

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session
May 22, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:13 a.m. on Tuesday, May 22, 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

STAFF MEMBERS PRESENT:

Steve Abba, Principal Deputy Fiscal Analyst
Rick Combs, Program Analyst
Jeff Ferguson, Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Rex Goodman, Program Analyst
Robin Hager, Program Analyst
Mark Krmpotic, Senior Program Analyst
Tracy Raxter, Senior Program Analyst
Lori Johnson, Committee Secretary

OTHERS PRESENT:

Frank Adams, Executive Director, Nevada Sheriffs' and Chiefs' Association
Dick Clark, Executive Director of Peace Officers Standards and Training Commission
Darrel Rexwinkel, Deputy Director, Support Services, Department of Corrections

CHAIR RAGGIO:

This morning we will be doing budget closings. We will start with the Joint Subcommittee on Public Safety, Natural Resources and Transportation report on the Department of Public Safety.

PUBLIC SAFETY

DPS - Director's Office – Budget Page PUBLIC SAFETY-1 (Volume III)
Budget Account 201-4706

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

The Subcommittee recommended closing actions have resulted in an overall decrease to the General Fund of approximately \$210,000 in fiscal year

(FY) 2007-2008 and an increase of approximately \$50,000 in FY 2008-2009 when compared to the Governor's recommended budget.

The Subcommittee recommended concurring with the recommendation from the Governor to fund uniforms and travel expenses for a 39-member honor guard. The honor guard would represent the Department of Public Safety at memorials, funerals and other special events, both within and outside Nevada.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 201-4706 AS RECOMMENDED BY THE GOVERNOR.

SENATOR BEERS SECONDED THE MOTION.

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

BUDGET CLOSED.

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DPS - Office of Prof Responsibility – Budget Page PUBLIC SAFETY-16
(Volume III)

Budget Account 201-4707

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

The Subcommittee recommended supporting the Governor's recommendation to add a sergeant to be located in Las Vegas to assist with the volume of administrative investigations required of the office. The new sergeant position will reduce travel to Las Vegas for existing sergeants located in Carson City when investigation needs arise.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 201-4707 AS RECOMMENDED BY THE GOVERNOR.

SENATOR BEERS SECONDED THE MOTION.

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

BUDGET CLOSED.

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DPS - Technology Division – Budget Page PUBLIC SAFETY-22 (Volume III)
Budget Account 201-4733

MR. KRMPOTIC:

The Subcommittee recommended supporting the recommendation from the Governor to add funding of approximately \$2 million over the 2007-2009 biennium to upgrade disaster-recovery capabilities for the Nevada Criminal Justice Information System and the Computer-Aided Dispatch Systems. Additional funding will provide for additional network hardware and telecommunications circuits.

The Subcommittee recommended supporting the Governor's recommendation to add six new positions over the 2007-2009 biennium, which include: an information systems specialist to support the Department's justice link system; one security officer to ensure secure access to the Criminal Justice Information System is maintained by system users in Las Vegas; two information systems specialist positions to assist with records and identification projects over the next biennium; one database administrator to provide technical support and maintenance for the Department's existing databases; and one administrative assistant to provide routine administrative support.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 201-4733 AS RECOMMENDED BY THE GOVERNOR.

SENATOR BEERS SECONDED THE MOTION.

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

BUDGET CLOSED.

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DPS - Criminal History Repository – Budget Page PUBLIC SAFETY-55
(Volume III)
Budget Account 101-4709

MR. KRMPOTIC:

The Subcommittee recommended concurring with the recommendation from the Governor to add a manager to oversee the operation of the Records Bureau. The Records Bureau includes resources and positions from the Criminal History Repository, which has been renamed the Records Bureau and combined with the Technology Division to form a Records and Technology Division for the Department. This was recently approved by the Committee through Senate Bill (S.B.) 38.

SENATE BILL 38: Makes various changes concerning the Central Repository for Nevada Records of Criminal History (BDR-43-590)

The Subcommittee recommended supporting the addition of three positions to the sex-offender registry to provide a second supervisor to address the projected volume of new sex-offender cases requiring tier assessments and to assist in staffing hearings conducted to reconsider tier level designations as requested from sex offenders.

The Subcommittee recommended supporting the addition of two positions to assist with the projected increase in the number of background checks for individuals seeking to purchase a firearm.

The Subcommittee recommended concurring with the Governor's recommendation to add new fingerprint technician positions to address the volume of civil and criminal fingerprints received each month. However, the Subcommittee recommended a reduction from three positions, recommended by the Governor, to two positions based on revised calculations regarding the number of existing positions available to process fingerprints. The

Subcommittee recommended supporting the Governor's recommendation to add five positions to the fingerprint support unit to assist with data entry and the transmittal of fingerprint responses to employers.

CHAIR RAGGIO:

Is there capability for the sex offender to apply for a tier change in the classification within the registry?

MR. KRMPOTIC:

Yes, that is provided for in statute.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 201-4709 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION.

SENATOR BEERS SECONDED THE MOTION.

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

BUDGET CLOSED.

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DPS - Dignitary Protection – Budget Page PUBLIC SAFETY-68 (Volume III)
Budget Account 101-4738

MR. KRMPOTIC:

The Subcommittee recommended supporting a proposed amendment from the Governor to add funding of \$72,004 over the biennium to provide for training expenses for officers who are new to the Dignitary Protection Unit; replacement equipment, including a full-size sport utility vehicle; and equipment related to the safety of the Governor, First Lady and officers assigned to the unit.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-4738 AS RECOMMENDED BY THE GOVERNOR.

SENATOR BEERS SECONDED THE MOTION.

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

BUDGET CLOSED.

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DPS - Highway Patrol – Budget Page PUBLIC SAFETY-73 (Volume III)
Budget Account 201-4713

MR. KRMPOTIC:

The Governor recommends the addition of 71 sworn and 7 civilian support positions over the next biennium based on a manpower allocation assessment completed by the University of Nevada, Reno in 2006. The Subcommittee recommended supporting the addition of the new positions. However, in

reviewing this recommendation more closely, the Subcommittee examined existing staffing levels in the Nevada Highway Patrol, particularly among supervisory and command-level positions, officers assigned to administrative duties which could otherwise be performed by civilian positions, and overtime of approximately \$1.6 million included for the new positions over the biennium. Based on review of these issues, the Subcommittee recommended elimination of one captain and one sergeant position; the conversion of two sworn officer positions to civilian positions; and reductions in overtime of approximately \$1.1 million during the biennium, based on current trends regarding overtime expenses in FY 2006-2007.

CHAIR RAGGIO

I just want to remind the agency that if they have any critical concerns, they are welcome to address the chair on a limited basis.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 201-4713 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION.

SENATOR BEERS SECONDED THE MOTION.

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

BUDGET CLOSED.

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DPS – Homeland Disaster Assistance Program
Budget Account 101-3672

MS. HAGER:

The Subcommittee recommended approval of the inclusion of funding of approximately \$4.9 million in FY 2007-2008 and \$4.8 million in FY 2008-2009 in the Authorization Act, representing the balance of the appropriation approved under A.B. No. 572 of the 73rd Legislative Session for the establishment of a revolving account within the General Fund for grants to persons who own or occupy homes damaged by disaster, Homeowners Disaster Assistance Program. In approving the establishment of this budget account, the Subcommittee recommended a letter of intent for the agency to report quarterly to the Interim Finance Committee on program expenditures.

