFC). The amendment would also delete language which provided for oversight of Regional Professional Development Programs

(RPDP) by the Superintendent. As in the original bill, the Superintendent will determine the geographical regions of the RPDPs, and the Board of Education will receive RPDP reports already required in statute.

The Superintendent of Public Instruction would no longer be required to serve on certain ancillary boards and commissions. Due to increased responsibilities under the revised bill, the proposed amendment also makes changes in Title 34 to delete the requirement that the Superintendent of Public Instruction, or his designee, serve ex officio on certain boards or groups. However, the Superintendent continues to serve as Secretary of the State Board of Education.

KEITH RHEAULT, Ph.D. (Superintendent of Public Instruction, Department of Education):

With the deletion of the new division, the DOE does not now have a fiscal note.

The State Board of Education did look at the original bill and there was discussion about how we could get the Governor more involved.

AL BELLISTER (Nevada State Education Association):

I have not had time to read the amendment and ask that the bill be not acted upon this morning.

CHAIR RAGGIO:

We will close the hearing on S.B. 540 and open the hearing on the Joint Subcommittee report on Higher Education and Capital Improvements regarding the Department of Administration, Buildings and Grounds Division.

ERIC KING (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on Higher Education and Capital Improvements has completed its review of the budgets for the Department of Administration, Buildings and Grounds Division. The Subcommittee's recommendations result in General Fund savings of \$44,737 in fiscal year (FY) 2007-2008 and \$57,672 in FY 2008-2009.

Budget Account (B/A) 710-1349 is funded with increases in the office rent for State agencies from 91 cents to \$1.09 per gross square foot in each year of the 2007-2009 biennium.

## ADMINISTRATION

### Buildings & Grounds – Budget Page ADMIN-79 (Volume I) Budget Account 710-1349

This rental rate increase, which provides the majority of funding for this budget, is due to a decline in total billable square footage, a decrease in non-rent revenue and increased expenses.

The Subcommittee recommended approval of the establishment of a professional engineer position to assist an existing chief engineer by providing design and engineering services. Due to the variability of the workload and recent increases in staffing levels, the Subcommittee did not recommend the approval of a recommendation to establish an administrative assistant position

to assist with the leases and contracts managed by the Division. The Subcommittee recommended approval of approximately \$1.5 million over the 2007-2009 biennium for building maintenance and renovation projects funded through building rent revenue, as recommended by the Governor.

With the exception of an adjustment to reduce inflationary increases for building maintenance contracts by \$4,483 in both years of the 2007-2009 biennium, the Subcommittee recommended closing of the remainder of the Buildings and Grounds budget as recommended by the Governor with technical adjustments noted by fiscal staff.

Recommended closing for budget account 101-1353 is contingent upon the approval of the 2007 Capital Improvement Program (CIP) project which would provide funding of \$1,375,218 to demolish the facility. The Subcommittee recommended approval of a reduction of funding that provides operating funds for the facility until the demolition project begins and for minor utility and maintenance funds for the remainder of the 2007-2009 biennium.

B&G - Clear Creek Youth Center – Budget Page ADMIN-97 (Volume I)  
Budget Account 101-1353

The Subcommittee's recommended demolition of the facility was based upon the condition of the structures at the center and a lack of viable alternative uses for the facility. This action results in General Fund savings of \$102,409 during the 2007-2009 biennium.

The Subcommittee also reviewed budget accounts 713-1346, 713-1347 and 712-1366 and recommends they be closed as recommended by the Governor with technical adjustments as recommended by staff.

B&G - Mail Services – Budget Page ADMIN-88 (Volume I)  
Budget Account 713-1346

B&G - Mail Services - Equipment Purchase – Budget Page ADMIN-94 (Volume I)  
Budget Account 713-1347

B&G - Marlette Lake – Budget Page ADMIN-99 (Volume I)  
Budget Account 712-1366

SENATOR COFFIN:

After the buildings at Clear Creek are removed, will it be returned to its natural appearance?

MR. KING:

Yes. They will remove both the aboveground structures and those below ground, like storage tanks.

SENATOR COFFIN MOVED TO APPROVE B/A 710-1349, B/A 101-1353, B/A 713-1346, B/A 713-1347 AND B/A 712-1366 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE ON HIGHER EDUCATION AND CAPITAL IMPROVEMENTS, WITH TECHNICAL ADJUSTMENTS BY STAFF.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGETS CLOSED.

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CHAIR RAGGIO:

We will now hear the report of the Joint Subcommittee on General Government on budget accounts for the Department of Agriculture and the Division of Minerals.

SARAH COFFMAN (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on General Government has completed its review of the budget accounts for the Department of Agriculture and the Division of Minerals. The closing actions recommended by the Subcommittee have resulted in General Fund savings of \$79,335 in FY 2007-2008 and \$186,381 in FY 2008-2009 when compared to the Governor's recommended budget.

As represented in the *Executive Budget*, the Department of Agriculture's cost allocation plan did not conform to the cost-allocation plan approved by the 2005 Legislature.

COMMERCE AND INDUSTRY

AGRICULTURE

AGRI, Administration – Budget Page AGRICULTURE-1 (Volume I)  
Budget Account 101-4554

The Subcommittee did not recommend approval of the revised cost-allocation plan recommended by the Governor. Federal funds for indirect costs transferred to this budget account were reduced which increased General Fund appropriations by \$82,000 each year of the biennium. The Subcommittee recommended approval of a variation of the cost-allocation plan recommended by the Governor which reallocates Statewide Cost Allocations, Attorney General Cost Allocations, purchasing assessments, rent and utilities to the Administration account with corresponding increases to cost allocations from the supporting accounts. The revised cost-allocation plan further transfers the maximum amount of indirect cost recovery from federal funds collected by the Department's supporting accounts. The modified plan continues to be based on full-time equivalent (FTE) counts as approved by the 2005 Legislature.

SENATOR RHOADS MOVED TO APPROVE BUDGET  
ACCOUNT 101-4554 AS RECOMMENDED BY THE JOINT  
SUBCOMMITTEE ON GENERAL GOVERNMENT.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED (SENATOR TITUS WAS ABSENT FOR THE  
VOTE.)

BUDGET CLOSED.

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Ms. COFFMAN:

In B/A 101-4537, the Subcommittee recommended deferring the Governor's recommendation to purchase two new gas chromatographs to test alternative fuels until the demand for alternative fuel testing increases enough to justify the \$120,000 cost for the new equipment.

AGRI, Gas Pollution Standards – Budget Page AGRICULTURE-9 (Volume I)  
Budget Account 101-4537

As an alternative, the Subcommittee recommended approval of \$17,325 in each year of the biennium to fund third-party testing of alternative fuel samples statewide. The Subcommittee recommended concurring with the Governor's recommendation for replacement equipment.

SENATOR BEERS MOVED TO APPROVE BUDGET ACCOUNT 101-4537  
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Ms. COFFMAN:

In B/A 101-4540, the Subcommittee recommends approval of revised revenue projections which increase licensing and fee revenue by \$23,251 in FY 2007-2008 and \$86,140 in FY 2008-2009, with corresponding reductions to General Fund appropriations.

AGRI, Plant Industry – Budget Page AGRICULTURE-15 (Volume I)  
Budget Account 101-4540

The Subcommittee recommended approval of General Fund appropriations of \$150,080 in FY 2007-2008 and \$16,952 in FY 2008-2009 for 14 deferred maintenance and construction projects at the Division's Sparks and Las Vegas offices.

The Subcommittee also recommended approval of a 3-grade pay increase for 4 FTE sworn peace officers to bring the agency's peace officers into pay parity with the sworn officers in the Department of Public Safety (DPS) and the DOC.

CHAIR RAGGIO:

Why is there more of an increase in fee revenue in FY 2008-2009?

Ms. COFFMAN:

When the agency examined their fees, they discovered them to be based on the actual fees received in FY 2005-2006. The revised amounts for FY 2006-2007 reflected an increase. It is a realistic assessment of the fees.

SENATOR RHOADS MOVED TO APPROVE BUDGET  
ACCOUNT 101-4540 AS RECOMMENDED BY THE JOINT  
SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Ms. COFFMAN:

In B/A 101-4546, the Subcommittee recommended approval of revised revenue projections which increase various fee revenues by a total of \$107,220 in FY 2007-2008 and \$258,083 in FY 2008-2009 with corresponding increases to reserve.

AGRI, Livestock Inspection – Budget Page AGRICULTURE-35 (Volume I)  
Budget Account 101-4546

The Subcommittee also recommends approval of a 3-grade pay increase for 2.5 FTE sworn peace officers to bring the agency's peace officers into pay parity with the sworn officers in the DPS and the DOC.

CHAIR RAGGIO:

Are the increases in fees in this budget account realistic?

Ms. COFFMAN:

Yes. The fees are realistic.

SENATOR RHOADS MOVED TO APPROVE BUDGET  
ACCOUNT 101-4546 AS RECOMMENDED BY THE JOINT  
SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Ms. COFFMAN:

In B/A 101-4551, the Subcommittee recommended revisions to the agency's petroleum inspection fee revenue projections, which increase revenue by \$65,768 in FY 2007-2008 and \$70,970 in FY 2008-2009, with corresponding increases to the agency's reserve.

AGRI, Weights & Measures – Budget Page AGRICULTURE-53 (Volume I)  
Budget Account 101-4551

In addition, the Senate members of the Subcommittee recommended approval of the Governor's recommendation to replace a mechanical metrology balance and a vehicle. The Subcommittee also recommended approval of funding to calibrate the agency's existing scales.

The Assembly members of the Joint Subcommittee did not recommend approval of the vehicle request but did recommend approval of all other items in this account.

SENATOR BEERS MOVED TO APPROVE BUDGET ACCOUNT 101-4551 AS RECOMMENDED BY SENATE MEMBERS OF THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Ms. COFFMAN:

In B/A 101-4219, the Subcommittee recommended approval of the Governor's recommendation to replace one three-quarter ton pickup truck and computer hardware and software.

COMMERCE AND INDUSTRY

MINERALS

Minerals – Budget Page MINERALS-1 (Volume I)  
Budget Account 101-4219

In addition, the Subcommittee recommended approval of the Governor's recommendation for one new three-quarter ton pickup truck for the agency's Abandoned Mine Land Program as well as additional funding for barbed wire and T-posts to secure abandoned mine sites.

SENATOR RHOADS MOVED TO APPROVE BUDGET ACCOUNT 101-4219 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

Ms. COFFMAN:

The Subcommittee recommended approval of the following budget accounts with only minor technical adjustments including adjustments related to the Department of Agriculture's revised cost-allocation plan:

AGRI, Grade & Certification of AG Products – Budget Page AGRICULTURE-24  
(Volume I)  
Budget Account 101-4541



Senate Committee on Finance  
May 21, 2007  
Page 16

AGRI, Agriculture Registration/Enforcement – Budget Page AGRICULTURE-28  
(Volume I)  
Budget Account 101-4545

AGRI, Veterinary Medical Services – Budget Page AGRICULTURE-44 (Volume I)  
Budget Account 101-4550

AGRI, Noxious Weed & Insect Control – Budget Page AGRICULTURE-59  
(Volume I)  
Budget Account 101-4552

AGRI, Mormon Crickets & Grasshoppers – Budget Page AGRICULTURE-66  
(Volume I)  
Budget Account 101-4556

AGRI, Predatory Animal & Rodent Control – Budget Page AGRICULTURE-71  
(Volume I)  
Budget Account 101-4600

AGRI, Nevada Junior Livestock Show Board – Budget Page AGRICULTURE-75  
(Volume I)  
Budget Account 101-4980

SENATOR CEGAVSKE:  
How serious is the Mormon cricket problem this year?

CHAIR RAGGIO:  
By all the newspaper accounts I read, it is a serious problem.

SENATOR CEGAVSKE MOVED TO APPROVE BUDGET  
ACCOUNTS 101-4541, 101-4545, 101-4550, 101-4552, 101-4556,  
101-4600 AND 101-4980 AS RECOMMENDED BY THE JOINT  
SUBCOMMITTEE WITH TECHNICAL ADJUSTMENTS BY STAFF.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGETS CLOSED.

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CHAIR RAGGIO:  
We will now open the hearing on B/A 101-3910.

COMMERCE AND INDUSTRY

BUSINESS AND INDUSTRY

B&I, Division of Mortgage Lending – Budget Page B&I-151 (Volume II)  
Budget Account 101-3910

CHAIR RAGGIO:

We previously questioned the capability of the agency based on the Joint Subcommittee report.

SCOTT E. BICE (Commissioner, Division of Mortgage Lending, Department of Business and Industry):

Please see my handout ([Exhibit I](#)) for our recalculation of the revenues and expenditures for B/A 101-3910. This is what we will need to comply with provisions in NRS 645 requiring annual examinations. The original budget requested 17 positions. Fiscal staff has determined we would require an additional 17 positions to accomplish this. We believe we can achieve the goal of annual examinations by FY 2008-2009.

CHAIR RAGGIO:

What percentage of the examinations would the 17 new positions allow you to perform?

MR. BICE:

This would allow us to accomplish 80 percent of the examinations by FY 2008-2009. Last year, we had over 850 complaints.

CHAIR RAGGIO:

Will the increase of 17 new positions also require an increase in the examination fees to cover the cost of these employees? If we added more positions, would that require an increase in fees?

MR. BICE:

No. There would be no new fee increases now or for additional positions added later.

CHAIR RAGGIO:

If that is the case, how does your revenue from examination fees rise to \$2.5 million by FY 2008-2009?

MR. BICE:

The fee amounts do not go up. That projected increase in revenue would result from the agency doing a higher volume of examinations.

CHAIR RAGGIO:

Is this something we could close as recommended by the Subcommittee with authority for the agency to approach the IFC as needed for work program adjustments?

MR. GHIGGERI:

That would be staff's recommendation based on the information provided. I believe Senator Beers asked for additional information.

SENATOR BEERS:

I would oppose that idea at this point. I would ask the agency to return with more complete information.

CHAIR RAGGIO:

The Chair would entertain staff's recommendation to close the budget as recommended by the Joint Subcommittee with the understanding the agency can approach IFC with an additional plan.

SENATOR BEERS MOVED TO APPROVE BUDGET ACCOUNT 101-3910 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE WITH AUTHORIZATION FOR THE MORTGAGE AND LENDING DIVISION TO APPROACH THE IFC WITH A PLAN.

SENATOR RHOADS SECONDED THE MOTION.

SENATOR CEGAVSKE:

I wish to disclose that I am licensed by the Division of Mortgage and Lending; however, this will not affect my decision.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

CHAIR RAGGIO:

We will now review the Nevada Department of Transportation (NDOT) highway funding recommendations by the Joint Subcommittee on Public Safety, Natural Resources and Transportation.

LAURA FREED (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Subcommittee's closing actions resulted in a Highway Fund savings of \$28.7 million in FY 2007-2008 and \$171.7 million in FY 2008-2009. The Subcommittee approved the creation of separate budget accounts for highway construction expenditures funded by bond proceeds and construction expenditures funded by Highway Fund monies. The Governor's recommended budget did not reflect the entire amount of bond proceeds the NDOT has yet to spend on projects, and it commingled bond revenue and Highway Fund revenue.

The Subcommittee recommends displaying all bond proceeds in a new budget account for bond construction, to be designated as B/A 201-4663. The Highway Fund supported project expenditures will remain in B/A 201-4660.

INFRASTRUCTURE

TRANSPORTATION

Transportation Administration – Budget Page NDOT-1 (Volume III)  
Budget Account 201-4660

As part of separating the bond expenses from the Highway Fund expenses, Highway Fund monies were removed from the NDOT budget. When those Highway Fund monies are included in the fund balance calculations, the ending fund balance is projected to be over \$150 million at the end of FY 2008-2009. Without the inclusion of the budgetary savings, the Highway Fund monies by

themselves would not be enough to keep the Highway Fund solvent at the end of the 2007-2009 biennium.

With the bond sale, the yearly debt service payment would increase from \$76.4 million in FY 2006-2007 to \$89.4 million in FY 2007-2008 and \$94.2 million in FY 2008-2009. If additional bond sales were approved, over and above the \$135 million approved by the Subcommittee for FY 2007-2008, the yearly bond debt payment would be approximately \$100 million.

The NDOT did not identify the projects to be included in the \$470 million Highway Construction Program for each fiscal year of the 2007-2009 biennium. However, it can be reasonably assumed that work will continue on the I-15 widening, the I-580 extension, the Carson City freeway, Project Neon and State Route 160.

CHAIR RAGGIO:

If there are no objections to the Subcommittee's recommendation on these items, we will assume they are approved.