CHAIR RAGGIO:

Why does this go into the Authorization Act?

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

Currently, this budget account is not included in the *Executive Budget*. It is the Subcommittee's recommendation to provide for the inclusion of this budget account in the *Executive Budget*.

CHAIR RAGGIO:

It does not need an appropriation. It was money that was made available previously, and it will go in the Authorization Act.

SENATOR TITUS:

This is money left over from the rebate for people who were entitled to some money last session but could not be located. I offered the amendment to the bill that created this fund, and after establishing regulations, they have been able to give some of those funds to people in northern Nevada who were affected by flooding.

SENATOR TITUS MOVED TO ADOPT THE BUDGET ACCOUNT 101-3672 AS RECOMMENDED.

SENATOR BEERS SECONDED THE MOTION.

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

BUDGET CLOSED.

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DPS – OFFICE OF HOMELAND SAFETY – Budget Page PUBLIC SAFETY
Budget Account 101-3675

MS. HAGER:

The Subcommittee recommended supporting the Governor's recommendation to transfer the Office of Homeland Security from the Department of Public Safety (DPS) to the Governor's Office beginning in the next biennium. According to the agency, the function of the Office of Homeland Security will not change with the transfer to the Governor's Office.

The Subcommittee recommended to not support an amendment submitted by the Governor to establish a State Fusion Center in Carson City with additional General Funds of approximately \$500,000 over the biennium. In discussing this amendment, it was identified that potential federal funds may be granted in federal fiscal year 2007 which could provide for equipment and operating expenses for up to two years. To maximize the use of potential federal funding available in federal fiscal year 2007, while at the same time avoiding the issue of supplanting State funds if federal funds become available, the Subcommittee recommended the agency seek an allocation from the Contingency Fund during the 2007-2009 interim to fund the operation of a State Fusion Center if federal funds do not materialize.

SENATOR TITUS:

I agree with the recommendation to not fund the Fusion Center in Carson City. I just read that Senator Ensign and Senator Reid are also against locating it here and would prefer the Fusion Center be in Las Vegas which would be the hub of that type of activity.

CHAIR RAGGIO:

What is the function of a Fusion Center?

MS. HAGER:

The Fusion Center is essentially an information gathering place so that if any terrorism or criminal activity is occurring, everyone can be made aware.

CHAIR RAGGIO:

It is a control point?

MS. HAGER

Yes, it is a funneling point for dissemination of information to either federal or state agencies.

The Subcommittee recommended concurring with the Governor's recommendation to support four positions over the 2007-2009 biennium with General Funds. The recommendation by the Subcommittee eliminates one vacant administrative assistant position recommended to be continued with General Funds. Positions supported by the Subcommittee recommended for continuation include the Homeland Security director, one grants project analyst supervisor who serves as a deputy director, a grants project analyst and an administrative assistant who will support the Commission on Homeland Security. The recommendation by the Governor replaces funding transfers from the Division of Emergency Management and the Health Division with General Funds since federal funding from the Division of Emergency Management and the Health Division is no longer available.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3675 AS RECOMMENDED INCLUDING AUTHORITY OF THE AGENCY TO SEEK THE ALLOCATION FOR THE FUSION CENTER FROM THE CONTINGENCY FUND DURING THE INTERIM.

SENATOR BEERS SECONDED THE MOTION.

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

BUDGET CLOSED.

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DPS - Division of Investigations – Budget Page PUBLIC SAFETY-96 (Volume III)
Budget Account 101-3743

MS. HAGER:

The Subcommittee recommended not supporting the consolidation of the narcotics control account with the Investigation Division account as recommended by the Governor. The Subcommittee recommended maintaining separate accounts to ensure funds appropriated by the Legislature are used strictly for the operation of the narcotics task forces.

The Subcommittee recommended concurring with the Governor's recommendation to add ten new positions (two sergeants and eight officer positions) to augment existing narcotics task forces and narcotics enforcement throughout the State. The Subcommittee recommended the addition of the positions to the narcotics control account.

SENATOR RHOADS MOVED TO ADOPT BUDGET ACCOUNT 101-3743 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

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

BUDGET CLOSED.

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DPS - Training Division – Budget Page PUBLIC SAFETY-140 (VOLUME III)
Budget Account 101-3775

MR. KRMPOTIC:

The Subcommittee recommended additional General Funds of approximately \$500,000 each year, with offsetting decreases in Highway Funds by the same amounts, to reflect the efforts of the Training Division in providing basic academy training to the Division of Parole and Probation versus Highway Patrol cadets. Additional General Funds reflect actions taken by the Subcommittee with respect to new positions recommended for the Division of Parole and Probation and the Nevada Highway Patrol.

CHAIR RAGGIO:

I know there is consideration for funding the Division of Parole and Probation and the Department of Corrections for some change in the training. Will this accommodate any of those changes?

MR. KRMPOTIC:

The Peace Officers Standards and Training (P.O.S.T) Commission provides basic academy training for category I and category II peace officers. This Training Division only provides for DPS officer training. The increase in General Funds more accurately allocates the efforts of the Division with respect to Parole and Probation officer training when funded by General Funds.

CHAIR RAGGIO:

When we deal with that other issue, we need to make sure there are sufficient funds for the retraining of that planned program.

SENATOR RHOADS MOVED TO ADOPT BUDGET ACCOUNT 101-3775 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

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

BUDGET CLOSED.

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DPS - Fire Marshal – Budget Page PUBLIC SAFETY-172 (Volume III)
Budget Account 101-3816

MS. HAGER:

The Subcommittee recommended to concur with the Governor's recommendation to continue five positions that have been vacant over the 2005-2007 biennium and eliminate three positions including a plans examiner,

one training officer and one administrative assistant. Based on concerns over the use of its resources and productivity of its positions, the Subcommittee recommended a letter of intent instructing the Division to report at each Interim Finance Committee meeting on the number of fire and life safety and hazardous materials inspections conducted by the positions.

SENATOR RHOADS MOVED TO ADOPT BUDGET ACCOUNT 101-3816 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR TITUS SECONDED THE MOTION.

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

BUDGET CLOSED.

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DPS - Parole and Probation – Budget Page PUBLIC SAFETY-120 (Volume III)
Budget Account 101-3740

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

The Subcommittee recommended approval of 37 of the 40 new positions recommended by the Governor over the 2007-2009 biennium to address caseload growth for the Division. Based on updated caseload projections provided by JFA Associates in March 2007, the Subcommittee recommended eliminating three parole and probation specialist positions in decision unit M-201 for the Northern Command that were not warranted based on the caseload projections. The Subcommittee recommended approval of the addition of 14 new DPS officer II positions in FY 2007-2008 and one additional DPS officer II position in FY 2008-2009 to address the latest JFA and Associates caseload projections for the Division's Southern Command.