SENATOR BEERS:

Since we have decided not to fund the Real ID Program with Highway Fund support, how will those unused funds impact this budget?

MR. GHIGGERI:

If no money is spent on the Real ID Program, there will be additional money in this account.

SENATOR BEERS:

Is the \$170 million of the surplus we are considering for the widening of I-15 north of the Spaghetti Bowl in Las Vegas already included in this NDOT budget?

MS. FREED:

No, it is not. The \$170 million was purposely left out of the fund balance calculation because it is General Fund.

SENATOR BEERS:

The State's portion of capital road projects in the 2007-2009 biennium will be \$1.14 billion.

CHAIR RAGGIO:

How do the other proposals for funding, primarily for Clark County projects, affect this funding?

SENATOR BEERS:

They would be in addition to this funding. The Governor's office is currently trying to determine how much more could be spent if we could find more funding. This is because there is a limit to the amount of work the NDOT can accomplish in the biennium and the deficit over time.

SENATOR TITUS:

The NDOT cannot accomplish all the projects it would like to in the biennium; however, we must give them the ability to plan and prepare for them. A recent report indicates by calendar year 2009, federal highway funds will be inadequate for assisting states in repairing roads and bridges.

SENATOR BEERS MOVED TO APPROVE THE RECOMMENDATIONS OF THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION FOR FUNDING VARIOUS HIGHWAY PROJECTS IN BUDGET ACCOUNT 201-4660.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

MS. FREED:

The Subcommittee recommended approval of the inclusion of a new budget account in the *Executive Budget*. The Bond Construction budget account, to be designated as B/A 201-4663, is designed to reflect all bond revenue and expenditure authority the NDOT has in a given biennium. Together with the main budget, B/A 201-4660, this new budget will give a complete picture of the total expenditure authority and supporting revenue for highway construction projects over the upcoming biennium. The Subcommittee requested a Letter of Intent be issued to the NDOT and the Budget Division to include B/A 201-4663 in the *Executive Budget* for future biennia.

The Subcommittee recommended concurring with the Governor's recommendation to add 17 positions for construction, maintenance and administrative needs throughout the Department. Two proposed engineering positions were not approved by the Subcommittee as a result of staff concerns that the NDOT could not attract and retain engineers in Las Vegas due to pay competition with other agencies and private sector employers. The agency has advised the Legislature in the past that recruitment in Las Vegas is difficult for that reason.

The Subcommittee recommended concurring with the Governor's recommendation to reclassify one existing engineering technician position to an administrator position to create a Project Management division chief. The Project Management Division coordinates the Department's largest highway construction projects.

The Subcommittee did not recommend concurring with the reclassification of another engineering technician position to an assistant chief for the Division of Right of Way because the NDOT did not provide compelling quantitative evidence of greater surplus property determinations or encroachment permits, nor is the Integrated Right of Way Information Network project completed.

The Subcommittee recommended approval of moving aircraft maintenance expenses of a nonroutine nature into an enhancement decision unit and leaving the regular aircraft operation expenses in the adjusted Base Budget. The Subcommittee recommended approval of a Letter of Intent instructing the NDOT to include aircraft operating expenses in the Base Budget in future biennia. Scheduled maintenance, inspections and nonroutine maintenance and rehabilitation should be placed into an enhancement module.

CHAIR RAGGIO:

Why are scheduled maintenance, inspections and nonroutine maintenance and rehabilitation being placed into an enhancement module?

MS. FREED:

This is because scheduled maintenance may not occur on a yearly basis.

SENATOR BEERS MOVED TO APPROVE B/A 201-4663 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

CHAIR RAGGIO:

We will now open the hearing on the Department of Health and Human Services, Health Division, beginning with B/A 101-3223.

HUMAN SERVICES

HEALTH

HHS - Office of Health Administration – Budget Page HEALTH-1 (Volume II)  
Budget Account 101-3223

MS. FREED:

The Joint Subcommittee on K-12/Human Resources reviewed 20 budgets of the State Health Division. The Subcommittee recommendations will result in a total General Fund reduction of \$1.5 million for FY 2007-2008 and \$1.7 million in FY 2008-2009.

In B/A 101-3223, the Subcommittee recommended concurring with the Governor's recommendation to retain five positions in the Base Budget that were formerly funded with Prevention and Treatment of Substance Abuse block grant funding and fund them with the Health Division's administrative cost allocation.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3223 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE ON K-12/HUMAN  
RESOURCES.

SENATOR TITUS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3204.

HHS - Office of Minority Health – Budget Page HEALTH-8 (Volume II)  
Budget Account 101-3204

MS. FREED:

General Fund support in the 2005-2007 biennium for the Office of Minority Health consisted of a onetime appropriation. The Subcommittee recommended approval of the Governor's recommendation for ongoing General Fund support of \$250,972 over the biennium for a health program manager position and also recommended approval of a Letter of Intent requiring the office to develop improved outcome measures for inclusion in the 2009-2011 biennial budget. The Subcommittee further recommends the Office submit a quarterly report to the IFC regarding activities and efforts to improve the quality of, and access to, health care for minorities.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3204 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3225.

HHS - Health Division Special Appropriations – Budget Page HEALTH-12  
(Volume II)

Budget Account 101-3225

MS. FREED:

The Subcommittee recommends approval of ongoing General Fund support for basic poison control call center services in the amounts of \$363,930 in FY 2007-2008 and \$402,109 in FY 2008-2009. These amounts represent the Governor's amended recommendation to pay contract costs with the Rocky Mountain Poison Center which will provide the call center services. The reduction resulted in General Fund savings of \$116,970 in FY 2007-2008 and \$102,836 in FY 2008-2009. However, the Subcommittee recommended approval of transferring these funds from the Special Appropriations budget to the Health Administration budget, since the Special Appropriations budget is designed to account for onetime appropriations only. A separate expenditure category for poison control has been established in the Health Administration budget account.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3225 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.



BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3190.

HHS - Vital Statistics – Budget Page HEALTH-14 (Volume II)  
Budget Account 101-3190

MS. FREED:

The *Executive Budget* recommended adding four new positions to support the implementation of a Health and Human Services Data Warehouse, at a cost to the General Fund of \$270,163 over the 2007-2009 biennium. The data warehouse request is budgeted in the Department of Administration's Information Technology Projects budget, B/A 101-1325.

Information Technology Projects – Budget Page ADMIN-36 (Volume I)  
Budget Account 101-1325

The Subcommittee recommends approval of one biostatistician III position and one information systems specialist position to staff the Data Warehouse, contingent upon approval of the Data Warehouse in the other budget. The Subcommittee recommended denial of a biostatistician II position because the justification received from the Health Division did not substantiate the Division's assertions that it receives many health data analysis requests. No historical data on the number and type of requests received by Division was provided in support of these positions.

The Subcommittee also recommended denying the addition of a public service intern position as premature for a new program effort. Final adjustments to this budget account will be made when legislation either approves or denies the implementation of a Health and Human Services Data Warehouse.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3190 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

SENATOR COFFIN:

Why did the Subcommittee recommend denying the public service intern position?

MS. FREED:

The public service intern position was in the *Executive Budget* to begin work the second year of the biennium. Since the Data Warehouse is not online, it is a position that can be deferred until 2009.

SENATOR COFFIN:

The position could be used in the last part of FY 2008-2009.

CHAIR RAGGIO:

It would be for such a short period of time in FY 2008-2009, the Subcommittee did not think it was worth funding at this time.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

CHAIR RAGGIO:

We will now open the hearing B/A 101-3153.

HHS - Cancer Control Registry – Budget Page HEALTH-20 (Volume II)  
Budget Account 101-3153

MS. FREED:

The Governor's amended recommendation for this budget eliminated the fee increases for abstracting and reporting cancer data. As a result, two existing positions would need to be eliminated from the Cancer Control Registry budget. The Subcommittee recommended concurring with the elimination of fee increases from this budget because the Division believes the Nevada State Cancer Registry program can continue its work effectively through the upcoming biennium by funding some expenses with the federal National Cancer Prevention and Control grant. In addition, the Health Division advised the Subcommittee the cancer data collection workload is decreasing; thus, the loss of the existing positions would not present a hardship for the program.

SENATOR COFFIN:

What was the basis for the Division's determination the Nevada State Cancer Registry workload was decreasing?

MS. FREED:

Some hospitals have hired their own cancer data abstractors so they do not need the State to provide that service. Also, the Division is seeing a decrease in certain cancers in this State which reflects a national decrease in these cancers.

SENATOR COFFIN:

How do we know the hospitals are doing a good job? I am concerned that the Nevada State Cancer Registry might now obtain important data from independent sources.

SENATOR MATHEWS:

I, too, am concerned that hospitals may not share such information with the Cancer Control Registry.

MS. FREED:

The State Health Division would know if the hospitals' own abstractors were doing the data reporting correctly because the abstractors report to the State.

SENATOR MATHEWS:

Without adequate staff, who in the Division will sort that information?

MS. FREED:

That will be done by the Data Warehouse beginning in FY 2008-2009.

SENATOR MATHEWS:

Despite the Data Warehouse, I feel it will require staff who are interested in this project to make it work.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3153 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

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

BUDGET CLOSED.

\* \* \* \* \*

CHAIR RAGGIO:

We will now open the hearing on B/A 101-3194.

HHS - Consumer Health Protection – Budget Page HEALTH-27 (Volume II)  
Budget Account 101-3194

MS. FREED:

The Governor's amended recommendation eliminated the fee increases for inspecting and certifying restaurants, food processors, sanitation facilities and other types of public facilities. The Governor's amended recommendation was to replace the lost fee revenue with General Fund appropriations which would have had an impact of \$457,156 in FY 2007-2008 and \$562,950 in FY 2008-2009. The Subcommittee did not recommend concurring with the amended recommendation in the budget and approved reinstatement of fee increases according to a revised fee methodology presented by the Health Division. There was no additional General Fund money added to this budget as a result of the Subcommittee's closing recommendations.

In addition, the Subcommittee recommended approval of five new environmental health specialist positions to perform inspections as well as one management analyst position to assist with fiscal management duties and program cross-coordination.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3194 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

SENATOR COFFIN:

How large are the reinstated fee increases?

MS. FREED:

The Division provided a time and effort analysis with an underlying assumption of splitting the obligation between the fee payer and the General Fund. Consequently, in some cases they increased and in some cases they decreased. I do not have a list of the specific fee amounts available to me at this time.

SENATOR COFFIN:

Will these inspectors be involved in the issue of patrons smoking in the establishments being inspected?

MS. FREED:

No, they will not.

SENATOR CEGAVSKE:

The Subcommittee made its intent clear that funding for this budget would not include involvement in the issue of smoking in any of the establishments being inspected.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

SENATOR COFFIN:

I will be asking for a bill draft request to appropriate funds for prostate cancer awareness programs.

CHAIR RAGGIO:

We will hear that measure at a later date. We will now open the hearing on B/A 101-3101.

HHS - Radiological Health – Budget Page HEALTH-34 (Volume II)  
Budget Account 101-3101

MS. FREED:

The Governor's amended recommendation eliminated fee increases for various types of inspections performed and licenses issued by radiological health staff. Fee-generating activities for this budget include regulating radioactive materials users and X-ray machines as well as certifying mammography operators. The amendment to the budget would have replaced the lost fee revenue with General Fund appropriations in the amounts of \$363,025 in FY 2007-2008 and \$531,760 in FY 2008-2009.

This budget has had General Fund support in previous biennia. However, the 2003 Legislature eliminated the General Fund support and moved to a self-supporting fee structure as a result of recommendations by the Division of Internal Audits in 2003. Therefore, the Governor's recommendation runs contrary to past executive branch recommendations. The Subcommittee did not recommend concurring with the Governor's amended recommendation. Instead, they recommended fee increases to fund the approved enhancements.

The Subcommittee recommended approval of two new radiation control specialists, two new radiological staff specialists, one new public service intern and one new administrative aid for the Las Vegas office. The radiological professional positions are to assist the Division in keeping up with the inspection and licensure workloads as well as remaining current with the changing regulations on handling nuclear materials and responding to radioactive incidents. The Subcommittee recommended denying the addition of one

administrative aid position based on the agency having satisfactory ratios of professional positions to administrative support.

In total, the Subcommittee recommends funding this budget at the same levels the Governor originally recommended in FY 2007-2008 and increasing the funding in FY 2008-2009 by \$16,147 over the Governor's original recommendation.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3101 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3216.

HHS - Health Facilities Hospital Licensing – Budget Page HEALTH-46 (Volume II)  
Budget Account 101-3216

MS. FREED:

The *Executive Budget* originally recommended the addition of 17 new positions to address workload demands for health facility inspectors as well as to provide general support to the Bureau of Licensure and Certification within the Health Division. However, the Governor submitted an amendment removing the fee increases that would have funded the new positions and therefore rescinded his recommendation of the new positions as well as a recommendation for increased travel and training funding.

The Subcommittee did not recommend concurring with the Governor's recommendation to eliminate fee increases. Instead, they recommended the addition of nine new positions funded by licensure fees. The recommended new positions include six new health facilities surveyors, two new administrative assistants and one management analyst. The total required fee revenue to support the new staff is \$778,151 in FY 2007-2008 and \$978,971 in FY 2008-2009.

In addition, the Subcommittee recommends increased funding for travel and training for bureau staff as well as two additional monthly motor pool vehicles. In total, the Governor originally recommended a budget of \$12.6 million in FY 2007-2008 and subsequently reduced the recommendation to \$10.5 million. The Subcommittee recommends a total budget of \$12.2 million for FY 2007-2008. For FY 2008-2009, the Governor had originally recommended \$12.8 million, though subsequently reduced the budget to \$9.4 million. For FY 2008-2009, the Subcommittee recommends \$12 million.

CHAIR RAGGIO:

Does this appropriation come from the General Fund rather than fee increases?

MS. FREED:

In this budget there was no General Fund "backfill." Funding was just cut.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3216 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3224.

HHS - Community Health Services – Budget Page HEALTH-57 (Volume II)  
Budget Account 101-3224

The *Executive Budget* recommended the addition of five General Fund-supported community health nurse positions. The Subcommittee recommended approval of two of the positions, for a General Fund savings of \$233,586 in FY 2007-2008 and \$255,190 in FY 2008-2009. The Subcommittee also recommended issuance of a Letter of Intent instructing the Health Division to report to the IFC quarterly on the Division's efforts to increase client charge revenues and county participation funding to support the Community Health Nursing Program.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3224 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3215.

HHS - Sexually Transmitted Disease Control – Budget Page HEALTH-73  
(Volume II)  
Budget Account 101-3215

MS. FREED:

The Subcommittee recommends General Fund appropriations of \$1.77 million in FY 2007-2008 and \$1.83 million in FY 2008-2009 to support HIV/AIDS medications for the AIDS Drug Assistance Program (ADAP). This represents a slight increase over the FY 2005-2006 actual amount of \$1.75 million. The Subcommittee recommends that "back" language be added to the Appropriations Act permitting the Health Division to request to transfer AIDS

medication funding between years of the upcoming biennium, if necessary, with the approval of the IFC.

In addition, the Subcommittee recommends the issuance of a Letter of Intent stating if the Health Division requests such a transfer from the IFC, the Division must consider implementation of cost containment measures for the ADAP.

SENATOR BEERS:

The Division came before the IFC before on this matter. Are there federal matching funds for this?

MS. FREED:

They approached the IFC to transfer funds from the second year of the biennium to the first year. Although there was a timing discussion about when they would get federal AIDS funding, it was never a federal match issue.

SENATOR BEERS:

Did we have to process the supplemental appropriation for the second year of the biennium?

MS. FREED:

No.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3215 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

CHAIR RAGGIO:

We will now open the hearing on B/A 101-3213.

HHS - Immunization Program – Budget Page HEALTH-79 (Volume II)  
Budget Account 101-3213

Ms. Freed:

The *Executive Budget* recommended the addition of one health program specialist and one administrative assistant as well as funding for four county level positions to support the expansion of the State's Immunization Registry. The goal of the expansion effort is to have all providers of vaccines for children in Nevada report data on the immunizations administered to children as well as to increase the immunization rate of children between birth and two years of age.

The Subcommittee recommends the addition of the State health program specialist to manage expansion of the Registry. The Subcommittee also recommends one county-level health educator position each for both Clark and Washoe Counties. These health educators will provide outreach and training to providers on the immunization registry.



The Subcommittee did not recommend concurring with the addition of the administrative assistant position, nor did it recommend concurring with the funding to provide county-level program officer positions for Clark and Washoe Counties. In addition, the Subcommittee recommended approval of the issuance of a Letter of Intent stating the funding provided to Clark and Washoe Counties for Immunization Registry efforts should not be continued in the Base Budget for the 2009-2011 biennium.