Based in part on the potential for legislation to increase good-time and program credits for prison inmates that may result in a onetime bump in the supervision caseloads for the Division, the Subcommittee also recommended approval of starting 10 of the 14 new positions for the Southern Command in FY 2007-2008 on September 1, 2007, instead of the typical start date of October 1. Similarly, the Subcommittee recommended approval to move the start date for three DPS officer II positions in decision unit M-201 for the Northern Command from January 1, 2008, to September 1, 2007, and moving the start date for one additional DPS officer II position in decision unit M-201 from October 1, 2007, to September 1, 2007, to assist in getting some of the new officers trained as quickly as possible. Also, to address the possible impact of potential legislation, the Subcommittee recommended allowing the Division access to funds set aside in the Contingency Fund as a result of savings projected in the Nevada Department of Corrections' budgets if the legislation is enacted.

The Subcommittee recommended approval of the Governor's budget amendment to reduce from ten to three the number of new parole and probation specialist positions that are needed to address delays in completing presentencing investigation (PSI) reports in the Eighth Judicial District. The

three positions are in addition to two positions approved by the Subcommittee for caseload growth in decision unit M-200 and will assist the Division in the timely completion of PSI reports for gross misdemeanors in the Eighth Judicial District. The Subcommittee recommended to approve General Funds totaling \$85,000 to conduct a workflow study of the PSI process in Nevada as recommended by budget amendment, but approve appropriating the funding to the Department of Administration and directing it to administer the study. The Subcommittee recommends adding \$50,000 in General Funds that was not recommended by the Governor for a study of the Division's risk and needs assessment instruments as recommended by the Council of State Governments Justice Center.

The Subcommittee recommended to not include in the budget \$297,759 in FY 2007-2008 and \$282,119 in FY 2008-2009 for Global Positioning System (GPS) monitoring of Tier III sex offenders as recommended by budget amendment, but indicated the funding should be included in S.B. 232 or S.B. 471, which require GPS monitoring of those offenders if one of those measures is enacted. The Subcommittee recommended the appropriation to fund the legislation be adjusted for the technical adjustments recommended by the Fiscal Analysis Division staff and for an increase of \$19,700 in each fiscal year for the cost of a vendor to provide the monitoring services. The Subcommittee also recommends adding to the GPS sex offender legislation an appropriation totaling approximately \$30,000 for the cost to purchase two new vehicles so those vehicles can be leased to the Division for the DPS officer II positions recommended for the GPS monitoring program. Similarly, the Subcommittee recommended to not include in the budget the funding recommended by budget amendment for the collection and testing of DNA samples from all out-of-state sex offenders residing in Nevada. The Subcommittee indicated the funding should be included in S.B. 471 if that measure is enacted. The amendment added General Funds totaling \$366,450 in FY 2007-2008 and \$15,000 in FY 2008-2009.

The Subcommittee recommended eliminating the expenditures for leasing 35 new vehicles from the State Motor Pool as recommended by the Governor to provide the Division with a vehicle for each of its existing 35 sergeant positions. The Subcommittee recommendation is based on the fact it was adding 16 vehicles for DPS Officer II positions in the account and the Division had not provided sufficient justification for having a vehicle for each sergeant position. The Subcommittee recommended removing expenditures totaling \$27,100 over the 2007-2009 biennium for emergency lights for the Division's new Motor Pool Vehicles based on the fact the Division does not currently have statutory authority to use emergency lights and does not have emergency lights for its existing vehicles.

The Subcommittee recommended approving the use of forfeiture funds to purchase a handheld radio, mobile radio, bulletproof vest, taser and weapon for each of the 44 new DPS officer II positions approved by the Subcommittee. The Subcommittee also recommends approval of forfeiture funds to purchase the same equipment, minus the mobile radio, for each of the three sergeant positions approved by the Subcommittee. The Subcommittee recommended approval of the expenditure of forfeiture funds totaling \$363,462 in FY 2007-2008 and \$44,555 in FY 2008-2009 which reduces General Fund appropriations by the same amount in each fiscal year.

CHAIR RAGGIO:

Are there sufficient forfeiture funds available to be utilized for the purchases as indicated?

MR. COMBS:

The Department indicated there are approximately \$1.1 million in funds available and those purchases will cost less than \$500,000.

CHAIR RAGGIO:

We will be looking at S.B. 232 and S.B. 271; since they contain appropriations, we can move those bills to the Assembly. On the PSI reports, the Subcommittee recommended reducing from ten to three positions. Is that going to be adequate for those purposes?

MR. COMBS:

The original Governor's budget requested ten positions, however a budget amendment was submitted to reduce the request to three positions.

CHAIR RAGGIO:

Are those three positions going to be enough to comply and be efficient?

MR. COMBS:

That is difficult to tell as the reason for the backlog has not been identified. The three positions are in addition to the two positions that are already in the budget to address the caseload growth. That projection is based on a ratio of staff-to-workload. These three positions are in addition to the two positions already budgeted that the ratio indicated the Division needs. With no further support as to the cause of the backlog, the Subcommittee felt the three additional positions would allow them to catch up on the backlog.

CHAIR RAGGIO:

What is the purpose of the workflow study?

MR. COMBS:

The study is part of the process for evaluating the ratio, since the department is claiming the ratio, approved by Legislation in the past with regard to the PSI function, does not accurately reflect their workload in the Southern Command. To reevaluate the ratio, a study is needed to see if the ratio needs to be changed for future biennia.

CHAIR RAGGIO:

What is the \$85,000 going to accomplish?

MR. COMBS:

It will go to an independent contractor to do a study on the time needed to do a PSI for the court system and to compare our reports and the quality of those reports as compared to other states.

CHAIR RAGGIO:

How did they arrive at that estimate?

MR. COMBS:

The agency called other criminal justice organizations that had done similar studies to see what a reasonable amount would be.

CHAIR RAGGIO:

In discussions I have had with the Division of Parole and Probation, they have indicated social worker positions are needed more than additional parole and probation officers, since the social workers' duty is to get some of these lower-level offenders back into the workplace. Those social workers also work with employers to get a tax break by hiring these probationers. It seems to the Chair that the social worker positions will be much more effective. Did the Subcommittee hear any recommendations for those positions? With the approval of this budget, could they request a work program change during the interim?

MR. COMBS:

There are currently no social worker positions requested in the budget. They would have to reclassify one or more of their existing positions during the interim. Legislation could include funding for a certain number of social worker positions. In fact, I have been directed to get the cost on three social worker positions to add to the budget in some manner.

CHAIR RAGGIO:

If we are going to follow through on this effort, to make the supervision of probationers and parolees more efficient, we need to address their concerns.

SENATOR RHOADS MOVED TO ADOPT BUDGET ACCOUNT 101-3740
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

SENATOR COFFIN:

I came in late; are you going to approve the positions requested?

MR. COMBS:

There are 40 new positions recommended by the Governor and the Subcommittee recommended approving all but 3 of them. The three that were not approved were specialist positions for the Northern Command. That was based on the new caseload projection that came in as of March, indicating they did not have a need for those three positions. Those projections, however, indicated they needed 15 additional officer positions in the Southern Command in addition to those the Governor has requested. The Subcommittee recommended approval of additional General Funds to fund those additional positions to meet the caseload projections. From a staffing standpoint, the only other significant change was the Governor had originally recommended ten parole and probation specialists to do PSI reports, but they amended this request to reduce that number from ten to three positions.

SENATOR COFFIN:

I do not see why we have to authorize a study. I cannot support the reduction.

THE MOTION CARRIED. (SENATOR COFFIN VOTED NO.)

BUDGET CLOSED.

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MR. KRMPOTIC:

The Subcommittee also reviewed all remaining budget accounts (B/A) for the department: B/A 101-3673, Emergency Management Division; B/A 101-3674, Emergency Management Assistance; B/A 101-4687, Traffic Safety; B/A 101-4688, Highway Safety Planning & Admin; B/A 101-4703, Forfeitures; B/A 101-4708, Justice Assistance Act; B/A 101-4736, Justice Grant; B/A 201 4689, Bicycle Safety Program; B/A 201-4691, Motorcycle Safety Program; B/A 201-4714, Administrative Services; B/A 201-4721, Highway Safety Grants; B/A 201-4729 Emergency Response Commission; B/A 710-4727, Capitol Police; B/A 101-3744, Narcotics Control; B/A 101-3800, Parole Board; B/A 101-4710, Child Volunteer background checks trust and recommends these budgets be closed with technical adjustments.

SENATOR RHOADS MOVED TO CLOSE THE REMAINING BUDGET ACCOUNTS 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 consider the budget for the Peace Officers Standards and Training (P.O.S.T.) Commission.

Peace Officers Standards & Training Commission – Budget Page POST-1
(Volume III)

Budget Account 101-3774

MS. HAGER:

The Subcommittee concurs with the Governor's recommendation to develop a professional development bureau with two new positions to provide management and leadership training to sworn first-line supervisors, middle managers and executive officers throughout the State. The Governor proposed to fund the entire program with court assessments over the 2007-2009 biennium; however, the Subcommittee recommended approval of a registration fee of \$300 per participant to offset the cost of the program which is projected to generate \$72,000 for the biennium compared with the program cost of \$256,599. The Subcommittee decided to charge the registration fee to be consistent with P.O.S.T.'s basic academy program which charges a registration fee of \$500 for category I cadets and \$350 for category II cadets, and the Certified Public Manager Program offered by the Department of Personnel which charges \$300 for each of the six classes required to receive a Certified Public Manager Certificate.

The Subcommittee supports the Governor's recommendation to add court assessments of \$150,000 in FY 2007-2008 for a job task analysis and study of physical fitness standards for peace officers. The establishment of a physical fitness standard should alleviate the potential liability to the State if the physical

fitness standard was challenged by a peace officer candidate who could not meet the physical fitness standards.

The Subcommittee recommends concurrence with the Governor's recommendation to fund the Emergency Vehicle Operations Course with court assessments of approximately \$975,000 in FY 2007-2008 and \$1.7 million in FY 2008-2009 subject to the approval of the capital improvement project by the Joint Subcommittee on Higher Education and Capital Improvements.

CHAIR RAGGIO:

The Committee received a letter from the Nevada Sheriffs' and Chiefs' Association regarding concerns over the fee.

FRANK ADAMS (Executive Director, Nevada Sheriffs' and Chiefs' Association):

This fee would be imposed upon local and county officers who are not prepared to pay for classes out of their budgets. It was our understanding the training and education of law enforcement officers was a product of the court-assessment fees.

It is ironic that many of those advanced classes are taught by subject-matter experts from the agencies on temporary duty to P.O.S.T. at no charge. If that agency wanted to send an officer to that class, they would have to pay for that officer. None of our agencies had any input with regard to this fee. It is my understanding that the P.O.S.T. Commission had not proposed this fee as a matter of funding and we would ask you to consider removing the fee.

SENATOR BEERS:

Would this fee fall disproportionately on the rural counties, because the large counties usually provide their own P.O.S.T. academies?

MR. ADAMS:

Very disproportionately. For small agencies, their whole budget for training is \$300 a year.

SENATOR MATHEWS:

Do you know the rationale for adding this fee?

MS. HAGER:

We looked at the current fee charged by P.O.S.T. plus the cost of a cadet I and cadet II training which is primarily funded by court assessments. Staying with the current status quo, which has been to charge a fee that does not necessarily cover the entire cost, it is a small fee to offset the cost of that training. We also looked at the Certified Program Manager Course that is run by the State Department of Personnel and they charge \$300 for each of six classes to be certified. Since most of the classes have a charge, staff suggested the Subcommittee consider charging a fee.

SENATOR BEERS:

What is the total amount projected with the new fee?

MS. HAGER:

The new fee would project approximately \$36,000 a year, but the total program cost is \$250,000.

SENATOR BEERS:

That will mean it is \$72,000 each biennium. What are the other alternatives?

MS. HAGER:

The only other alternative provided by the Governor was to fund this program entirely by court assessments.

SENATOR BEERS:

Do they have a projected reserve?

MS. HAGER:

Yes they do, but I do not have the exact figure.

DICK CLARK (Executive Director of Peace Officers, Standards and Training Commission):

As court assessments come in, we fulfill our budget by April. We normally collect two times our budget in excess court assessments, which is then deferred to the General Fund. Those court-assessment funds are supposed to be for the training of peace officers, so those excess funds should be used to fund this program also.

The comparison of basic training and additional professional development courses is not an accurate comparison. The basic academy is over 700 hours and 16 weeks long. Cadets use P.O.S.T. equipment and resources. The academy fee includes food and lodging also, so comparing that cost with a course for professional development is not the same.

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT 101-3774 WITH THE REMOVAL OF THE \$300 REGISTRATION FEE.

SENATOR RHOADS SECONDED THE MOTION.

CHAIR RAGGIO:

Are there available court assessments to fund this without charging the registration fee?

MS. HAGER:

It would be contingent on the fees as they are actually received.

SENATOR TITUS:

Why would you require some people to pay fees for development and not charge others? Basing a program on court-assessment fees that may or not become available is not a reliable way to fund a program. It seems to be consistent that if this course will provide a worker with the necessary skills to improve their chance of a higher position or finish their degree, then a cost is not unreasonable. I would oppose that motion.

MR. CLARK:

The other programs for management are not funded; therefore, it is necessary to charge for those courses. The funding source of court assessments that comes to P.O.S.T. is for the specific purposes of training peace officers. We have probably reverted over \$1 million of overage in the last two years to the General Fund. In the last three years, court assessments have been a more than reliable source of funding.

SENATOR COFFIN:

Lawyers have to pay their bar association dues and nurses have to pay licensing fees to practice their professions. To a degree that the State might subsidize training, it should be more of a technical nature, not necessarily to promote them but to keep them trained. I will support the motion, but I do agree that the funding source may not be reliable and we might be forced to find another source in the future.

CHAIR RAGGIO:

Do you have an estimate of the number of people who might take advantage of this training during the biennium?

MR. CLARK:

There are 10,000 peace officers in the State and they are all eligible to work on one of those professional certificates. Requirements would necessitate first hiring people to develop the curriculum, so it would be another year before we were able to have at least three sessions of different courses throughout the State. A ballpark figure would be \$2,000.

CHAIR RAGGIO:

At any rate, it would be within the amount proposed.

THE MOTION CARRIED. (SENATOR TITUS VOTED NO.)

BUDGET CLOSED.

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CHAIR RAGGIO:

I believe that puts us in a different position than the Assembly Committee on Ways and Means.

The Committee will hear the Subcommittee's report on the Department of Corrections.