The Subcommittee recommends splitting the cost of this enhancement equally between the General Fund and a federal immunization grant. The Subcommittee's recommendations represent a General Fund savings of \$659,702 for the 2007-2009 biennium over the Governor's recommendations. The Subcommittee also approved one new public service intern position in the Immunization Program budget.

The Health Division advises, based upon the updated Nevada CheckUp caseload and Federal Medical Assistance Percentage figures, the need for the transfer of vaccination funding from CheckUp and a General Fund match has decreased.

The Subcommittee recommends the budget be closed with CheckUp funding of \$1.82 million in FY 2007-2008 and \$1.87 million in FY 2008-2009. The General Fund match for that funding is recommended at \$895,826 in FY 2007-2008 and \$934,758 in FY 2008-2009. The closing adjustments represent a General Fund savings of \$197,680 over the biennium from the Governor's recommendations.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3213 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

SENATOR COFFIN:

Do these immunizations contain mercury as a preservative? Does it cost more for preservative-free vaccines?

MR. HAARTZ:

We strive to purchase vaccines that do not contain mercury preservatives. We follow the Centers for Disease Control recommendations. I will need to check my records to see if we have purchased any vaccines containing this substance. Preservative-free vaccines cost more.

SENATOR COFFIN:

I would like to reopen this issue after we learn more about the Health Division's stock of preservative-free vaccines.

MR. GHIGGERI:

The agency can approach the IFC if it needs funding later for the purchase of these vaccines if money is then available in the Contingency Fund for that purpose.

SENATOR BEERS:

How quickly can the information be obtained?

Senate Committee on Finance  
May 21, 2007  
Page 31

MR. HAARTZ:

I will try to have that information to you today.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

CHAIR RAGGIO:

We will now open the hearing on B/A 101-3222.

HHS - Maternal Child Health Services – Budget Page HEALTH-85 (Volume II)  
Budget Account 101-3222

MS. FREED:

The Subcommittee concurred with the Governor's recommendation to add one public service intern position funded by newborn metabolic-screening fees.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3222 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3208.

HHS - Early Intervention Services – Budget Page HEALTH-93 (Volume II)  
Budget Account 101-3208

MS. FREED:

The Subcommittee concurred with the Governor's recommendation to fund additional caseload capacity for Early Intervention Services by 79 additional children in FY 2007-2008 and 81 children in FY 2008-2009. The cost to the General Fund for this enhancement is \$689,474 in FY 2007-2008 and \$706,929 in FY 2008-2009.

The Subcommittee also concurred with the Governor's amended recommendation to eliminate decision unit E-251 which would have added 15.02 FTEs to administration and billing support for regional clinics. Elimination of this decision unit represents a General Fund savings of \$630,889 in FY 2007-2008 and \$779,606 in FY 2008-2009. Finally, the Subcommittee recommended concurring with the Governor's recommendation to convert 24.26 FTEs from contractors to State employees at a General Fund savings of \$140,796 in FY 2007-2008 and \$100,514 in FY 2008-2009.

E-251 Working Environment and Wage – Page HEALTH-96

Senate Committee on Finance  
May 21, 2007  
Page 32

CHAIR RAGGIO:

Does this budget accommodate the use of outside contracts with other agencies?

MS. FREED:

Yes.

SENATOR RHOADS:

Did they discuss the needs of the rural areas?

MS. FREED:

The contractors travel to the rural areas, but I do not know the extent to which they do that.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3208 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on other Health Division budget accounts.

HHS - Environmental Public Health Tracking System – Budget Page HEALTH-25  
(Volume II)

Budget Account 101-3203

HHS - Health Radioactive & Hazardous Waste – Budget Page HEALTH-42  
(Volume II)

Budget Account 251-3152

HHS - Communicable Disease Control – Budget Page HEALTH-65 (Volume II)  
Budget Account 101-3220

HHS - WIC Food Supplement – Budget Page HEALTH-101 (Volume II)  
Budget Account 101-3214

HHS - Emergency Medical Services – Budget Page HEALTH-106 (Volume II)  
Budget Account 101-3235

HHS - Public Health Tobacco Fund – Budget Page HEALTH-112 (Volume II)  
Budget Account 263-3212

HHS - Public Health Preparedness Program – Budget Page HEALTH-116  
(Volume II)  
Budget Account 101-3218

MS. FREED:

The Subcommittee also reviewed the budgets for the Environmental Public Health Tracking System, Health Radioactive and Hazardous Waste, Communicable Disease Control, WIC Food Supplement, Emergency Medical Services, Public Health Tobacco Fund and the Public Health Preparedness Program. The Subcommittee recommended these accounts be closed largely as recommended by the Governor with technical adjustments as recommended by staff.

SENATOR CEGAVSKE MOVED TO APPROVE THE OTHER HEALTH DIVISION BUDGETS AS RECOMMENDED BY THE JOINT SUBCOMMITTEE AND TO AUTHORIZE TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now hear the budgets for the Division of Mental Health and Developmental Services (MHDS).

HUMAN SERVICES

MENTAL HEALTH AND DEVELOPMENTAL SERVICES

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

The Joint Subcommittee for K-12/Human Resources developed recommendations for the budgets within the Division of Mental Health and Developmental Services (MHDS).

The Subcommittee's closing recommendations for the MHDS resulted in General Fund decreases of \$907,176 in FY 2007-2008 and \$3.38 million in FY 2008-09. However, the Subcommittee also recommended placing additional funding for a number of items on an add list totaling \$5.02 million in FY 2007-2008 and \$7.56 million in FY 2008-2009.

Several issues affected the Division across all the budgets. The Subcommittee also recommended approval of fiscal staff's recommendation to adjust the Federal Medical Assistance Percentage in FY 2008-2009 as projected by the Federal Funds Information for States (FFIS). The FFIS projection increases the amount of Medicaid Title XIX funds available to the Division by approximately \$1.37 million based upon the Subcommittee's recommended closing actions in the agency's budgets with a corresponding decrease in General Fund appropriations.

The Subcommittee recommended concurring with the Governor's recommendation to fund a 2-grade salary increase for the Division's licensed clinical staff, including mental health counselors, clinical social workers,

psychiatric nurses, mid-level medical practitioners and licensed psychologists. The compensation adjustment is intended to ensure pay equity among the State and private sector, local governments and western states' governments.

Due to concerns with the Caseload Evaluation Organization projection model utilized by the Division, the Subcommittee recommends issuing a Letter of Intent for MHDS to work with the Budget Office and the Fiscal Analysis Division during the 2007-2009 interim to reevaluate the projection methodology to develop improved projections that can be considered in the 2009-2011 *Executive Budget*.

SENATOR CEGAVSKE MOVED TO APPROVE THE DIVISION-WIDE ISSUES AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on the common budget issues for the mental health agencies.

MR. CHAPMAN:

The Subcommittee recommended approval of inflation increases for medications of 7.25 percent in FY 2007-2008 and 7.75 percent in FY 2008-2009 based upon information provided by Express Scripts, a large national pharmacy benefits manager.

The Subcommittee also recommended the following actions regarding the continuation of funding for various mental health services that were approved in A.B. No.175 of the 73rd Session:

- Recommended approval of the Governor's recommendation for General Fund appropriations of \$4.65 million to continue Mental Health Court services, including 75 clients at the Southern Nevada Mental Health Services, 125 clients at Northern Nevada Mental Health Services and 25 clients at Rural Clinics in Carson City.
- Recommended concurring with the Governor's recommendation for General Fund appropriations of \$2.8 million to continue the State's one-third share in support of the Community Triage Centers at a cost of \$900,000 each year of the upcoming biennium in southern Nevada and \$500,000 each year in northern Nevada. The Subcommittee recommends issuing a Letter of Intent clarifying the funding for the northern Nevada Community Triage Center may be utilized for construction, building renovation and fixed-asset purchases.
- Recommended approval of the Governor's recommendation for General Fund appropriations totaling \$2.86 million to continue 90 residential placements in southern Nevada.

- Recommended approval of the Governor's recommendation to support 22 beds in the former inpatient hospital at Southern Nevada Adult Mental Health Services (SNAMHS), but to delay the opening of those beds until October 1, 2007, to allow the agency additional time to recruit and train 46.53 new FTE positions. The Subcommittee authorized funding to continue the Westcare contract from June 30 to September 30, 2007. General Fund appropriations total \$7.67 million in the 2007-2009 biennium to support the 22 new beds.

SENATOR COFFIN:

Why is funding for the Northern Nevada Adult Mental Health Services (NNAMHS) in another budget?

MR. CHAPMAN:

This is an extension of funding provided in A.B. No.175 of the 73rd Session. There was some caseload demographic funding recommended by the Governor for northern Nevada that would go beyond the 125 clients. However, that money was moved out of the budget and placed on an "add list" to be considered with caseload funding in southern Nevada. The total is higher in southern Nevada because all clients there are in community placements where 41 percent of the clients are in residential placement.

SENATOR COFFIN:

If we continue with only the funding provided in A.B. No. 175 of the 73rd Session, will we be falling farther behind in southern Nevada?

MR. CHAPMAN:

Yes. In the current budget, you would have 175 clients in northern Nevada and 75 in southern Nevada.

SENATOR COFFIN:

Are we spending the same amount but serving fewer clients?

MR. CHAPMAN:

It would be about \$1.5 million in southern Nevada to serve those 75 clients, including the residential placement. In northern Nevada, it is about \$1.2 million. Though they are serving more clients, they have fewer residential placements. The cost difference for residential placement is higher in southern Nevada.

SENATOR TITUS:

The way the funding is calculated, it is made to appear as if the need for mental health care in southern Nevada is declining. This does not address the true situation.

MR. CHAPMAN:

That is correct. The agency did, as an item for special consideration, request more funding for clients for the mental health courts. However, that item did not make it into the Governor's budget.

On the "add list" there is funding of about \$750,000 in the first year of the coming biennium and \$1.6 million in the second year to serve about 66 clients in southern Nevada. There was also funding removed from the budget and put on the "add list" for 100 clients in northern Nevada.

CHAIR RAGGIO:

Did the Assembly Committee on Ways and Means close their budget similar to this recommendation? If so, have they addressed the "add list" yet?

MR. CHAPMAN:

The Assembly Committee on Ways and Means closed these budgets as recommended by the Joint Subcommittee.

They have not yet addressed the "add list."

SENATOR MATHEWS MOVED TO APPROVE THE COMMON ISSUES OF THE MENTAL HEALTH AGENCIES AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR CEGAVSKE SECONDED THE MOTION.

SENATOR TITUS:

I will vote for this measure but want to stress the importance of giving funding for mental health services in southern Nevada the highest priority on the "add list."

SENATOR COFFIN:

We should not agree with the Assembly Committee on Ways and Means on this recommendation.

THE MOTION CARRIED. (SENATOR COFFIN VOTED NO.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now hear B/A 101-3168.

HHS - MHDS Administration – Budget Page MHDS-1 (Volume II)  
Budget Account 101-3168

MR. CHAPMAN:

The Subcommittee recommended approval of 3.51 new FTE positions the central office will utilize to address the continuing expansion of the Division along with the additional responsibilities associated with the transfer of the Substance Abuse Prevention and Treatment Agency (SAPTA) from the Health Division to the MHDS effective July 1, 2007. The new positions, funded within the administrative cap of the federal SAPT grant, include two management analysts, an administrative assistant and a part-time personnel technician.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3168 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.



BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3162.

HHS - Northern Nevada Adult Mental Health Svcs – Budget Page MHDS-13  
(Volume II)  
Budget Account 101-3162

MR. CHAPMAN:

The Subcommittee recommended a number of closing actions regarding caseload changes at NNAMHS:

- Recommended approval of the Governor's revised recommendation to appropriate General Funds of \$2.52 million to serve an additional 170 clients in the medication clinic, including 8.53 positions and the opening of a new clinic in Reno. The Subcommittee did not approve the opening of a second clinic in FY 2008-2009 consistent with the Governor's proposed budget reductions.
- Recommended concurring with the Governor's revised recommendation to delay the start of residential placements for 30 additional clients with a General Fund cost of \$896,414 in the 2007-2009 biennium. The three-month delay reduced General Fund appropriations by \$32,542 in FY 2007-2008.
- Recommended approval of the Governor's recommendation for General Fund appropriations of \$3.92 million to support an additional 2,712 clients each year in the walk-in Psychiatric Ambulatory Services (PAS) unit.
- Although the Subcommittee agreed with the Governor's recommendation to support caseload increases for the Mental Health Court in northern Nevada, the Subcommittee recommended the removal of General Fund appropriations of \$1.24 million in the 2007-2009 biennium from the NNAMHS budget and place the funding on an "add list." The Subcommittee wishes to consider the Mental Health Court caseload for NNAMHS in consideration with possible caseload increases at SNAMHS.
- The Senate members of the Subcommittee did not reach a decision regarding the Governor's original recommendation for 6.51 new FTE positions, or his revised recommendation, in a new decision unit titled M-209, for 3.51 new FTE positions to support the 10-bed Psychiatric Observation Unit (POU) at Dini Townsend Hospital. The Governor introduced a new decision unit, M-209, in amending this budget to provide funding for the POU.

In closing this budget, the Assembly members of the Subcommittee recommended denying the 3.51 FTE positions.

CHAIR RAGGIO:

Having served on that Joint Subcommittee, I recall the agency presenting a convincing case that the POU could not operate without at least these 3.51 FTE positions.

SENATOR TITUS:

We should put these positions on the "add list."

MR. CHAPMAN:

The Subcommittee also recommended placing on an "add list" funding costs of \$444,805 in the 2007-2009 biennium to support a mobile outreach program in cooperation with the Reno Police Department (RPD). This would include two mental health counselors and a half-time administrative assistant. The new positions would assist law enforcement with initiating calls for service, suicidal persons and citizen welfare checks. These positions were not in the *Executive Budget*.

CHAIR RAGGIO:

Is this the same program which is now in affect in southern Nevada?

MR. CHAPMAN:

Yes, it is a similar program.

SENATOR RHOADS MOVED TO APPROVE 3.51 NEW FTE POSITIONS TO SUPPORT THE 10-BED POU AT THE DINI TOWNSEND HOSPITAL.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION FAILED. (SENATORS BEERS, COFFIN, CEGAVSKE AND TITUS VOTED NO.)

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CHAIR RAGGIO:

Do we have a motion to approve a mobile outreach program to work with the RPD?

Hearing none, is there a motion to adopt the recommendation of the Joint Subcommittee?

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3162 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE, AND INCLUDE ON THE "ADD LIST" 3.51 NEW FTE POSITIONS TO SUPPORT THE 10-BED POU AT THE DINI TOWNSEND HOSPITAL AND A MOBILE OUTREACH PROGRAM IN COOPERATION WITH THE RPD.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3645.

HHS - Facility for the Mental Offender – Budget Page MHDS-26 (Volume II)  
Budget Account 101-3645

The Subcommittee recommended concurring with the Governor's recommendation for 12 new positions, including 9 forensic specialists, 1 quality assurance specialist, 1 information technology technician and 1 administrative assistant. The new positions provide full-staffing support to the 28-bed expansion of the facility, including 20 beds in the Dini Townsend Hospital which was approved by the IFC in response to a lawsuit by the Nevada Disability Advocacy and Law Center. The Subcommittee also voted to place on an "add list" funding costs of \$336,989 in the 2007-2009 biennium, including two psychiatric caseworkers positions that would support a conditional release program for up to 30 individuals who have been found not guilty by reason of insanity or are unrestorable defendants who are committed to the Division subsequent to being charged with a serious crime.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3645 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3648.

HHS - Rural Clinics – Budget Page MHDS-32 (Volume II)  
Budget Account 101-3648

The Subcommittee recommended approval of the Governor's recommendation to eliminate 28.51 FTE positions in Outpatient Counseling Services based upon caseload projections developed by the agency. The caseload projections for Rural Clinics reflected the ongoing difficulty in recruiting and retaining clinical staff and were also impacted by a data cleansing project which closed a number of inactive files.

The Subcommittee also recommended placing items on an "add list" should additional funding become available. These items, which were not included in the *Executive Budget*, are:

- Restoring 13 of the 28.51 FTE positions that were eliminated in outpatient counseling services based upon a highest need priority at the clinics with salary and fringe costs totaling \$2.24 million in the 2007-2009 biennium.