TRACY RAXTER (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on Public Safety, Natural Resources and Transportation developed recommendations for 28 budgets within the Department of Corrections. The Subcommittee recommendations result in a General Fund savings of approximately \$1.2 million in FY 2007-2008 and \$1.8 million in FY 2008-2009 net of funds recommended for appropriation to the Interim Finance Committee.

The Department's budget is primarily driven by the projected number of inmates to be housed. The *Executive Budget* provided funding to house an average of 13,337 inmates in FY 2007-2008 and 13,900 inmates in FY 2008-2009. The budget, as modified by the Subcommittee, will provide funding to house an average of 12,753 inmates in FY 2007-08 and 13,383 inmates in FY 2008-09. This budget modification was the result of an updated projection of the inmate population, provided in March 2007, that reflected an increase in the inmate population of 66 in FY 2007-2008 and 246 in FY 2008-2009 and a proposal to increase the amount of good time and program credits that inmates would be eligible to earn, which would reduce the inmate population. The Subcommittee

recommended deleting the funding for inmate-driven costs for 50 percent of the projected reduction in the inmate population which was 650 inmates in FY 2007-2008 and 763 inmates in FY 2008-2009, contingent on approval of legislation addressing good time and program credits for inmates, probationers and parolees, and appropriating those funds totaling approximately \$1.5 million in FY 2007-2008 and \$1.8 million in FY 2008-2009 to the Interim Finance Committee (IFC) Contingency Fund. The Subcommittee recommended approval for having those funds made available for allocation to the Department of Corrections and/or the Division of Parole and Probation for inmate-driven costs if the actual inmate population reduction is less than expected; for additional staffing to supervise probationers and parolees related to the increase in the number of inmates eligible for parole or a reduction in probation violators; and for treatment programs for offenders.

SENATOR TITUS:

Could we get an update about what is happening in the Senate Committee on Judiciary concerning the expansion of good-time credits?

CHAIR RAGGIO:

We had a meeting this morning with representatives from the Division of Parole and Probation, the Parole Board and the Department of Corrections, Director Howard Skolnik, and Justice James W. Hardesty of the Nevada Supreme Court. At that meeting, we came to some agreement of what type of good-time credits might be considered for minimum sentences. We discussed what could be done to make supervision more efficient for Parole and Probation. We also discussed what the Department of Corrections would recommend that would be consistent with security and safety yet accommodate some inmate reduction. There was general agreement they would work together and bring back a proposal within a day or so, including the fiscal notes for the various agencies.

SENATOR TITUS:

The policy we set is important. If you look back to the policy we set in the early 1990s, we found alternates to incarceration and we released inmates early. Then, we had to come back with a "tough on crime" policy a decade later, so I would hope we have some public hearings on this debate.

SENATOR RAGGIO:

Ultimately, any ideas will have to be heard by the full committees of both the Senate Committee on Finance and the Senate Committee on Judiciary. The Committee will now hear B/A 101-3710.

NDOC - Director's Office – Budget Page CORRECTIONS-1 (Volume III)
Budget Account 101-3710

MR. RAXTER:

Additional staffing of six new positions for the operations of the Nevada Offender Tracking Information System (NOTIS), proposed by the Governor, was recommended for approval by the Subcommittee. This information system covers the entire scope of the Department's operations and is expected to be operational by June 2007. To implement the provisions of the federal Prison Rape Elimination Act, the Subcommittee recommended the approval of the addition of three positions in the Office of the Inspector General within the

Department for the investigation and reporting of sexual assault allegations and to increase awareness of this issue among staff and the inmate population.

The Governor had originally recommended the addition of four investigator positions, but later modified that proposal to two investigators and one administrative position due to the training, surveying and reporting processes determined to be necessary and the inability to assess the full impact of the legislation until national standards are finalized in 2008. The Subcommittee recommended concurrence with the Governor's recommendations to provide funding of \$795,305 in FY 2007-2008 and \$470,000 in FY 2008-2009 for additional and replacement computer hardware and software and two passenger buses for inmate transportation; with one bus being a replacement and one bus augmenting the current fleet of two buses and multiple vans utilized for inmate transportation.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3710
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Prison Medical Care – Budget Page CORRECTIONS-12 (Volume III)
Budget Account 101-3706

MR. RAXTER:

The Subcommittee recommended approval of the Governor's recommendation to add 16.02 full-time equivalent (FTE) positions to staff the medical units at High Desert State Prison and Southern Nevada Women's Correctional Center due to projected inmate-population increases at those facilities related to proposed facility expansions. The Subcommittee also recommended approval of two new positions to provide medical staffing at the Casa Grande Transitional Housing Facility, as the current provision of medical services at this facility was deemed insufficient considering the transitional nature of the inmate population. Consideration was given by the Subcommittee to the Governor's recommended inflationary increases in the Medical Care budget. While the Subcommittee agreed that inflationary increases should be included in the budget, it felt that utilizing a five-year average medical cost per inmate (CPI) and actual inflationary cost increases experienced by the Department was more appropriate than the projected increases by the Center for Medicare and Medicaid Services (CMS) that reflected demographic, inflationary and utilization changes, as recommended by the Governor. As a result, General Fund costs were reduced by a total of \$391,000 over the biennium.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3706
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Correctional Programs – Budget Page CORRECTIONS-20 (Volume III)
Budget Account 101-3711

MR. RAXTER:

The Subcommittee recommended concurrence with the Governor's recommendation to provide funding to continue four positions that provide prerelease and reentry services to inmates. These were supported with federal grant funding when they were originally established. In reviewing the funding, the Subcommittee recommended the issuance of a letter of intent directing the Department to develop performance indicators to measure the effectiveness of these services and to report the actual results to the Interim Finance Committee on a quarterly basis. The Subcommittee recommended approval of the proposal to consolidate the reporting structure for programs and operations within the Department by reclassifying the deputy director of programs to a deputy director of operations. The Department indicated the proposal is intended to reflect programs as an integral part of operations that enhances security and the management of inmates.

Although not included in the *Executive Budget*, the Subcommittee recommended approval of funding totaling \$832,690 over the 2007-2009 biennium to continue a 172-bed substance abuse treatment program at the Northern Nevada Correctional Center that was slated to terminate at the end of FY 2006-2007 due to a decrease in federal funding available. The recommended funding to continue the program consists primarily of General Fund appropriations, with \$93,000 annually in federal funds and 25-percent matching funding from the Inmate Welfare Account.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3711
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Ely State Prison – Budget Page CORRECTIONS-27 (Volume III)
Budget Account 101-3751

MR. RAXTER:

The Subcommittee recommended concurrence with a budget revision submitted by the Governor to add a correctional caseworker position for this facility to maintain the legislatively approved caseworker-to-inmate staffing ratio of 1:125. The biennium funding of \$125,847 for the new position was provided through budget reductions in other areas within the Department's overall budget.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3751
AS RECOMMENDED BY THE GOVERNOR.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - High Desert State Prison – Budget Page CORRECTIONS-32 (Volume III)
Budget Account 101-3762

MR. RAXTER:

The Governor recommended funding of \$13.5 million for 212 new positions and operational costs for the Phase IV and Phase V expansion of this correctional facility and the conversion of four existing housing units to close custody. In reviewing the funding for staffing, the Subcommittee recommended to approve staffing for three housing units to be converted to close custody, based on the Department's housing plan which indicated that there would be sufficient close-custody beds without the conversion of the fourth housing unit. The Subcommittee recommended to not concur with the Governor's recommendation to add 3 positions for staffing housing units 7 and 8, as they were not part of the conversion of housing units to close custody. Based on the Department's housing plan, the Subcommittee recommended approval of funding for Phase V that reflected a delay in the opening by two months, to March 2009.

To provide for continued staffing of correctional caseworkers at the legislatively approved staffing ratio, the Subcommittee recommended to approve modifying the effective date of two new correctional caseworker positions recommended by the Governor from August 2008 to October 2007. The Subcommittee also recommended approval of adjustments to the operating and utility costs for Phases IV and V to reflect the actual period of time these facility expansions would be operational in FY 2008-2009.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3762
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Northern Nevada Correctional Center – Budget Page CORRECTIONS-38
(Volume III)
Budget Account 101-3717

MR. RAXTER:

The Subcommittee recommended approval of funding of \$1,022,392 for 11 new positions and operating costs for a 240-bed pre-engineered housing unit at this facility. Based on a revised construction timeline provided by the State Public Works Board (SPWB) and a revision to the Department's inmate

housing plan, the Subcommittee recommended modifying the Governor's funding recommendation to reflect opening the housing unit in May 2008, resulting in a General Fund savings of \$271,344 in FY 2007-2008. Included in the funding recommended by the Subcommittee is the addition of a correctional caseworker position for this facility effective July 2008 to maintain the legislatively approved caseworker-to-inmate staffing ratio of 1:125 and utility costs for the housing unit that was not included in the *Executive Budget*.

The Subcommittee recommended approval of funding of \$309,150 for various building maintenance projects at this facility but did not recommend approval of \$166,084 in funding recommended by the Governor for maintenance projects that duplicated funding in the recommended 2007 Capital Improvement Projects (CIP) or projects completed by the department in FY 2006-2007.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3717
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Southern Desert Correctional Center – Budget Page CORRECTIONS-51
(Volume III)
Budget Account 101-3738

MR. RAXTER:

The Subcommittee recommended approval of funding of \$2.5 million over the 2007-2009 biennium for 20 custody positions, 2 maintenance positions, 3 correctional caseworker positions and operating costs for two 240-bed pre-engineered housing units at this facility. The Subcommittee recommended modifying the funding recommended by the Governor to include utility costs not included in the *Executive Budget* and to reflect the opening of these two housing units in January and February 2008, based on revised construction timelines provided by the SPWB and the Department's revised inmate housing plan. The addition of three correctional caseworker positions for this facility, effective July 2008, was recommended for approval to maintain the legislatively approved caseworker-to-inmate staffing ratio.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3738
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Lovelock Correctional Center – Budget Page CORRECTIONS-57
(Volume III)
Budget Account 101-3759

MR. RAXTER:

The Subcommittee recommended concurring with a budget revision submitted by the Governor to add a correctional caseworker position for this facility to maintain the legislatively approved staffing ratio of caseworkers to inmates. The biennium funding of \$125,847 for the new position was provided through budget reductions in other areas within the Department's overall budget as proposed by the Governor. These budget reductions included the elimination of \$225,000 in this budget for construction of a maintenance building and storage area fencing. The Subcommittee recommended approval of funding of \$130,000 for maintenance projects consisting of the replacement of windows with tinted safety glass and the replacement of evaporative cooler pads throughout the facility to mitigate corrosion of air-handling equipment.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3759
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Southern Nevada Correctional Center – Budget Page CORRECTIONS-63
(Volume III)
Budget Account 101-3715

MR. RAXTER:

The Subcommittee did not recommend approval of funding for staffing and operating a 240-bed pre-engineered housing unit at this facility, as the SPWB indicated that Southern Desert Correctional Center provided better site conditions for the housing unit and there was existing utility infrastructure in place at that site. The Subcommittee also did not recommend approval of funding of \$60,000 to replace exterior lighting fixtures at this facility, as the Department recommended this maintenance project be deferred as part of the recommended General Fund budget reductions. The Department indicated the project could be completed in the future through an energy retrofit contract with funding provided by the energy savings.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3715
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

THE BUDGET IS CLOSED

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NDOC - Warm Springs Correctional Center – Budget Page CORRECTIONS-69
(Volume III)
Budget Account 101-3716

MR. RAXTER:

The Subcommittee recommended concurrence with the Governor's recommendation for funding in this budget, with the exception of funding of \$24,570 for paving the parking lot and perimeter road, which was not approved because it duplicates funding recommended in the 2007 CIP.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3716
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Southern Nevada Women's Correctional Center – Budget Page
CORRECTIONS-74 (Volume III)
Budget Account 101-3761

MR. RAXTER:

The Governor recommended funding of \$2.7 million for 45 new positions and operational costs for a 400-bed expansion of this correctional facility which was subsequently modified by \$322,398 for the costs of 8 additional positions for staffing one housing unit that was not included in *Executive Budget*. Due to a revised construction timeline provided by the SPWB for the 100-bed transitional housing center component of the expansion, the Subcommittee recommended to reduce the level of funding recommended by the Governor by \$675,524 and reduce the number of new positions by 11 to coincide with the Department's revised inmate housing plan, reflecting a delay in opening the 100 beds to October 2009. The Subcommittee recommended approval of funding of \$1.1 million for 11 new positions and operating costs for a 240-bed pre-engineered housing unit at this facility. Based on a revised construction timeline provided by the SPWB and a revision to the Department's inmate housing plan, the Subcommittee recommended modifying the Governor's funding recommendation to reflect opening of the housing unit in February 2008, resulting in a General Fund savings of \$161,103 in FY 2007-2008.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3761
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Indian Springs Conservation Camp – Budget Page CORRECTIONS-98
(Volume III)
Budget Account 101-3725

MR. RAXTER:

The Subcommittee recommended to concur with the Governor's recommendation to provide funding for staffing and operating a 192-bed expansion of this facility, but modified the recommended funding amounts. These modifications included eliminating three positions recommended for staffing the visitation post and for the Boot Camp Program, as it was determined these positions were not necessary until the second phase of the facility expansion was completed in the 2009-2011 biennium. The funding modifications also included adjustments to the operating, maintenance and utility costs to reflect the actual period of time the facility expansion would be operational in FY 2008-2009.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3725
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Wells Conservation Camp – Budget Page CORRECTIONS-103
(Volume III)
Budget Account 101-3739

MR. RAXTER:

As the Governor's recommended 2007 CIP included funding to address agency paving needs, the Subcommittee recommended the elimination of funding in this budget for repaving the parking lot and access road at this facility and recommended completion of the project with funding approved for the 2007 CIP statewide paving program.

CHAIR RAGGIO:

All of these budgets assume the funding is going to be approved for that paving program.