- Adding funding of \$75,500 each year to retain an advertising contractor to conduct media and Internet marketing strategies in recruiting counseling staff for the agency.
- Increasing contract psychiatrist direct-service compensation from \$135 an hour to \$180 an hour in FY 2007-2008 and \$200 an hour in FY 2008-2009; increasing travel compensation from \$60 an hour to \$75 and \$90 an hour, respectively. General Fund appropriations would total \$898,773 in the 2007-2009 biennium.

In addition, the Subcommittee recommended concurring with the Governor's recommendation to appropriate a total of \$630,852 in the 2007-2009 biennium, including 6.53 positions to serve an increase of 142 individuals in psychosocial rehabilitation services.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3648 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3161.

HHS -Southern Nevada Adult Mental Health Services – Budget Page MHDS-43  
(Volume II)

Budget Account 101-3161

The Subcommittee recommended a number of closing actions regarding caseload changes at SNAMHS:

- The Subcommittee did not recommend concurring with the Governor's recommendation to reduce funding for medications by \$4.92 million in the 2007-2009 biennium and, instead, restored funding to serve 7,548 clients as approved by the 2005 Legislature. The Subcommittee recommended placing additional medication funding of \$3.52 million on an "add list" that would provide medications for another 552 clients to satisfy both the current clients and those who the Division indicates are on a wait list.
- Approved of the Governor's revised recommendation to delay the start of residential placements for 85 additional clients with a General Fund cost of \$1.35 million, including a half-time mental health counselor.
- Concurred with the Governor's recommendation to serve an additional 49 clients in the program for Assertive Community Treatment, including four new positions, with General Fund appropriations totaling \$457,241 in the 2007-2009 biennium.

- The Subcommittee recommended the restoration of a clinical social worker position that was recommended for elimination by the Governor in outpatient counseling services. Although the number of clients was decreasing during the development of the Governor's budget, recent caseload data suggests the number of clients recently served is approaching the level approved by the 2005 legislature.
- The Subcommittee recommended concurring with the Governor's recommendation to eliminate four psychiatrist positions in the PAS. However, Senate members of the Subcommittee placed funding for costs associated with adding two psychiatric caseworker and three mental health counselor positions in the 2007-2009 biennium on an "add list." This resulted from the Subcommittee's directive to the Division to identify alternative positions to support recent caseload increases in the PAS.
- The Subcommittee recommended approval of the Governor's recommendation for three new support positions, including an information systems specialist and an information technology technician to support the agency's technology needs, and a personnel analyst to address classification, compensation, recruitment and grievance issues. The Subcommittee did not approve the Governor's recommendation for three new administrative assistant positions for the Off-Campus Outpatient Clinics.

In addition, the Subcommittee recommended placing funding for costs totaling \$2.4 million on an "add list" associated with Mental Health Court caseload for 77 clients requested by the agency as an item for special consideration.

SENATOR COFFIN:

Though the Governor recognizes caseloads are increasing, he intends to cut funding for medication by nearly \$5 million. What is his justification for this?

MR. CHAPMAN:

At the time the caseload projections were first considered, it showed a decrease over what had been approved by the 2005 Legislature. The projection was driven by the fact they had a number of positions approved in the last Session to support the medication clinics but had difficulty filling those positions. Also, they closed many files that had been inactive for over 120 days. This decreased the caseload numbers. Based on this, the Budget Office viewed it as a decline in caseload.

SENATOR COFFIN:

Why did the Subcommittee recommend including so many items in an "add list" category?

CHAIR RAGGIO:

We do not have the revenue we thought we were going to have last November. All the items we put on the "add list" are considered important. Because we must fund the education budgets first, and so do not know how much money we will have available for these programs, we have included them on the "add list."

SENATOR MATHEWS:

We discussed this extensively on the Joint Subcommittee and this is best we could do with the projected revenue available.

SENATOR COFFIN:

There is no constitutional basis for such a thing as an "add list."

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3161 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR COFFIN VOTED NO.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3159.

HHS - Southern Food Service – Budget Page MHDS-59 (Volume II)  
Budget Account 101-3159

MR. CHAPMAN:

The Subcommittee recommended closing the food service budget as recommended by the Governor with adjustments to reflect the delay of the 22-bed inpatient unit at SNAMHS.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3159 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on Developmental Services common issues.

MR. CHAPMAN:

The Subcommittee recommended approval of additional Service Coordination caseload increases based upon revised projections provided by the Division. The revised caseload decreases from 640 clients as recommended by the Governor to 518 clients as recommended by the Subcommittee: this would fund 340 clients at the Desert Regional Center (DRC), 85 clients at Rural Regional Center and 93 clients at the Sierra Regional Center (SRC). General Fund appropriations are reduced by \$3.96 million over the upcoming biennium as a result of the revised caseload projections.

The Subcommittee recommended approval of General Fund appropriations of \$4.8 million to support an additional 151 clients in residential supports at the DRC and 127 at the SRC. In addition, the Subcommittee recommended approval of support for 23 clients in jobs and day-training placements at the DRC and 12 at the SRC, who have been on wait lists for more than 90 days. Since the SRC recently reported no wait list for jobs and day training, the Subcommittee recommended approval for transferring funding for the 12 jobs and day-training slots from the SRC to the DRC to further reduce the wait list in that agency.

The Subcommittee recommended supporting the Governor's recommendation to eliminate the remaining 20 intermediate care facility/mental retardation (ICF/MR) beds at the SRC and 6 beds at the DRC, with funding provided to support community residential placements. The ICF/MR reductions continue the Division's efforts to comply with the United States Supreme Court's decision in *Olmstead v. L.C. and E.W.*

A total of 52.97 FTE positions are eliminated at the SRC and 5.52 FTE positions at the DRC. The Subcommittee also recommended concurring with the Governor's recommendation to establish crisis prevention intervention teams for all three regions who will assist agency staff in both preventing and triaging crisis episodes with clients and service providers. The Subcommittee recommends issuing a Letter of Intent for the Division to provide six-month status reports for the crisis prevention intervention teams to the IFC.

CHAIR RAGGIO:

Is the object of this to move as many clients as possible into residential placement?

MR. CHAPMAN:

That is correct. The idea is to move these clients out of the institutions like the DRC and the SRC.

The Division implemented a pilot program in FY 2005-2006 that currently provides monthly assistance payments to 52 families with children ages 2 to 10 who are both mentally retarded and diagnosed with autism disorders. The Subcommittee approved additional transfers from the Temporary Assistance for Needy Families (TANF) program of \$666,600 in FY 2007-2008 and \$997,920 in FY 2008-2009 to serve an additional 54 families in the 2007-2009 biennium. This is not included in the *Executive Budget*. This additional funding increases the average monthly assistance to these families from \$1,100 each month to \$1,320 each month.

CHAIR RAGGIO:

The transfer of these TANF funds reflects the wishes of the Subcommittee to provide additional funding to families of autistic children with co-occurring disorders.

SENATOR CEGAVSKE MOVED TO APPROVE DEVELOPMENTAL SERVICES WITH COMMON ISSUES BUDGET AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3280 and 101-3167.

HHS - Sierra Regional Center – Budget Page MHDS-64 (Volume II)  
Budget Account 101-3280

HHS - Rural Regional Center – Budget Page MHDS-84 (Volume II)  
Budget Account 101-3167

MR. CHAPMAN:

The Subcommittee recommended closing the remainder of the SRC and Rural Regional Center budget accounts as recommended by the Governor with minor or technical adjustments.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3280 AND  
B/A 101-3167 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE  
WITH TECHNICAL ADJUSTMENTS.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3279.

HHS - Desert Regional Center – Budget Page MHDS-72 (Volume II)  
Budget Account 101-3279

MR. CHAPMAN:

The Subcommittee recommended supporting the Governor's recommendation to transition 24 individuals in private ICF/MR beds currently supported in the Medicaid account to residential and jobs and day-training placements at the DRC. However, the Subcommittee recommended reducing General Fund appropriations by \$373,086 in FY 2008-2009 to reflect the correct number of placements.

In addition, the Subcommittee concurred with the Governor's recommendation for additional General Fund appropriations of \$3.96 million in the 2007-2009 biennium to support 76 children and youth diagnosed with both mental retardation and mental illness and/or severely emotionally disturbed.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3279 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.



THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3166.

HHS - Family Preservation Program – Budget Page MHDS-81 (Volume II)  
Budget Account 101-3166

MR. CHAPMAN:

The Subcommittee recommended supporting the Governor's revised recommendation to serve an additional 62 families in the Family Preservation Program that increases the total number of families served to 528 by the end of the 2007-2009 biennium. The Subcommittee concurred with the Governor's recommendation to increase the monthly assistance payment to each family from \$350 per month currently to \$362 in FY 2007-2008 and to \$374 in FY 2008-2009.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3166 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3164.

HHS - Mental Health Information System – Budget Page MHDS-91 (Volume II)  
Budget Account 101-3164

MR. CHAPMAN:

The Subcommittee recommended approval of a new information technology professional position, as recommended by the Governor, to address the continuing increase in the Division's technology infrastructure along with the additional responsibilities associated with the transfer of SAPTA from the Health Division effective July 1, 2007. The Subcommittee also recommended approval to transfer the existing information technology manager position from the MHDS administration account to the Information Systems account.

In addition, the Subcommittee recommended issuing a Letter of Intent to the Division to report on the activities of the new technology position related to increasing infrastructure and additional responsibilities associated with the SAPTA transfer.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3164 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3170.

HHS - Bureau of Alcohol & Drug Abuse – Budget Page MHDS-98 (Volume II)  
Budget Account 101-3170

MR. CHAPMAN:

The *Executive Budget* recommends \$17 million in the 2007-2009 biennium to fight methamphetamine use in Nevada. Of that amount, \$12.1 million was directed to SAPTA for various initiatives and \$2 million was directed to the Department of Health and Human Services (DHHS) Director's Office for methamphetamine education programs. The Subcommittee recommended approval of the Governor's recommendations totaling \$14.1 million in the SAPTA account as follows:

- General Fund appropriations of \$5.3 million to replace federal State Incentive Grant (SIG) funds that expire in September 2007 to support grants to 13 community coalitions and 45 drug prevention programs.
- General Fund appropriations of \$3.8 million to serve an additional 1,417 individuals in community treatment programs.
- General Fund appropriations of \$3 million to initiate a pilot program to serve 90 individuals with co-occurring substance abuse and mental illness disorders.
- Moving General Fund appropriations of \$2 million from the DHHS Director's Office to the SAPTA account to establish and administer methamphetamine education programs.

As a result of the Subcommittee's recommended action, the maintenance of effort (MOE) requirement for the federal SAPT grant increases from \$3.7 million currently to \$12.1 million annually by FY 2010-2011.

The Subcommittee also recommended approval of a new accountant technician position and increasing a half-time administrative assistant to a full-time position as a result of the transfer of the SAPTA account from the Health Division and the expansion of the programs approved by the Subcommittee.

The Subcommittee also recommended issuing a Letter of Intent to MHDS requiring the submission of six-month status reports to the IFC addressing the use of the additional \$14.1 million in appropriations for methamphetamine education, prevention programs, increased treatment services for individuals and the co-occurring pilot program.

SENATOR COFFIN:

Exactly what kind of programs is this money intended to fund? Does it just apply to methamphetamine use?

SENATOR CEGAVSKE:

The Subcommittee spent a great deal time deliberating this issue. Both the Senate and Assembly members decided the methamphetamine problem was the most urgent.

SENATOR RAGGIO:

In addition, the Governor has established a task force under the Office of the Attorney General. This task force will be responsible for designing the plans and programs for which this funding will be spent.

SENATOR COFFIN:

I am concerned with the fact that we are taking money away from other established programs to fund these new ones. We should be adding more funding for this.

CHAIR RAGGIO:

According to the Economic Forum, we have a limited amount of revenue available. In addition, we must first fund education before we can determine what is left for these other programs.

SENATOR COFFIN:

Did the Subcommittee consider using money from the Fund to Stabilize the Operation of State Government, also known as the rainy-day fund, for these programs?

SENATOR RAGGIO:

The rainy-day fund has specific criteria for which it can be utilized. This is not a potential source of funding for these programs.

SENATOR COFFIN:

We could make statutory changes allowing that to happen.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3170 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

SENATOR MATHEWS:

We should be discussing the general problem of substance abuse rather than focusing solely on the use of methamphetamine.

CHAIR RAGGIO:

The Subcommittee made it clear the funding can be used to combat all kinds of substance abuse, as does the SAPTA.

Senate Committee on Finance  
May 21, 2007  
Page 48

CHAIR RAGGIO:

We will now open the hearing on B/A 101-3255.

HHS - Alcohol Tax Program – Budget Page MHDS-106 (Volume II)  
Budget Account 101-3255

The Subcommittee recommended closing this account as recommended by the Governor.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3255 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on S.B. 278.

**SENATE BILL 278:** Makes an appropriation to The Rape Crisis Center in southern Nevada for their program to prevent sexual violence. (BDR S-175)

SENATOR TITUS:

I am the sponsor of this bill. The Rape Crisis Center of Southern Nevada serves over 700 sexual assault victims a year and receives 4,000 Rape Crisis Hotline calls each year. With the rapid growth in southern Nevada, their services will continue to be in high demand.

MANDY LUNDY (Child Assault Prevention Coordinator, Rape Crisis Center):

I have been coordinating this program for about one year. We discuss abuse with children in the same way we discuss other safety issues. Often, we use role-playing techniques to teach children about stranger danger, sexual abuse and bullying. In the last nine months, over 4,500 second grade students in Clark County have received this training. We receive many requests from the community to enlarge this program from kindergarten through Grade 6. We feel we are ready to take on this responsibility. It has been a success.

CHAIR RAGGIO:

What is the current source of funding for the Child Assault Prevention (CAP) program at the Rape Crisis Center?

MS. LUNDY:

The primary source of funding for the CAP program is through the Children's Trust Fund.

CHAIR RAGGIO:

Have you submitted a budget to our staff?

LOUISE TORRES (Executive Director, Rape Crisis Center of Southern Nevada):

Yes, we have submitted a budget. It specifically addresses the request by the Clark County School District to deliver a total of 5,000 presentations to over 160,000 school children. It will require the services of 40 facilitators and an assistant coordinator to follow-up with the children after 90 days. The funding will also help train our facilitators. I am providing a handout on the CAP Program ([Exhibit J](#)).

CHAIR RAGGIO:

How long had the Rape Crisis Center, as a nonprofit organization, been in business?

Ms. TORRES:

It has been in existence for 34 years.

We have provided the Committee with an overview of our annual expenses ([Exhibit K](#)).

CHAIR RAGGIO:

The Committee will need to see a more comprehensive overview of the budget of your entire operation as well as your funding sources.

Ms. TORRES:

We will supply that information. We have applied for seven grants, and some have already been approved.

CHAIR RAGGIO:

When we make appropriations such as the one you are requesting, they are typically onetime funding. In addition, we are facing revenue shortfalls this year.

We will close the hearing on S.B. 278 and open the hearing on B/A 101-3228.

HUMAN SERVICES

WELFARE

Welfare - Administration – Budget Page WELFARE-1 (Volume II)

Budget Account 101-3228

MARK KRMPOTIC (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Under the federal Deficit Reduction Act of 2005, states must submit a work verification plan by September 30, 2006. This plan must include: a description of the procedures and documentation requirements outlining whether a state's work activities may be counted for participation and rate purposes; methods of determining how to count and verify reported hours of work and identify who is a work-eligible individual; and internal controls. The work-verification plan submitted by the Division indicated that correctly identifying work-eligible individuals, correct entry of participation hours into the system and ensuring participation hours are verified and documented according to policy will be review elements of the Division's quality-assurance process. To assist in meeting the quality-assurance requirement, the Subcommittee concurred with the Governor's recommendation to add three positions to establish an

independent team to perform quality assurance to meet the requirements under the Deficit Reduction Act.

In June 2006, the Division received a food stamp high performance bonus totaling approximately \$1.1 million for its performance as one of seven states with the lowest combined payment error rate and one of three states with the most improved payment error rate in federal fiscal year 2004-2005.

The Subcommittee supported the recommendation by the Governor to match other federal funding sources with combined high performance bonus funds of \$219,963 over the 2007-2009 biennium to fund a corrective action planning conference; Q51 software to assist the Division in meeting its quality assurance processes; case tracking software for the investigations and recovery unit; IRISE computer software to enable information technology staff to simulate business applications prior to writing lines of code; an automated file tracking system to track and account for active- and former-client records and laptop computers in lieu of desktop computers for program chiefs.

The Subcommittee supported the addition of two positions funded with federal child-care assistance program funds, as proposed through an amendment submitted by the Governor. These positions will assist the Division in completing annual program reviews and measuring program errors in the Child Care Assistance Program as required under new regulations published by the federal Department of Health and Human Services.