MR. RAXTER:

That is correct.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3739
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Humboldt Conservation Camp – Budget Page CORRECTIONS-108
(Volume III)
Budget Account 101-3741

MR. RAXTER:

The Subcommittee recommended concurring with the Governor's recommendation for funding in this budget with adjustments to eliminate duplicate funding of \$37,434 for interior building lighting and to eliminate funding of \$126,000 to install additional exterior pole lighting at this facility, as the Department recommended this maintenance project be deferred as part of the recommended General Fund budget reductions. The Department indicated the project could be completed in the future through an energy retrofit contract with funding provided by the energy savings.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3741
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Jean Conservation Camp – Budget Page CORRECTIONS-118
(Volume III)
Budget Account 101-3748

MR. RAXTER:

The Subcommittee recommended to not concur with the Governor's recommendation to add a correctional caseworker position at this facility, as the projected inmate population for the 2007-2009 biennium did not justify additional caseworker staffing to maintain the legislatively approved caseworker-to-inmate staffing ratio of 1:125.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3748
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

SENATOR COFFIN:

We have had some walk-always from these camps, not too many, but Jean had one. Is that based on your supervisory level?

DARREL REXWINKEL (Deputy Director, Support Services, Department of Corrections):

I am not aware of any walk-aways from Jean Conservation Camp. I do not keep track of day-to-day operations but there have not been any of which I am aware. The caseworker ratio is for providing inmates with support-type or

personal-type services at the facilities. In Jean we had an additional caseworker, but we knew we would have to adjust that when we received the final population numbers. We believe the 1:125 ratio is a good ratio.

SENATOR COFFIN:

The reason they walk away is they are so close to getting out, they need a case worker to maintain some control over them at that time.

MR. RAXTER:

This budget, even without the denied position, will maintain the 1:125 ratio of caseworker to inmates. This reflects full capacity during the biennium.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Carlin Conservation Camp – Budget Page CORRECTIONS-128

(Volume III)

Budget Account 101-3752

MR. RAXTER:

The Subcommittee recommended to concur with the Governor's recommendation for funding in this budget with adjustments to eliminate funding of \$147,931 to replace interior building lighting and install additional exterior pole lighting at this facility. The Department recommended this maintenance project be deferred as part of the recommended General Fund budget reductions.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3752
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Tonopah Conservation Camp – Budget Page CORRECTIONS-133

(Volume III)

Budget Account 101-3754

MR. RAXTER:

The Subcommittee recommended to concur with the Governor's recommendation for funding in this budget with adjustments to eliminate funding of \$10,570 to replace interior building lighting at this facility. The Department recommended this maintenance project be deferred as part of the recommended General Fund budget reductions.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-3754
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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NDOC - Offenders' Store Fund – Budget Page CORRECTIONS-138 (Volume III)
Budget Account 240-3708

MR. RAXTER:

The Subcommittee recommended approval of the addition of 1.51 FTE storekeeper positions as recommended by the Governor. These positions are intended to address the high storekeeper-to-inmate ratio at its Southern Desert Correctional Center and the special requirements for distributing products to inmates at the Ely State Prison due to the maximum-security nature of that facility. The Subcommittee also recommended approval of funding of \$767,856 for two add-on modules for the Department's NOTIS application to replace the existing inmate banking system which is deemed technologically obsolete. The Subcommittee recommended reducing the Governor's recommended funding amount for these modules by \$25,000 to delete one of the two recommended computer servers, as the Department indicated one server could be utilized for both modules.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 240-3708
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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MR. RAXTER:

The Subcommittee also reviewed all remaining budgets for the Department: B/A 101-3718, Nevada State Prison; B/A 101-3722, Stewart Conservation Camp; B/A 101-3723, Pioche Conservation Camp; B/A 101-3724, Northern Nevada Restitution Center; B/A 101-3747, Ely Conservation Camp; B/A 101 3749, Silver Springs Conservation Camp; 101-3760, Casa Grande Transitional Housing; B/A 240-3763, Inmate Welfare Account; B/A 525-3719, Prison Industry; and B/A 525-3727, Prison Dairy. The Subcommittee recommends these budgets be closed as recommended by the Governor, with adjustments for inmate population changes, correction in the inmate-driven rate and minor technical adjustments.

The total in adjustments resulted in a savings of \$1.2 million in the first year and \$1.8 million in the second year of the biennium. I would note for the Committee that the Assembly Committee on Ways and Means closed this Subcommittee's report by recommending the \$1.2 million in savings of the first year and the \$1.8 million savings in the second year of the biennium be appropriated to the IFC for use by the Department for mental health and

substance abuse treatment both for in-house offenders and offenders who are being released for community partners treatment.

CHAIR RAGGIO:

We will reserve judgment on that recommendation until we see the final budget closings.

SENATOR RHOADS MOVED TO CLOSE REMAINING BUDGET ACCOUNTS B/A 101-3718, B/A 101-3722, B/A 101-3723, B/A 101-3724, B/A 101-3747, B/A 101-3749, B/A 101-3760, B/A 240-3763, B/A 525-3719 and B/A 525-3727 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE BUT DID NOT ACCEPT THE RECOMMENDATIONS OF THE ASSEMBLY TO APPROPRIATE THE SAVINGS FOR MENTAL HEALTH TREATMENT.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGETS CLOSED.

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INFRASTRUCTURE

CONSERVATION AND NATURAL RESOURCES

DCNR - Forestry Conservation Camps – Budget Page DCNR-166 (Volume III)
Budget Account 101-4198

JEFF FERGUSON (Program Analyst Fiscal Analysis Division, Legislative Counsel Bureau):

The Subcommittee recommended approval of the Governor's recommendation to provide General Funds for equipment, supplies, and seventeen new positions and associated costs related to the expansion of the Indian Springs Conservation Camp. The Subcommittee recommended reducing the Governor's recommended operating costs for the camp in FY 2008-2009, providing General Fund savings of \$77,864 in FY-2008-2009. The planned expansion of the Indian Springs Conservation Camp by the Department of Corrections, scheduled to be completed in June 2009, will add 192 beds and result in 16 new conservation crews. The Subcommittee recommended approval to add language to the Appropriations Act that would allow the agency to balance forward any unspent equipment funds from FY 2007-2008 to FY 2008-2009 with IFC approval.

SENATOR COFFIN:

In the Governor's proposed budget, did they manage to replace the buses that were being used by the camps?

MR. FERGUSON:

Yes, they have. They have been replaced by a number of crew carriers that were built by the Ely conservation crew and a number of vans that have all been purchased.

SENATOR COFFIN:

Did they get any salvage value back from the vehicles that were deemed unsafe?

MR. FERGUSON:

I am unaware of the amount, but it would have been small. I can find out for you and let you know.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-4198 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR TITUS SECONDED THE MOTION.

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

BUDGET CLOSED.

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CHAIR RAGGIO:

The Committee will hear the closing report from the Joint Subcommittee of K/12 Human Resources for the Division of Child and Family Services.

REX GOODMAN (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee reviewed the 21 budgets of the Division of Child and Family Services. The recommendations of the Subcommittee result in a General Fund reduction of \$3 million in FY 2007-2008 and \$3.3 million in FY 2008-2009. The Subcommittee recommended approval of adjustments to several budgets to reflect revised Federal Medical Assistance percentages (FMAP) for Medicaid in FY 2008-2009. The adjustments allow for the replacement of General Fund support with federal funding which provides a General Fund savings in the Division of \$1 million in FY 2008-2009. The other significant recommendations of the Subcommittee are described in the following comments.