CHAIR RAGGIO:

The Food Bank of Northern Nevada wanted to add a training officer to perform outreach to Senior Centers and Community Service Centers. Is this something that can be accommodated within the proposed budget?

MR. KRMPOTIC:

The proposal submitted by the Division in conjunction with the Food Bank of Northern Nevada called for the addition of one position and ancillary costs totaling approximately \$65,000. The Division believes it can fund this position with Food Stamp Program administrative funds and not require the 50-percent General Fund match.

CHAIR RAGGIO:

Does this accommodate what the Division once believed was a serious need?

MR. GHIGGERI:

The position could be added with no cost to the General Fund.

NANCY K. FORD (Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services):

Yes. The State's share, which matches the federal dollars, would be provided by the Food Bank of Northern Nevada.

SENATOR CEGAVSKE:

How long would we be able to fund this position without a General Fund contribution?

Ms. FORD:

If the Food Bank funding source stopped, we would not fill the position. If we could not obtain that match money in the future, we would terminate that position.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3228 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE AND ALSO APPROVE THE TRAINING OFFICER POSITION WITH THE UNDERSTANDING THAT IF THE NON-GENERAL FUND SOURCES OF MATCHING INCOME TERMINATE, THE POSITION WILL ALSO TERMINATE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND RHOADS WERE ABSENT FOR THE VOTE.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3233.

Welfare - Field Services – Budget Page WELFARE-14 (Volume II)  
Budget Account 101-3233

MR. KRMPOTIC:

Under the federal Deficit Reduction Act of 2005, work participation requirements have not changed and remain at 50 percent for all families and 90 percent for two-parent households. However, two significant changes occurred which will impact Nevada's ability to meet the required work participation requirements. First, the Deficit Reduction Act changes the benchmark year used to calculate the caseload reduction credit from 1995 to 2005. Second, the Act calls for the inclusion of families in separate state programs for whom funds are claimed to meet the MOE in the work participation calculation. To address the anticipated impact on Nevada's ability to meet work participation requirements, the Governor recommended 50 positions over the 2007-2009 biennium. Of these, 30 are family services specialist positions which would work directly with TANF recipients engaged in employment, training or education as supported under the New Employees of Nevada (NEON) program. The Subcommittee did not support the Governor's recommendation to add 50 positions.

The Subcommittee requested the Division to determine the feasibility of contracting with a private entity to work more closely with NEON program participants. If the Division determines that contracting with a private entity is not a feasible approach, they may approach the IFC to add positions to address required work participation.

The Subcommittee recommended concurring with the Governor's recommendation to fund the relocation of the Elko field office with Food Stamp high-performance bonus funds of \$82,360 in FY 2007-2008, matched with various federal funds. In concurring with this recommendation, the

Subcommittee did not support additional funding for a new telephone system for the Elko office, since the Department of Information Technology intends to relocate the existing telephone switch from its current location to the new building.

Funding for the Field Services account is calculated based on a federally certified cost-allocation plan which considers the efforts of staff in the Field Services account primarily toward the Food Stamp, TANF and Medicaid programs. Based on a quarterly calculation performed by the Division through March 31, 2007, additional General Funds of approximately \$700,000 is necessary in the Field Services account to accurately reflect the allocation of funding in each year of the 2007-2009 biennium. Increased General Funds are based on the allocation of a greater portion of Field Services staff time toward Medicaid and Food Stamp program cases which require 50-percent matching General Funds. The Subcommittee recommended the increase in General Funds to support the revised cost allocation; however, the Subcommittee recommended applying the balance of Food Stamp high-performance bonus funds of \$571,308 to offset General Funds required to implement the cost allocation in FY 2007-2008.

SENATOR BEERS:

Are the Food Stamp high-performance bonus funds a onetime item? If so, would we not be creating a problem by using this in an ongoing calculation of revenues?

MR. KRMPOTIC:

The Food Stamp high-performance bonus funds are a onetime source of funds. These funds will reduce the impact of the cost allocation increases in the coming biennium. If the cost allocation increases continued beyond that biennium, then additional General Funds would be required to meet the Division's budget for field services. The cost allocation has decreased since it was calculated for the *Executive Budget*. The Division sees a greater portion of its efforts going toward TANF cases due to the federal Deficit Reduction Act of 2005 which does not have a General Fund impact.

SENATOR BEERS:

Do we adjust for the amount of federal funding on a quarterly basis?

MR. KRMPOTIC:

The Division reviews the allocation quarterly but adjusts it annually. It has used other funding, such as the State's share of collections in the Child Support Enforcement Program account, to address shortfalls in General Funds. It also has the ability to transfer General Funds between budget accounts.

SENATOR BEERS:

Please elaborate on your previous statement: "... the Act calls for the inclusion of families in separate state programs for whom funds are claimed to meet the MOE in the work participation calculation".

MR. KRMPOTIC:

That means the TANF program is funded with federal TANF dollars and General Funds which represent the MOE. There are certain TANF cases in which individuals have difficulty seeking work; therefore, the State funds those cases under the General Fund MOE. These cases are then excluded under the work



participation of previous TANF reauthorization rules. With the new TANF rule, the federal government has eliminated that opportunity, and cases that were funded under the MOE now have to be counted in the work participation calculations.

SENATOR BEERS:

Does this mean more people will have to find work?

MR. KRMPOTIC:

Yes. More individuals must work and the Division will be assisting them to increase the work participation rate. If the Division does not meet the work participation requirements, significant federal penalties will be assessed against the State in future TANF block grants.

CHAIR RAGGIO:

The two-parent work participation rate in Nevada is 42.6 percent; well below the 90-percent requirement.

MR. KRMPOTIC:

The President's budget has reduced the two-parent work participation rate requirement to 50 percent. It is not known at this time if that will receive Congressional approval.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3233 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR TITUS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND RHOADS WERE ABSENT FOR THE VOTE.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3230.

Welfare - TANF – Budget Page WELFARE-23 (Volume II)  
Budget Account 101-3230

MR. KRMPOTIC:

The Subcommittee recommended concurring with the Governor's recommendation to increase TANF funding by approximately \$800,000 in each year of the coming biennium to provide work-related training, education and transportation services for Nevada participants. This increased funding is intended to improve work participation among Nevada's TANF recipients. In concurring with this recommendation, the Subcommittee recommended the issuance of a Letter of Intent to have the Division report to the IFC on the use of funding provided for new employees of Nevada program services, including the Division's efforts in implementing subsidized employment opportunities.

The 2005 Legislature approved the budgets of the Division with an estimated balance of unspent TANF funding at the end of the 2005-2007 biennium of

\$11 million. At the end of FY 2005-2006, the Division reported a balance of unspent TANF funds of \$23.8 million. The increase in the unspent TANF funds is due primarily to caseload reductions and the shift in the allocation of funding of administrative costs in the Administration and Field Services accounts. Based on the revised TANF caseload projections and revisions to the Division's cost allocation, the Division estimates approximately \$29 million in the TANF funds would be available at the end of the 2007-2009 biennium.

The Subcommittee recommended support of the revised TANF caseload projections prepared by the Division with review by staff. A total average of 13,699 cases are recommended in FY 2007-2008, a decrease from 15,766 cases recommended by the Governor, and 13,919 cases are recommended in FY 2008-2009, a decrease from 17,234 cases recommended by the Governor. The dollar impact of caseload projections results in savings of approximately \$1.9 million in FY 2007-2008 and approximately \$3.2 million in FY 2008-2009 in the federal TANF funding.

The Subcommittee supported the proposed amendment from the Governor to transfer the TANF funds of approximately \$650,000 in each year of the biennium to the Title XX program in the Grants Management account in the DHHS Director's Office.

HHS - Grants Management Unit – Budget Page DHHS DIRECTOR'S OFC-29  
(Volume II)

Budget Account 101-3195

Ultimately, this funding is to replace General Funds in the Clark County and Washoe County Integration budget accounts which will be redirected to provide for additional training of child welfare caseworkers in the Children, Youth and Family Administration account under the Division of Child and Family Services.

The Subcommittee recommended increases in the transfer of TANF funds to the MHDS of \$666,600 in FY 2007-2008 and \$997,920 in FY 2008-2009 to provide for additional services to families with autistic children. To qualify, a family must have a family member who meets the criteria for mental health or disability services as determined by the MHDS. In addition, the family unit must include a child under 18 who is living in the home of a parent or relative; and the family's gross countable income for the month of application does not exceed 500 percent of federal poverty guidelines.

SENATOR BEERS:

Did the Subcommittee learn how this would adversely affect other TANF recipients? What percentage of the population will be served by this transfer of TANF funding?

MR. KRMPOTIC:

The funding recommended by the Subcommittee would serve an additional 54 families with an autistic child over the coming biennium.

I do not know what the total potential eligible population is.

CHAIR RAGGIO:

This funding is for children with both autism and at least one other mental health or disability problem.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3230 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR TITUS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND RHOADS WERE ABSENT FOR THE VOTE.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3238.

Welfare - Child Support Enforcement Program – Budget Page WELFARE-27  
(Volume II)

Budget Account 101-3238

MR. KRMPOTIC:

The Subcommittee supported the Governor's recommendation for additional funding of \$712,850 each year resulting from the implementation of a \$25 fee required under the Deficit Reduction Act of 2005, on child support cases that never received public assistance in which there was at least \$500 in collections. In approving this recommendation, the Subcommittee supported collection of the fee from the custodial parent as recommended by the Governor.

In addressing recommendations made in the performance audit of the enforcement and collection of child support by the Division and the district attorneys of the State, the Subcommittee recommended approval of increases in the State share of collections of \$42,940 in FY 2007-2008 and \$4,203 in FY 2008-2009 to fund a contractor to assist with reporting requirements included in A.B. 536.

**ASSEMBLY BILL 536 (1st Reprint):** Requires certain reports to be submitted to the 75th Session of the Nevada Legislature regarding the status of certain recommendations concerning child support enforcement. (BDR S-1405)

The Subcommittee also recommended approval of the use of the State's share of collections of \$850 to fund a contract facilitator to assist with strategic planning for program and information technology.

The Subcommittee recommended concurring with the Governor's recommendation to add a support enforcement specialist position to fulfill program needs for the establishment of a delinquency unit.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3238 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND RHOADS WERE ABSENT FOR THE VOTE.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3239.

Welfare - Child Support Federal Reimbursement – Budget Page WELFARE-34  
(Volume II)  
Budget Account 101-3239

MR. KRMPOTIC:

The Subcommittee recommended approval of the Child Support Federal Reimbursement account as recommended by the Governor.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3239 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND RHOADS WERE ABSENT FOR THE VOTE.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3232.

Welfare - Assistance to Aged and Blind – Budget Page WELFARE-37 (Volume II)  
Budget Account 101-3232

MR. KRMPOTIC:

The Subcommittee supports the Governor's recommendation for increases in projected caseloads, with increases based on revised caseload projections from the Division. In addition, the Subcommittee recommended approval to issue a Letter of Intent for the Division of Welfare and Supportive Services to continue to report to the IFC over the upcoming biennium prior to implementing the annual Supplemental Security Income cost-of-living increase.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3232 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND RHOADS WERE ABSENT FOR THE VOTE.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3267.

Welfare - Child Assistance and Development – Budget Page WELFARE-39  
(Volume II)  
Budget Account 101-3267

MR. KRMPOTIC:

The Subcommittee recommended concurring with the Governor's recommended budget with minor technical adjustments.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3267 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE WITH TECHNICAL ADJUSTMENTS BY STAFF.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND RHOADS WERE ABSENT FOR THE VOTE.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-4862.

Welfare - Energy Assistance Program – Budget Page WELFARE-43 (Volume II)  
Budget Account 101-4862

MR. KRMPOTIC:

The Subcommittee recommended concurring with the Governor's recommendation to convert six contract positions to State positions to improve and minimize turnover and process cases in a timely manner. The Subcommittee also supported increases in client payments of approximately \$1.7 million in each year of the upcoming biennium as recommended by the Governor.

Staff requests authority to make adjustments reflecting committee actions and changes in the Division's cost allocation. Staff also requests authority to revise the balance of the high-performance bonus funds recommended to offset General Funds in the Field Services account based on technical adjustments in either year of the biennium.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-4862 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE WITH AUTHORITY TO MAKE ADJUSTMENTS REFLECTING COMMITTEE ACTIONS AND CHANGES IN THE DIVISION'S COST ALLOCATION; AND AUTHORITY TO REVISE THE BALANCE OF THE HIGH-PERFORMANCE BONUS FUNDS RECOMMENDED TO OFFSET GENERAL FUNDS IN THE FIELD SERVICES ACCOUNT BASED ON TECHNICAL ADJUSTMENTS IN EITHER YEAR OF THE BIENNIUM.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND RHOADS WERE ABSENT FOR THE VOTE.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now consider the closing report of the Joint Subcommittee on Public Safety, Natural Resources and Transportation concerning the Department of Motor Vehicles (DMV).

ROBIN HAGER (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Under NRS 408.235, the DMV may not expend more than 22 percent of the fees collected, excluding gasoline tax, from the Highway Fund on administration.

The Subcommittee, through Highway Fund reductions in other areas of the Department's budgets, has maintained the 22-percent cap at 18.2 percent in FY 2007-2008 and 18.4 percent in FY 2008-2009. This resulted in funding authority of approximately \$10.9 million under the cap in FY 2007-2008 and \$10.6 million under the cap in FY 2008-2009.

PUBLIC SAFETY

MOTOR VEHICLES

DMV - Director's Office – Budget Page DMV-1 (Volume III)  
Budget Account 201-4744

The Subcommittee recommended continuation of funding for kiosks, with reductions of approximately \$750,000 in FY 2007-2008 and \$1.1 million in FY 2008-2009 based on revised projections.

SENATOR BEERS MOVED TO APPROVE B/A 201-4744 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND RHOADS WERE ABSENT FOR THE VOTE.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 201-4746.

DMV - Real ID – Budget Page DMV-10 (Volume III)  
Budget Account 201-4746

MS. HAGER:

The Real ID Act was signed into law by President Bush on May 11, 2005, and is scheduled to take effect on May 11, 2008, unless the State requests an extension from the U.S. Department of Homeland Security (DHS). The DMV has indicated it will ask for an extension and begin to issue Real IDs in October 2008. Federal regulations will be released in August or September of 2007. Currently, there are no federal requirements on which to base funding and so the agency has had to estimate future funding.

The Governor recommends approximately \$26.5 million in Highway Funds over the 2007-2009 biennium to implement the Real ID Act based on the proposed October 2008 issuance date.

In the absence of federal regulations, the Subcommittee was unable to determine if funding levels recommended by the Governor represent the cost of implementing the Real ID Act. In addition, the Subcommittee was concerned that Congress might change some of the requirements and did not want to provide funding that may be unnecessary. Therefore, the Subcommittee approved \$100,000 in FY 2007-2008 and \$200,000 in FY 2008-2009 for a contract project manager to help the DMV submit required information to the DHS regarding Nevada's compliance. Once final federal regulations are released, the agency may approach the IFC or a special session of the Legislature to seek the necessary funding to implement the Real ID Act.

CHAIR RAGGIO:

When is the required compliance information from the DMV to the DHS due?

MS. HAGER:

The DHS must have it by October 2007.

SENATOR BEERS:

As members of the Subcommittee, we felt the risk of doing too much would be greater than the cost of having a later special session of the Legislature once the regulations are published by the federal government.

SENATOR MATHEWS:

Why is the cost of the contract project manager increasing from \$100,000 in FY 2007-2008 to \$200,000 in FY 2008-2009?

SENATOR BEERS:

The contract for the program manager will only be for half the year in FY 2007-2008 and a full year in FY 2008-2008.

CHAIR RAGGIO:

I would like to modify the language in the Authorization Act to give them the authority to first come to the IFC and if there are appropriate Highway Fund dollars available, they could do that without the necessity of a special session of the Legislature. If the funding is not available at that time, we could then ask the Governor to call a special session.

SENATOR BEERS:

The requirements of the Real ID Act are undefined. Consequently, we have no idea what the appropriate amount might be.

CHAIR RAGGIO:

I agree with you. However, I would like to avoid a special session if possible.

MR. GHIGGERI:

Staff would recommend authorizing the DMV to approach the IFC to augment their work programs with additional Highway Fund dollars. This authorization could be provided just for this coming interim period. Consequently, should a need arise once the Real ID Act regulations are provided, there would not be a need to appropriate funds to the IFC specifically for that purpose. When the Real ID program is implemented, the Division could put together a plan, have Fiscal Division staff review it prior to the IFC meeting and then it could be considered for a withdrawal from the Highway Fund. This way we are not tying up funds in the interim and you would avoid a special session. Typically, there is only about \$2 million from the Highway Fund appropriated to the IFC for allocation. I would anticipate the cost of the Real ID program to be significantly higher.

MR. GHIGGERI:

Any funding provided would require the approval of IFC.

CHAIR RAGGIO:

I suggest we close this budget account as recommended by the Subcommittee and have staff provide the appropriate language in the Appropriations Act to provide authority to the DMV in the coming interim only, to approach the IFC to augment their work programs with additional Highway Fund dollars.

SENATOR BEERS MOVED TO APPROVE B/A 201-4746 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE WITH APPROVAL FOR THE DMV TO APPROACH THE IFC TO AUGMENT WORK PROGRAMS IN THE INTERIM, AND TO HAVE STAFF PLACE PROPER LANGUAGE WITHIN THE APPROPRIATIONS ACT.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR COFFIN ABSTAINED FROM THE VOTE.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now hear B/A 201-4715.

DMV - Automation – Budget Page DMV-22 (Volume III)  
Budget Account 201-4715

MS. HAGER:

The Subcommittee recommended concurring with the Governor's recommendation to fund four new positions. This includes one new motor carrier programmer for continued development of an in-house motor carrier system to replace a system provided under contract; a management analyst position to control, maintain and monitor the ongoing changes that occur within the agency's security user profiles; a network specialist position at



the Galletti field office in Reno who will be responsible for the administration of the agency's local area network and will assist with maintaining rural area networks; and a new information systems specialist to enforce established standards and procedures for the programming staff and be responsible for the internal and quality control of the Department's database system.

SENATOR RHOADS MOVED TO APPROVE B/A 201-4715 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:  
We will now hear B/A 201-4745.

DMV - Administrative Services – Budget Page DMV-32 (Volume III)  
Budget Account 201-4745

MS. HAGER:

The Subcommittee recommended approval of the Governor's recommendation to implement central issuance of drivers' licenses and identification cards through the Department's outside vendor. The agency currently collects \$2.25 from each citizen receiving a driver's license or identification card, as established by regulation, to directly offset the cost to physically produce the driver's license or identification card. Central issuance will raise the cost to produce a driver's license to \$2.55, and the agency indicates it would charge the citizen \$2.75 to recover the cost.

The Governor recommends funding the increase in the cost of producing the driver's license or identification card with Highway Funds of \$171,865 in FY 2007-2008 and \$353,698 in FY 2008-2009 rather than increasing the fee the citizen pays as required under NRS 483.347. To remove the requirement for the fee increase, A.B. 582 has been introduced to allow, but not require, an increase in the fee changed to cover the actual cost of production of the driver's license or identification card.

**ASSEMBLY BILL 582:** Revises provisions relating to the increase in certain fees for the issuance of a driver's license or identification card. (BDR 43-1418)

CHAIR RAGGIO:  
It appears closure of this budget hinges on the passage of A.B. 582.

MS. HAGER:

That is correct. The Subcommittee approved passage of central issuance. At the time, it is funded with Highway Funds. If A.B. 582 does not pass, the Subcommittee or staff requests permission to remove the Highway Funds that would fund the situation.

Senate Committee on Finance  
May 21, 2007  
Page 62

CHAIR RAGGIO:

In other words, it all depends on the passage of A.B. 582. What is the status of that bill?

MS. HAGER:

I am unsure.

MR. GHIGGERI:

The bill is currently in the Assembly Committee on Ways and Means, and I am not sure whether or not it will be passed.

CHAIR RAGGIO:

With that understanding, I will entertain a motion.

SENATOR RHOADS MOVED TO APPROVE B/A 201-4745 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE WITH PROVISIONS AS INDICATED REGARDING PASSAGE OF A.B. 582.

SENATOR BEERS SECONDED THE MOTION.

SENATOR COFFIN:

Why are we taking money from the Highway Fund when we can charge a mere 20 cents more for each driver's license or identification card?

SENATOR BEERS:

Those of us on the Subcommittee decided it was better to not charge the fee.

THE MOTION CARRIED. (SENATOR COFFIN VOTED NO.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 201-4740.

DMV - Compliance Enforcement – Budget Page DMV-42 (Volume III)

Budget Account 201-4740

MS. HAGER:

The Subcommittee did not recommended approval of eight new positions to address the stolen vehicle problem in Nevada as recommended by the Governor. However, the Subcommittee did recommended approval of two investigators for the Decatur and Henderson field offices in Las Vegas that currently do not have investigators.

The Governor proposed, through a budget amendment, to move seven positions recommended in the Real ID budget to the Compliance Enforcement budget to support investigations of potential increases in fraud. The Subcommittee did not support this transfer and decided to eliminate the seven positions, as the agency has not experienced significant increases in fraud, even though the Department has experienced growth in vehicle registrations, driver's licenses and identification cards.

The Subcommittee recommended concurring with the Governor's recommendation to add two new compliance enforcement investigator positions to correct an inequity in the workload distribution between the Compliance Enforcement Division and the Pollution Control account. Based on information provided by the agency, two pollution control investigators have been performing work for the Compliance Enforcement Division rather than the Pollution Control account. With the addition of the two new investigators, the two pollution control investigators will be able to focus on the workload in the Pollution Control account rather than the Compliance Enforcement Division.

The Subcommittee did not recommended approval of the Governor's recommendation to fund off-site locations for staff not directly related to handling criminal investigations at the field offices in Las Vegas and Reno, based on the elimination of positions from the Compliance Enforcement account as recommended by the Subcommittee. Existing space within the field offices can accommodate the four new positions in the Compliance Enforcement account approved by the Subcommittee.

VIRGINIA LEWIS (Director, Department of Motor Vehicles):

We are concerned about the stolen vehicle situation in Nevada, particularly in Las Vegas. We now have a valuable tool to combat this problem in our access to the National Crime Information Center database which allows us to more easily identify stolen vehicles. If we do not have the resources to investigate this information, Nevada may become identified as a place where vehicles stolen from outside the State can be safely sold. I request this Committee reconsider their decision and approve six investigators, one technician and one supervisor position. We cannot do an adequate job without these positions.

MS. HAGER:

Staff found no significant increases in fraud. Of the six investigators the DMV requested, one was for the Carson City office, one for the main Reno office and four for the major field offices in Las Vegas. There are already investigators at two of the major Las Vegas offices and Reno and Carson City have a low auto theft rate. Consequently, we decided to recommend investigators only for the two major field offices in Las Vegas currently without an investigator.

SENATOR RHOADS:

The statistical evidence did not warrant that many positions. I suggest we stay with the Subcommittee's recommendation.

SENATOR COFFIN:

If the Governor recommends eight positions to address this problem, we should concur. Car thefts harm every driver through increased insurance premiums.

CHAIR RAGGIO:

What is the role of law enforcement agencies with respect to stolen vehicles?

TROY DILLARD (Administrator, Compliance Enforcement Division, Department of Motor Vehicles):

In Las Vegas, there is a task force which targets stolen vehicles. Even with that task force in place, the problem has grown worse. The DMV's role is important because these vehicles are being presented to the State for ownership or registration purposes. The DMV does provide the task forces with information about potential stolen car "rings."

SENATOR TITUS:

These eight positions recommended by the Governor are for fraud investigations and we on the Subcommittee felt there was not enough statistical evidence of fraud to warrant that many investigators and supporting staff.

SENATOR RHOADS MOVED TO APPROVE B/A 201-4740 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR COFFIN VOTED NO.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-4690.

DMV - Salvage Wreckers/Body Shops – Budget Page DMV-52 (Volume III)  
Budget Account 101-4690

Ms. HAGER:

The Subcommittee recommended concurring with the Governor's recommendation to transfer the Salvage Wreckers/Body Shops Program to the Compliance Enforcement account. Also, to phase in program support from the Highway Fund in FY 2008-2009 based on the inability of the program to support itself with fees over the next biennium.

Assembly Bill 393 provides that regulation of garages would be a joint responsibility of the DMV and the Commissioner of the Consumer Affairs Division. The Subcommittee recommended approval of an additional compliance enforcement investigator position in Las Vegas to comply with the provisions of A.B. 393. To implement the fiscal impact of A.B. 393, the Subcommittee approved approximately \$83,000 in FY 2007-2008 and \$89,000 in FY 2008-2009 for the new investigator position.

**ASSEMBLY BILL 393 (1st Reprint):** Makes various changes relating to the repair of motor vehicles. (BDR 43-821)

CHAIR RAGGIO:

Does this mean if we approve this recommendation, the Salvage Wreckers/Body Shops budget account will no longer exist?

Ms. HAGER:

Yes.

SENATOR RHOADS MOVED TO APPROVE B/A 101-4690 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-4722.

DMV - Motor Vehicle Pollution Control – Budget Page DMV-61 (Volume III)  
Budget Account 101-4722

Ms. HAGER:

The Subcommittee recommended approval of the Governor's recommendation to transfer four emission staff from the Research and Development budget account to the Pollution Control account. These positions support and are funded from the Pollution Control program.

DMV - Research & Development – Budget Page DMV-112 (Volume III)  
Budget Account 201-4742

The Subcommittee recommended approval of staff's recommendation to transfer one training officer dedicated to emission control training from the Research and Development budget account to the Pollution Control account. The Governor had recommended this position be transferred to the Director's Office as this position was originally part of the training unit which is being transferred to the Director's Office.

The Subcommittee did not recommend concurring with the Governor's recommendation to fund off-site locations for staff not directly related to handling criminal investigations at the field offices in Las Vegas and Reno based on the elimination of positions from the Compliance Enforcement account as recommended by the Subcommittee. Existing space within the field offices can accommodate the four new positions in the Compliance Enforcement account approved by the Subcommittee.

SENATOR RHOADS MOVED TO APPROVE B/A 101-4722 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 201-4741.

DMV - Central Services – Budget Page DMV-72 (Volume III)  
Budget Account 201-4741

Ms. HAGER:

The Subcommittee recommended approval of the funding for five new microfilm operators to help eliminate the backlog of documents that need to be scanned

for record retention purposes. In addition, the Subcommittee recommended approval of the new positions only for the 2007-2009 biennium and directed the agency to place the five microfilm operators in an enhancement decision unit if it is determined the positions would be required during the 2009-2011 biennium.

SENATOR RHOADS MOVED TO APPROVE B/A 201-4741 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 201-4735.

DMV - Field Services – Budget Page DMV-94 (Volume III)  
Budget Account 201-4735

MS. HAGER:

The Subcommittee did not recommend concurring with the Governor's recommendation to add a technician to the Pahrump field office in FY 2007-2008 but did recommend approval of the addition of one technician in FY 2008-2009 as the population in Nye County is projected to increase 15 percent by calendar year 2009.

The Subcommittee did not recommend support for the addition of one technician position at the Minden field office. While the population in Douglas County has increased over the past three years, the number of window transactions has decreased due to alternative methods of conducting transactions.

The Subcommittee did not recommend concurring with the Governor's recommendation to fund eight new information window technicians at the West Flamingo office because the average wait time at the information window is only 11 minutes. However, the Subcommittee did recommend approval of funding to remodel the drive test dispatch area, the camera station and the information window space at the West Flamingo office. This remodeling will streamline customer flow in the office and utilize space more effectively.

The Subcommittee supported the Governor's recommendation to add a motor vehicle inspector at the Galletti field office in Reno. The new position will assist in providing coverage during the six-day workweek and act as a working supervisor.

The Subcommittee did not recommend approval of reserve staffing of 8 positions for the Decatur office because the wait time averages only 45 minutes, well within the 60-minute wait time average targeted by the agency. The Subcommittee did recommend approval of reserve staffing of six positions for the Sahara office in FY 2008-2009 because the current

average wait time is 59 minutes. The agency would approach the IFC to request funding to add these positions, if justified, based on increased wait times.

The Subcommittee recommended approval of the establishment of a new field office with three positions for Fernley, rather than a full-service field office with six positions as recommended by the Governor. If, after the field office is opened, it is determined full services are required in Fernley, the agency can request additional positions during the 2009 Legislative Session.

SENATOR RHOADS MOVED TO APPROVE B/A 201-4735 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

SENATOR COFFIN:

Why not add positions when it is Highway Fund and not General Fund? Also, I think the wait times are longer than those stated here.

SENATOR BEERS:

The Subcommittee felt the decision was justified because it was Highway Fund and not the General Fund. One of the controversies of this Legislative Session is whether to raise taxes to increase the Highway Fund.

SENATOR COFFIN:

If the Subcommittee was concerned about lowering the Highway Fund, why did they not increase the fee for drivers' licenses and identification cards in B/A 201-4745?

THE MOTION CARRIED. (SENATOR COFFIN VOTED NO.)

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 201-4717.

DMV - Motor Carrier – Budget Page DMV-105 (Volume III)  
Budget Account 201-4717

MS. HAGER:

The Subcommittee recommended concurring with the Governor's recommendation to fund a lead revenue officer position to function as a first-line supervisor in the Motor Carrier Division and increase revenue collection activities related to licensed taxpayers. Based on information provided by the Department, this position should be able to reduce the delinquencies and generate additional revenues for the agency.

SENATOR BEERS MOVED TO APPROVE B/A 201-4717 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 201-4742.

MS. HAGER:

The Subcommittee did not support the Governor's recommendation to add a program officer to create new policies and procedures and help reduce the number of open projects in the Research and Development account. Based on information provided by the agency, existing staff is able to reduce the backlog of projects.

SENATOR BEERS MOVED TO APPROVE B/A 201-4742 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on the remaining DMV budgets.

MS. HAGER:

The Subcommittee also reviewed all remaining DMV budgets, B/A 201-4711, B/A 201-4731 and B/A 201-4732, and recommends these budgets be closed as recommended by the Governor with technical adjustments.

DMV - Records Search – Budget Page DMV-88 (Volume III)  
Budget Account 201-4711

DMV - Verification of Insurance – Budget Page DMV-83 (Volume III)  
Budget Account 201-4731

DMV - Hearings – Budget Page DMV-17 (Volume III)  
Budget Account 201-4732

SENATOR RHOADS MOVED TO APPROVE B/A 201-4711, B/A 201-4731 AND B/A 201-4732 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE WITH TECHNICAL ADJUSTMENTS RECOMMENDED BY STAFF.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on S.B. 442.

**SENATE BILL 442:** Makes an appropriation to the Nevada Discovery Museum in Reno for capital construction and initial operating expenses. (BDR S-743)

SONJA LEONARD (Chairman, Nevada Discovery Museum):

Please refer to my handouts titled "Believe Up" ([Exhibit L](#), original on file in the Research Library) and "The Nevada Discovery Museum" ([Exhibit M](#)). There is a lack of indoor cultural resources for children in northern Nevada. In 2005, private contributions purchased the now-vacant old Reno City Hall building and donated it to us for use as the Nevada Discovery Museum. This is an ideal space and location for the museum.

The \$2.1 million we are requesting from the State represents a 12-percent contribution toward our total capital campaign of approximately \$16 million. We have already raised 25 percent of that total. The remaining funds will be provided from individuals, corporations and foundations. We are asking for State funds to help with the building foundation portion of the costs. Because this aspect of the project is not as "glamorous" as the museum exhibits, it is more difficult to find donors to cover this cost.

Such indoor recreations and cultural facilities will make northern Nevada a more desirable place to live and help attract skilled workers to our area. We have completed feasibility and funding studies and have a business and operating plan through the first five years of the museum. Our master plan has received praise from others familiar with children's museums. We have strong community support with many local volunteers as well as a strong board of directors and advisory council.

We anticipate approximately 130,000 visitors each year. We have formed a partnership with the Washoe County School District which has committed to bring every student in Grades 3 through 5 at least once a year. In addition, we are developing curriculum in conjunction with their visit. We plan to eventually expand yearly visits to all grades.

Tourism will account for another 20 percent of our visitors. Through the help of private donors, we will have several outreach programs including the offer of 40,000 free admissions each year.

CARYN SWOBE (Chairman of the Board, Nevada Discovery Museum):

Our business plan and wide-spread community support are excellent. This will be one of the finest children's museums in the country. The museum will be a tremendous resource to the Washoe County School District and help with the redevelopment of downtown Reno.

CHAIR RAGGIO:

Is this a U. S. Internal Revenue Code 501(c)(3) nonprofit corporation? Have you submitted a detailed budget on your construction costs and sources of revenue to this Committee?

MS. SWOBE:

Yes, it is a 501(c)(3) nonprofit corporation. My handout ([Exhibit N](#)) contains a detailed projection of those costs. Our sources of revenue are described in an insert on page 33 of [Exhibit L](#).

CHAIR RAGGIO:

We will close the hearing on [S.B. 442](#) and open the hearing on the Joint Subcommittee on Public Safety, Natural Resources and Transportation's closing report on the Office of Veteran's Services budget.

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

The first budget I will review is B/A 101-2560.

## INFRASTRUCTURE

## VETERANS' AFFAIRS

### Commissioner for Veterans' Affairs – Budget Page VETERANS-1 (Volume III) Budget Account 101-2560

In closing the budget for the Commissioner for Veterans' Affairs Office, the Subcommittee recommended adding three new positions to establish a Trinity Team in rural Nevada. The team consists of two veterans' services representatives and an administrative assistant and will be located in Elko. The team was added by the Subcommittee to address unmet needs in rural Nevada and to improve upon Nevada's average per capita compensation and benefits of \$997 which is below the national average of \$1,243 for each veteran.

The Subcommittee also recommended approval of several revenue adjustments requested by the agency to match revised projections for the 2007-2009 biennium. The decrease in cemetery/interment fees, administration fees and the elimination of gift and donation revenue resulted in an increase of General Fund support of \$92,500 in FY 2007-2008 and \$117,350 in FY 2008-2009.

The Subcommittee also recommended approval of the Governor's recommendation of \$295,606 in the coming biennium for water rate increases and an expansion of maintained property at the Boulder City Veterans' Cemetery. Additionally, the agency requested the Subcommittee's consideration of a limited reorganization that was not included in the *Executive Budget*. The Subcommittee recommended approval of the reorganization which included the transfer of several positions between the agency's two budget accounts and the reclassification of two positions. The overall General Fund impact of the Subcommittee's recommendations for this budget account is an increase of \$199,697 in FY 2007-2008 and \$259,491 in FY 2008-2009.

SENATOR RHOADS MOVED TO APPROVE B/A 101-2560 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.  
SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-2561.

Veterans' Home Account – Budget Page VETERANS-7 (Volume III)  
Budget Account 101-2561

MR. PERI:

The Subcommittee recommended approval of 5 new positions recommended by the Governor, including 2 licensed practical nurses IIs, which will accommodate the projected census of 175 residents in each year of the 2007-2009 biennium and also allow the Home to become less dependent on contract nurses. Two activities therapy technician II positions were approved to meet new guidelines from the Center for Medicare and Medicaid Services. Also, an occupational therapist II position was recommended for approval because it will be more economical than the purchase of contract services.

The Subcommittee also recommended approval of the Governor's General Fund budget reductions which do not reduce expenditures. Instead, these will increase non-General Fund revenue based on new revenue projections. Increases in the daily Veterans' Administration per-diem rate, and the number of Medicaid-eligible residents, will result in an increase of \$683,645 in federal revenue over the 2007-2009 biennium, with corresponding decreases to the General Fund. The Governor recommended a 2-grade salary increase for all nursing positions in the budget, as well as the creation of a new certified nursing assistant classification designed to enhance the career ladder for those positions. The Subcommittee recommended approval of those recommendations.

The Subcommittee recommended approval of several technical adjustments, including the elimination of duplicate positions recommended for the 2-grade nursing salary increase, which resulted in a reduction in General Fund salary adjustment revenue of \$80,002 over the upcoming biennium.

The Subcommittee recommended approval of the reorganization noted in the Commissioner's account, resulting in the transfer of an administrative services officer position into this budget. The Subcommittee's recommendations in this account result in a General Fund reduction of \$267,898 in FY 2007-2008 and \$366,049 in FY 2008-2009. The total General Fund impact of the Subcommittee's actions for the agency is a net General Fund decrease of \$174,759 over the 2007-2009 biennium when compared to the Governor's recommended budget.

SENATOR RHOADS MOVED TO APPROVE B/A 101-2561 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now hear the closing report of the Joint Subcommittee on K-12/Human Resources on the DHHS Director's Office budget.

RICK COMBS (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

I will begin the review with B/A 101-3150.

HUMAN SERVICES

HEALTH AND HUMAN SERVICES ADMINISTRATION

HHS - Administration – Budget Page DHHS DIRECTOR'S OFC-1 (Volume II)  
Budget Account 101-3150

The Subcommittee recommended approval of the Governor's recommendation to provide General Fund appropriations totaling \$200,000 in each year of the 2007-2009 biennium to allow the Nevada 2-1-1 help line telephone number to maintain its current hours of operation for people seeking social services.

The Subcommittee also recommended approval of the Governor's recommendation to appropriate \$1 million for the methamphetamine education program, but elected to appropriate the funding to the SAPTA in the MHDS account instead of the Director's Office. This will allow funds to be allocated in a manner similar to the way the State Incentive Grant funds are currently allocated by that agency.

The Subcommittee did not recommend approval of the new personnel officer position recommended by the Governor for the Director's Office. The position was recommended to assist with the recruitment and retention efforts of the DHHS. However, the Subcommittee did not believe the approval of the position would solve the Department's difficulty in attracting and retaining people to fill difficult-to-recruit positions, especially in the rural areas of the State.

The Subcommittee recommended approval of additional travel and training funds for the Director's Office staff, but reduced the increased expenditures recommended by the Governor from \$51,492 in FY 2007-2008 and \$48,114 in FY 2008-2009 to \$23,968 in FY 2007-2008 and to \$28,448 in FY 2008-2009. The decrease was based on the agency's reevaluation of its travel and training requirements and the Subcommittee's determination not to fund travel for non-State employees to attend a suicide prevention summit and training sessions.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3150 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3266.

HHS - Community Based Services – Budget Page DHHS DIRECTOR'S OFC-13  
(Volume II)  
Budget Account 101-3266

MR. COMBS:

The Subcommittee recommended approval of the Governor's recommendation for additional General Funds totaling \$263,499 in FY 2007-2008 and \$725,283 in FY 2008-2009 to provide personal assistance services for 63 additional clients over the 2007-2009 biennium.

The Subcommittee recommended a decrease in the funding recommended by the Governor for the Traumatic Brain Injury (TBI) program based on the agency's determination that the cost-per-client for the program should be decreased from \$29,659 to \$25,578 for the 2007-2009 biennium. In addition, the Subcommittee recommended reducing the number of TBI clients recommended by the Governor from 100 to 92 over the upcoming biennium. Providing services for 92 clients would reduce the wait time for the program to approximately 90 days.

The Subcommittee recommended a decrease in the funding recommended by the Governor for the Positive Behavioral Support-Nevada program from \$191,981 in each fiscal year of the 2007-2009 biennium to \$100,000 in each fiscal year. The reduction was included in the Governor's original proposed budget reductions, but was removed from the final list. The Subcommittee determined this reduction in funding was appropriate, based upon the potential for the organization to obtain funds from other sources to expand its operations in southern Nevada.

The Subcommittee recommended reducing the funding recommended by the Governor for the Independent Living Program by \$323,775 over the 2007-2009 biennium. This decision was based on technical adjustments recommended by the Fiscal Analysis Division and the Subcommittee's determination that the number of clients receiving services during the 2007-2009 biennium be reduced from 403 clients, as recommended by the Governor, to 374 clients. Serving 374 clients during the 2007-2009 biennium would reduce the wait time for the program to approximately 140 days. Such a wait time for the program was determined to be reasonable based on the manner in which the agency measures time spent on the waiting list.

Based on the growth in the number of people served, the Subcommittee recommended approval of the social services program specialist position recommended by the Governor for the Independent Living Program.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3266 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 262-3261.

HHS - Healthy Nevada Fund – Budget Page DHHS DIRECTOR'S OFC-21  
(Volume II)  
Budget Account 262-3261

MR. COMBS:

The Subcommittee determined the implementation of Medicare Part D on January 1, 2006, had significantly decreased Senior Rx Program expenditures during the current biennium and recommended reducing the expenditures recommended for the programs in the *Executive Budget*. The Subcommittee recommended a reduction in the budgeted expenditures for the Senior Rx Program from \$7,303,246 in FY 2007-2008 and \$8,256,723 in FY 2008-2009, as recommended by the Governor, to \$3,530,012 in FY 2007-2008 and \$3,967,160 in FY 2008-2009. The Subcommittee recommended reducing the budgeted expenditures for the Disability Rx Program from \$391,363 in FY 2007-2008 and \$443,743 in FY 2008-2009, as recommended by the Governor, to \$296,625 in FY 2007-2008 and to \$332,790 in FY 2008-2009. The reductions in expenditures eliminated the need for General Fund appropriations in the *Executive Budget* totaling \$1.1 million in FY 2008-2009.

The Senate members of the Subcommittee recommended authorizing the transfer of tobacco settlement funds in an amount not to exceed \$325,000 in each fiscal year of the 2007-2009 biennium to the Medicaid account for the payment of prescription co-payments for Medicare and full Medicaid beneficiaries who are dually eligible. The Governor's recommended budget included only \$221,198 each year in General Funds for the payment of co-payments which are projected to total approximately \$546,000 each year.

Although the Director's Office indicated the additional costs could be absorbed within the Medicaid account, the Senate recommended authorizing the transfer of the tobacco settlement funds to the Medicaid account to ensure the Legislature provides sufficient funding for the expenditures projected by the agency.

The Subcommittee recommended approval of the new accounting assistant position recommended by the Governor to coordinate monthly premium benefit payments with the Medicare Part D prescription drug plans and Medicare Advantage plans on behalf of Senior Rx and Disability Rx members. However, they recommended funding the position with tobacco settlement funds rather than General Funds as recommended by the Governor. Although the use of tobacco settlement funds to fund the costs of the position will result in the need to adjust the Department's administrative caps for the Fund for a Healthy Nevada, the Subcommittee did not want to continue the practice of funding positions with General Fund support to avoid the administrative caps.

The Subcommittee recommended issuing a Letter of Intent requiring the DHHS to present plans it develops for expanding the Senior Rx program to include vision or dental benefits to the IFC for approval prior to implementing any such expansion. Although the Subcommittee is supportive of the expansion of the Senior Rx program, it is concerned that the costs for vision and dental benefits could result in the need to limit the benefits to a subgroup of the Senior Rx membership.

CHAIR RAGGIO:

Is there a difference in the amount of funding proposed by the Senate and Assembly members of the Subcommittee?

MR. COMBS:

Yes. The Senate members voted to send the tobacco settlement funds to the Medicaid account. The Assembly members voted to allow the Medicaid to absorb it within its legislatively-approved budget.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 262-3261 AS RECOMMENDED BY THE SENATE MEMBERS OF THE JOINT SUBCOMMITTEE WITH THE TRANSFER OF TOBACCO SETTLEMENT FUNDS TO THE MEDICAID ACCOUNT FOR THE PAYMENT OF PRESCRIPTION CO-PAYMENTS FOR MEDICARE AND FULL MEDICAID BENEFICIARIES.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-3195.

MR. COMBS:

Based on the availability of onetime Title XX revenues which were not included in the *Executive Budget*, the Subcommittee voted to increase the expenditures for Title XX grants to non-State agencies by \$176,025 in each fiscal year of the 2007-2009 biennium. The Subcommittee also recommended an increase in the FY 2007-2008 Title XX transfer to the SNAMHS account by \$665,669 and increased the FY 2007-2008 Title XX transfer to the Division of Child and Family Services (DCFS) Child Welfare Integration accounts by \$665,668. These actions reduced General Fund need for the SNAMHS and the DCFS Child Welfare Integration accounts by more than \$1.3 million in FY 2007-2008.

The Subcommittee recommended approval of the Governor's recommendation to approve funding to allow the State's Family Resource Centers (FRC) to assist with child welfare cases that do not warrant investigative actions by child protection agencies. In this way, those agencies are better able to respond to more severe cases which the agency terms "differential response." The Subcommittee recommended reducing the General Fund need for implementing the differential response program by accepting the Governor's proposed budget

reduction to delay implementing differential response for 5 of the 18 FRC service areas until the 2009-2011 biennium and using \$300,000 in available ongoing Title XX funds in each year to support the program. These actions reduced General Fund need by \$300,000 in FY 2007-2008 and by \$493,733 in FY 2008-2009.

The Subcommittee recommended eliminating approximately \$99,000 in General Fund appropriations recommended by the Governor for the continuation of the Prevention and Treatment of Problem Gambling Program in each fiscal year of the 2007-2009 biennium. The Subcommittee desires the program be continued but recommended the administrative costs be funded entirely with slot-tax revenues in future biennia.

The Subcommittee recommended approval of the new social services program specialist position recommended by the Governor for the Prevention and Treatment of Problem Gambling Program, and expect the position to manage the grants awarded to FRCs to assist with the differential response program. The Subcommittee based this on their belief that while neither program required a full-time position, between the two programs a full-time position was warranted. The actions of the Subcommittee eliminated the need to fund this position with General Fund support.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3195 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:

We will now open the hearing on B/A 101-2600.

HUMAN SERVICES

INDIAN COMMISSION

Indian Affairs Commission – Budget Page INDIAN COMMISSION-1 (Volume II)  
Budget Account 101-2600

MR. COMBS:

The Subcommittee recommended approval of the Governor's recommendation to provide additional out-of-state travel and in-state travel authority for the Executive Director of the Indian Affairs Commission to attend the annual Governors Interstate Indian Council meeting and to allow additional in-state travel for the two positions in this account and the members of the Indian Affairs Commission. The Subcommittee made minor technical adjustments to reduce the increased funding recommended by the Governor from \$7,040 in each fiscal year to \$5,883 in FY 2007-2008 and \$6,683 in FY 2008-2009.



SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-2600 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

CHAIR RAGGIO:

We will now open the hearing on B/A 101-1499.

HUMAN SERVICES

PUBLIC DEFENDER

HHS - Public Defender – Budget Page PUBLIC DEFENDER-1 (Volume II)  
Budget Account 101-1499

The Subcommittee recommended closing the Office of the State Public Defender in Winnemucca. As the result of Humboldt and Pershing Counties electing not to use the services of that office during the 2007-2009 biennium, the three positions there will be eliminated. Additionally, the allocation of all non post-conviction relief costs paid by the State and the counties was adjusted, from a ratio of 79 percent county and 21 percent State costs in the Governor's budget, to 75 percent county and 25 percent State costs as recommended by the Subcommittee.

The Subcommittee did not recommend approval of a new investigator position recommended by the Governor for the Ely office. This was based on the decision by Humboldt and Pershing Counties not to use the services of the office during the 2007-2009 biennium. The Office of the State Public Defender concurs with that decision.

The Subcommittee did not recommend approval of the Governor's recommendation for \$14,500 in private grant funds in each year of the 2007-2009 biennium to support the costs of creating a Public Defender Commission. This was recommended in an Executive Branch audit report completed during September 2004. The DHHS Director's Office indicated a reliable source of funding for the Commission had not been identified.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-1499 AS  
RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

CHAIR RAGGIO:

We will now open the hearing on B/A 628-3244 and B/A 628-3245.

Indigent Supplemental Account – Budget Page ADMIN-25 (Volume I)  
Budget Account 628-3244

Indigent Accident Account – Budget Page ADMIN-27 (Volume I)  
Budget Account 628-3245

MR. COMBS:

The Subcommittee recommended combining the revenues and expenditures in the Indigent Supplemental account and the Indigent Accident account into a single account based on the provisions of A.B. No. 493 of the 73rd Session and the approval of the Nevada's Health Insurance Flexibility and Accountability (HIFA) waiver program during the 2005-2007 biennium. Because the HIFA waiver was approved, a portion of the property-tax revenues deposited to the new account will be used to fund the waiver. The remaining funds will be available to reimburse hospitals for claims for care provided to persons who have been injured in motor vehicle accidents and to counties for unpaid charges for hospital care in excess of \$25,000 to an indigent person whose need for care did not result from a motor vehicle accident.

Funds from the new combined account will be used to support a portion of the costs of the HIFA waiver program. The Subcommittee recommended transferring the responsibility for accounting services from the Administrative Services Division to the DHHS Director's Office.

CHAIR RAGGIO:

Why is a HIFA waiver necessary to accomplish this?

MR. COMBS:

The HIFA waiver is necessary because it uses Medicaid funds to provide services for people who are not otherwise eligible for Medicaid.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 628-3244 AND  
B/A 628-3245 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

CHAIR RAGGIO:

We will now open the hearing on B/A 101-3154, B/A 101-3241, B/A 101-3201 and B/A 101-3200.

HHS - Developmental Disabilities – Budget Page DHHS DIRECTOR'S OFC-9  
(Volume II)  
Budget Account 101-3154

HHS - BCBS Settlement – Budget Page DHHS DIRECTOR'S OFC-28 (Volume II)

Senate Committee on Finance  
May 21, 2007  
Page 79

Budget Account 101-3241  
HHS - Children's Trust Account – Budget Page DHHS DIRECTOR'S OFC-38  
(Volume II)  
Budget Account 101-3201

HHS - Director's Office - Problem Gambling – Budget Page DHHS DIRECTOR'S  
OFC-40 (Volume II)  
Budget Account 101-3200

MR. COMBS:

The Subcommittee recommends closing these budgets as recommended by the Governor and the Fiscal Analysis Division with technical adjustments.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-3154, B/A 101-3241, B/A 101-3201 and B/A 101-3200 AS RECOMMENDED BY THE GOVERNOR AND THE FISCAL ANALYSIS DIVISION WITH TECHNICAL ADJUSTMENTS.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

CHAIR RAGGIO:

We will now open the hearing on S.B. 287.

**SENATE BILL 287:** Makes an appropriation to the Division of State Parks of the State Department of Conservation and Natural Resources to enroll rangers in the Police and Firefighters' Retirement Fund. (BDRS-976)

SENATOR MATHEWS:

I am submitting a handout (**Exhibit O**). This is important legislation. It will not have an effect on this budget but it could impact local governments. I am sponsoring this bill on behalf of the Peace Officers Research Association of Nevada. It will eliminate the bias and disparity suffered by approximately 300 professional peace officers who are not included in early retirement provisions of the Public Employees' Retirement System.

RONALD P. DREHER (Peace Officers Research Association of Nevada):

This is the third legislative session in which we have brought this measure before you. Please refer to the proposed amendment to this bill (**Exhibit P**). Section 1 of this bill provides a statutory definition of a "police officer." In addition, this amendment changes language in section 2, subsection 2, which excludes certain persons who do not possess an active Nevada Commission on Peace Officers' Standards and Training (P.O.S.T.) certificate. Section 5 would include Department of Conservation and Natural Resources, Division of State Parks park rangers in the Police and Firefighter's Retirement Fund.

I will read my prepared statement titled "SB287 Position Paper with Amendment, May 21, 2007" (**Exhibit Q**). On page 2, I have listed those agencies that will be affected by the passage of this measure.

I have provided the Committee with the "Class Specification for a Youth Training Center Counselor" ([Exhibit R](#)). The Nevada Public Employees Retirement System (PERS) has approved these positions under the Police and Firefighter's Retirement Fund and yet they are not required to have a P.O.S.T certification. Under NRS 286.261, there is supposed to be a P.O.S.T certification requirement. In addition, there are another 300 State employees who are not P.O.S.T-certified yet enjoy benefits under the Police and Firefighter's Retirement Fund. We do not advocate removing these individuals from the retirement system. We do, however, advocate these positions be eliminated from the Police and Firefighter's Retirement Fund as these employees leave State service.

I will continue to read my prepared statement [Exhibit Q](#). On pages 3 and 4, you will see discrepancies in policy between the former PERS Executive Officer George Pyne and the current PERS Executive Officer Dana Bilyeu.

Creating a statutory definition of who should be in the Police and Firefighter's Retirement Fund does not eliminate the Police and Firemen's Retirement Advisory Committee, rather it assists that Committee.

CHAIR RAGGIO:

If there is a statutory definition, why will the Police and Firemen's Retirement Advisory Committee not be eliminated?

MR. DREHER:

The Board has two distinct duties: to administer the benefits of the system and to establish eligibility requirements.

CHAIR RAGGIO:

Are you saying the Committee should not be involved in making the eligibility requirements?

MR. DREHER:

Yes, that is correct. We urge the passage of [S.B. 287](#).

ROB HOLLEY (President, Park Rangers Association of Nevada):

I will now read my prepared statement ([Exhibit S](#)). Please see the pamphlet I have provided ([Exhibit T](#)) for more information about the law enforcement responsibilities of park rangers. There are 33 law enforcement officers within the Division of State Parks.

The recent PERS ruling to include park rangers under the Police and Firefighter's Retirement Fund did not address the appropriation for the State to pay for those benefits. I ask you to support the proposed appropriation in the Division of State Parks budget which is earmarked to go into that Police and Firefighter's Retirement Fund for those officers who have opted to join that system. The amount of the request is \$103,062 for FY 2007-2008 and \$107,876 for FY 2008-2009. I have provided a handout ([Exhibit U](#)) which lists the basis for this appropriation in greater detail. On behalf of those law enforcement officers not covered by this system, I ask you to pass [S.B. 287](#).

MIKE B. NEVILLE (Investigator, Washoe County District Attorney's Office):  
I support S.B. 287. Please see my handout ([Exhibit V](#)) which states my position on this issue. We feel it is crucial to establish a statutory definition of "police officer." The current PERS evaluation system has systematically discriminated against approximately 300 of Nevada's 8,500 peace officers.

CHAIR RAGGIO:  
When was the latest application made on behalf of the Washoe County District Attorney investigators?

MR. NEVILLE:  
We last applied in 2004.

CHAIR RAGGIO:  
What is the fiscal impact of these types of positions? Will this impact more on the counties and cities?

MR. GHIGGERI:  
The Washoe County District Attorney investigators would be a county expense.

CHAIR RAGGIO:  
They have submitted a fiscal note indicating the expense would be about \$268,000 each year.

MR. NEVILLE:  
The Local Government fiscal note attached to this bill is erroneous because it indicates that alternative sentencing officers and juvenile probation officers would be under the Police and Firefighter's Retirement Fund which would increase the cost to the county. However, the positions are already under the Police and Firefighter's Retirement Fund. The fiscal impact will be minimal.

CHAIR RAGGIO:  
We will ask staff to reevaluate the fiscal note and provide us with the number of officers who would be funded by the State funding and those who would be funded by other sources.

DANA K. BILYEU (Executive Officer, Public Employees' Retirement System):  
I will read from my prepared text ([Exhibit W](#)). We are opposed to this bill because it does not adhere to the intent of public policy. Public policy dictates early retirement be used to promote a youthful and vigorous frontline public safety force. To retain coverage under the early-retirement provisions, frontline service must last at least two years before promotion away from the front line.

Because the cost of early retirement is significant, the PERS performed an update between the 2001 and 2003 Legislative Sessions to determine if the process remained true to public policy. The resulting determination was that our system still best served the safety needs of the public.

A common misconception is that early retirement is a reward for putting oneself in danger. There are many jobs which involve dangerous conditions that do not qualify for an early retirement. Early retirement is meant only to provide a youthful and vigorous public safety force. Our current evaluation process is thorough, fair and comprehensive.

The fiscal note for S.B. 287, as it is currently written, would have money appropriated directly to the Police and Firefighter's Retirement Fund. The language should be modified to show the funds be directed to the budgets for the Division of State Parks and then come through the PERS to the Police and Firefighter's Retirement Fund through the normal payroll process.

CHAIR RAGGIO:

Who provided the fiscal note?

MS. BILYEU:

The Division of State Parks submitted the fiscal note.

DAVID F. KALLAS (Southern Nevada Conference of Police and Sheriffs):

I am a member of the Public Employees' Retirement Board. I object to sections 1, 2, and 3 of S.B. 287 because there is a sound process in place. This is evidenced by the recent decision of the Board to include State park rangers in the Police and Firefighter's Retirement Fund.

CHAIR RAGGIO:

On page 2 of [Exhibit V](#), the Washoe County District Attorney's Office investigators 1997 application for inclusion under the Police and Firefighter's Retirement Fund was scored at 60 points. In 2004, a similar application by them was scored at 38 points. What changes did the Public Employees' Retirement Board deem to have occurred in their duties to warrant the lower rating?

MS. BILYEU:

As a result of the aforementioned reassessment of public policy aspects of retirement system, during the interim between the 2001 and 2003 Legislative Sessions, and partially in response to the concerns of the Washoe County District Attorney's Office investigators, we changed the scoring method for the evaluation process. We did this to allow points to be allocated more precisely to reflect the responsibilities and duties. These scores do not affect promotional coverage. They are intended to determine if the 75-point threshold inclusion under the Police and Firefighter's Retirement Fund is met.

RUSTY McALLISTER (Professional Firefighters of Nevada):

The Professional Firefighters of Nevada oppose sections 1, 2 and 3 of S.B. 287. I am a member of the Police and Firemen's Retirement Advisory Committee which is comprised of two police officers, two firefighters and a management position which alternates biannually between the police and firefighter membership. The PERS staff makes a thorough evaluation of each application and provides the Advisory Committee with recommendations. We, in turn, make a recommendation. If applicants are not satisfied with our decision, they may request it be reevaluated. If they are dissatisfied with the reevaluation decision, the applicant can appeal for a hearing before the Public Employees' Retirement Board.

We have had cases where some in a group of applicants may have qualified and others did not; yet, the group insisted that all be approved for inclusion under the Police and Firefighter's Retirement Fund or none would accept.

CHAIR RAGGIO:

The essence of S.B. 287 would be to remove the process you just described. What is the advisability of that?

MR. McALLISTER:

If the applications are properly prepared and address the requirement standards, they are rarely denied. The way this bill is written, only firefighters would come before the Police and Firemen's Retirement Advisory Committee to determine eligibility under the Police and Firefighter's Retirement Fund. Consequently, it would not be necessary for police officers to sit on the Advisory Committee.

MR. KALLAS:

As a frontline police officer for 22 years, I have concern about language in section 1, subsection 3(b) of S.B. 287, particularly the phrase "some or all of the powers of a peace officer." This appears to be an example of those who do not agree with the system circumventing the criteria by doing away with the system. This will present an unjust situation where only firefighters are required to apply to participate in the Police and Firefighter's Retirement Fund.

MR. DREHER:

Most firefighters already qualify for the Police and Firefighter's Retirement Fund.

CHAIR RAGGIO:

As testified to by Mr. McAllister, if certain employees within a group do not qualify, but others do, is there unwillingness on the part of the qualified members of the group to accept that retirement system?

MR. DREHER:

You have a State system of law enforcement where administrators are sometimes hesitant to make an application because of the budget process and the political issues which hinder things. As an example, it took the park rangers 17 years before they decided to apply.

MR. NEVILLE:

Several years ago we brought to the attention of the Public Employees Retirement Board the issue of prison employees who are not peace officers because they do not have a P.O.S.T. certificate.

CHAIR RAGGIO:

We will close the hearing on S.B. 287 and open the hearing on S.B. 514.

**SENATE BILL 514:** Establishes Monte Cristo State Park in Esmeralda County, Nevada. (BDR 35-401)

SCOTT M. CRAIGIE (Monte Cristo's Castle):

This bill is on behalf of the Legislative Committee on Public Lands which Senator Rhoads chaired and has been recommended by the Natural Treasures Subcommittee chaired by Senator Titus.

ANDREA ROBB-BRADICK:

I will read my prepared statement ([Exhibit X](#)). Also, I am providing a slide presentation ([Exhibit Y](#)). We have letters of support and petitions from around the country and the world for the creation of this State park. These letters of support and petitions can be found, along with additional information about the

proposed park, in the booklet titled "Monte Cristo's Castle, Proposed Site for a New Nevada State Park in Esmeralda County Near Tonopah" ([Exhibit Z](#), original is on file in the Research Library).

Acquiring this land by the State opens the door for private and federal grants that can be used for development of the park. This new State park would be an economic boon to central Nevada and we have the support of local governments in Esmeralda, Nye and Mineral Counties. Because the State did not establish a Petrified Forest State Park in Esmeralda County 80 years ago, those unique rock formations are now gone. Please support [S.B. 514](#).

FRANK A. BRADICK:

According to the Division of State Parks, on page 2 of ([Exhibit AA](#)), the cost of transferring the land from the Bureau of Land Management (BLM), including the environmental impact statement, is \$100,000.

CHAIR RAGGIO:

How was that amount established?

MR. BRADICK:

The Division of State Parks provided that figure.

The Nevada State Director of the BLM advised us that the transfer of the land from the BLM should be approved within the timeframe dictated by [S.B. 514](#). The master plan cost, as shown on page 2 of [Exhibit AA](#), would require \$109,000. Please see pages 2 through 6 [Exhibit AA](#) for additional costs, including the "40-percent mark up" done by the Division of State Parks for a grand total of \$500,000.

All the development could not be done within the two years specified in the bill.

No development could start until the lease is finalized and all land acquired.

CHAIR RAGGIO:

I do not believe the State would lease land for a State park?

MR. BRADICK:

Yes. This is standard procedure for State Parks. It is referred to as a Recreational/Public Purposes Act lease. Land is leased from the federal government. After a number of years, once the State has provided the construction and maintenance specified in the agreement, the land is then transferred completely to the State.

Since we cannot complete all of this within two years, I suggest we eliminate the cost items we cannot do now and amend [S.B. 514](#) to request an appropriation of \$293,000. I would also like the amendment to include the name "Monte Cristo's Castle State Park," instead of the current "Monte Cristo's State Park."

The bill carries a requirement for a two-thirds majority vote. I am also requesting language in the bill to be changed that will, in turn, eliminate the need for a two-thirds majority vote to pass this measure.



MR. CRAIGIE:

We need to establish a system with the Administrator of the Division of State Parks and the Department of Conservation and Natural Resources to protect this area. We also need a reasonable appropriation for us to do a study and review and return to the 2009 Legislature with a unified plan.

MR. BRADICK:

We have not acquired a new State park in Nevada in 13 years. We are losing one at the end of June when Floyd Lamb Park goes to the City of Las Vegas. In Question One funding from the 2002 election, there was \$5 million for acquisitions, including \$2 million for a new State park. Currently, there is only \$175,000 allotted to acquisitions. And there is still no new State park.

SENATOR MATHEWS:

How large will the Monte Cristo's Castle State park be?

MR. BRADICK:

We are requesting ten square miles.

DAVID K. MORROW (Administrator, Division of State Parks, Department of Conservation and Natural Resources):

We greatly appreciate the support for this measure. However, we oppose S.B. 514. The appropriation that would come with this bill is severely under the amount it would cost to operate the park. In [Exhibit AA](#), you will find a detailed estimate of those costs prepared by my Division after making a careful year-long study of this proposal.

Contrary to testimony by Mr. Bradick, the Division's does not have a 40-percent "mark-up." That cost represents required development of contingencies and the State bidding and purchasing process.

The other dollar figures presented to you earlier were not correct. They are far short of what is needed. As much as we agree that Monte Cristo's Castle would make a fine State park, we cannot absorb the cost and management of another park given the budget cuts we have sustained over the last two biennia.

CHAIR RAGGIO:

Are there other applications for State park sites?

MR. MORROW:

There is a new State park being considered in this session and a study of that proposal is underway. There have been two additional proposals ongoing for the last seven to ten years.

SENATOR BEERS:

What is the new park being considered this session?

MR. MORROW:

It is in legislation brought forward by the Assembly for the Tule Springs archeological site. I do not know the status of that bill.

CHAIR RAGGIO:

In [Exhibit AA](#), did your agency prepare the estimates for the transfer costs and master plan?

SENATOR BEERS:

What is the "mark up" policy that has been mentioned in regard to these cost projections?

MR. MORROW:

I am confused by the term "mark up." There is no "mark up" we, as an agency, charge. There are a certain number of fees which go into developing and carrying out construction projects.

SENATOR BEERS:

If the proponents of this bill eliminated the construction costs and asked only for an appropriation for the transfer costs and master plan, would those fees be included?

MR. MORROW:

No, they would not be included.

SENATOR BEERS:

With the amendment they propose, the fiscal impact would then be approximately \$215,000.

MR. MORROW:

Yes. That would be the immediate impact.

SENATOR COFFIN:

The Assembly Committee on Ways and Means recently eliminated several positions from the Division of State Parks in southern Nevada. Will those be restored?

MR. MORROW:

The Assembly Committee on Ways and Means cut another \$400,000 beyond the amount decided upon by the Senate Committee on Finance. There were six positions at Floyd Lamb Park the Committee recommends be transferred to other locations in Clark County. The Committee also recommended a six-month position in both years of the coming biennium. The Assembly Committee on Ways and Means cut that position to only the second year of the biennium.

CHAIR RAGGIO:

We will close the hearing on S.B. 514.

Senate Committee on Finance  
May 21, 2007  
Page 87

There being no further business before this Committee, the meeting is adjourned at 7:27 p.m.

RESPECTFULLY SUBMITTED:

\_\_\_\_\_  
Michael Archer,  
Committee Secretary

APPROVED BY:

\_\_\_\_\_  
Senator William J. Raggio, Chair

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