HUMAN SERVICES

CHILD AND FAMILY SERVICES

HHS - Wraparound in Nevada – Budget Page DCFS-1 (Volume II)
Budget Account 101-3278

MR. GOODMAN:

The Subcommittee recommended approval of items in this budget that are also recommended in several of the Division's other budgets. Special 2-grade salary adjustments for two mental health counselor positions were approved. An occupational study by the Department of Personnel resulted in the recommended salary increases statewide for direct care mental health positions.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3278 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HHS - Community Juvenile Justice Programs – Budget Page DCFS-5 (Volume II)
Budget Account 101-1383

MR. GOODMAN:

The Subcommittee recommended to approve the consolidation of the Juvenile Accountability Block Grant (JABG) budget into this budget, as recommended by the Governor. The consolidation of these budgets is intended to result in efficiencies for staff that provide support to the JABG programs. The Subcommittee did not approve a new part-time contract position for the JABG program. The Subcommittee expects the efficiencies created through this budget consolidation will offset the need for an additional contract position. The Subcommittee also recommended approval of the transfer of the costs for evaluations of juvenile sexual offenders from the rural child welfare budget into this account to provide for management of programmatic and fiscal functions within the same budget.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-1383
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HHS - Children, Youth & Family Administration – Budget Page DCFS-12
(Volume II)
Budget Account 101-3145

MR. GOODMAN:

The Subcommittee recommended approval of several new position requests within the Division's administration budget to support the increased requirements of the statewide Program Improvement Plan (PIP) and Child Abuse and Neglect Prevention and Treatment Act (CAPTA) corrective action plan. The Subcommittee recommended approval of four new positions to provide additional oversight related to the PIP and four additional new positions to implement requirements of the CAPTA corrective action plan. One new administrative assistant position was also recommended for approval to support the unit charged with implementing the CAPTA corrective action plan. Two recommended new positions were not approved to support the requirements of the Interstate Compact on the Placement of Children (ICPC). The support of this program is currently provided by federally-funded contract positions and the Subcommittee elected not to replace those positions with State-funded positions at this time.

The Subcommittee recommended approval of the transfer of additional Temporary Assistance for Needy Families (TANF) funding from the Division of Welfare and Supportive Services to the Clark and Washoe Counties' integration budgets to be used in place of General Fund monies. The General Fund monies are redirected to this budget to be matched with Title IV-E funding and used to provide additional new employee training for child welfare workers statewide. General Funds in the amount of \$649,529 a year is to be replaced with TANF funding and matched with federal funding to provide additional training in the amount of \$917,063 a year. The Subcommittee recommended that a letter of intent be issued to the Division to require quarterly reporting on the utilization of the additional funding for staff training.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3145 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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HHS - Clark County Integration – Budget Page DCFS-28 (Volume II)
Budget Account 101-3142

MR. GOODMAN:

The Subcommittee recommended approval of approximately \$16.6 million over the biennium to fund caseload growth of foster-care placements, emergency-shelter care and adoption subsidies in Clark County. The Subcommittee also recommended approval of funding to increase the daily foster-care rate from \$21.00 a day currently to \$24.00 a day in FY 2007-2008 and \$28.00 a day in FY 2008-2009. The Governor recommended similar increases for Washoe County and the rural region of the State. The Division indicated the increased daily foster-care rates would assist in the recruitment and retention of additional foster-care providers. Additional funding was also recommended to provide for increased adoption subsidies resulting from increases in the daily foster-care rate. Total funding approved for the foster-care rate increase and adoption subsidy increase is \$2.6 million in FY2007-2008 and \$6 million in FY 2008-2009.

A total of 85 new positions were recommended for approval in this budget account. The Subcommittee recommended approval of funding to add 50 new positions to maintain the staff-to-client ratio for child welfare workers at 1:22 which is the level funded by the 2005 legislature. The Subcommittee recommended approval of funding for 19 new family support worker positions, which was half of the number of workers recommended by the Governor, at a cost of approximately \$2 million over the biennium. The Subcommittee recommended supporting the additional positions to provide one family support worker for every six caseworker positions in the county. The Subcommittee also recommended approval of other decision units containing new positions to support child welfare. One new position was approved to support the activities of the ICPC in Clark County. Five new positions were approved to assist with

foster-care recruitment, training and retention. Six new positions were approved to support increased foster-care licensing needs. Half of the eight new positions recommended by the Governor to support the County's foster-care placement team were approved. The Subcommittee recommended the approval of four placement team staff contingent upon Clark County funding four other positions because the placement team is a County initiative that supports both front-end and back-end child welfare services. The Subcommittee recommended not to approve the addition of six new positions to provide mentoring and assistance in retention of foster-care providers.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3142 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

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

BUDGET CLOSED.

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HHS - Washoe County Integration – Budget Page DCFS-35 (Volume II)
Budget Account 101-3141

MR. GOODMAN:

The Subcommittee recommended approval of funding for the recommended increase in the daily foster-care rate in this budget at a cost of approximately \$2 million over the biennium. The Subcommittee also recommended approval of funding for six new positions to maintain the current 1:22 staff-to-client ratio for child welfare caseworkers. The Subcommittee recommended approval of funding in the amounts of \$6.1 million over the biennium to support caseload growth in foster-care placements and adoption subsidies. The Subcommittee recommended approval of funding for half of three new positions recommended by the Governor to expand a family preservation program in Washoe County. Similar to placement team positions in Clark County, the Subcommittee recommended funding be made available for 1.5 FTE contingent upon Washoe County funding another 1.5 FTE.

The Subcommittee recommended approval of funding for one new position to support the ICPC as well as one new position to assist with foster-care licensing growth in Washoe County. The Subcommittee recommended not to approve funding to increase two part-time positions to full-time positions as recommended by the Governor. Both of the positions have historically been part-time, and one of the positions was recommended to be increased to full-time to provide increased security at the agency's county office, which the Subcommittee did not believe was a State responsibility.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3141 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

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

BUDGET CLOSED.

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CHAIR RAGGIO: Having worked on this Subcommittee, I needed a booklet to look up all the acronyms. What does SACWIS stand for?

HHS- UNITY/SACWIS – Budget Page DCFS-41 (Volume II)
Budget Account 101-3143

MR. GOODMAN:

The acronym is for State Automated Child Welfare Information System (SACWIS). Funding for increased levels of computer mainframe utilization was recommended for approval by the Subcommittee to support increased and improved usage of the computer systems that house child welfare information. The Subcommittee recommended approval of funding for a new position to support the ongoing maintenance of the Avatar application which is a clinical workstation module of the UNITY system. The Subcommittee did not recommend approval of funding for an additional master services agreement (MSA) contractor position and recommended approving only half of recommended funding for out-of-state travel and conference attendance related to the Avatar application. The Subcommittee did not wish to support funding for ongoing maintenance of the application at the same level of cost as the initial development and installation. The Subcommittee recommended approval of the transfer of two positions from other division budgets into this budget to provide centralized management and consistent methods of maintenance of the division's information technology systems (IT).

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3143 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HHS - Child Care Services – Budget Page DCFS-49 (Volume II)
Budget Account 101-3149

MR. GOODMAN:

The Subcommittee recommended approval of General Fund appropriations of \$153,925 over the biennium to support the continuation of one position currently funded by the Child Care and Development Block Grant. General Fund support was removed from this budget in the 2005-2007 biennium because grant funding was sufficient to cover all expenses. However, salary and benefit costs are increasing in the 2007-2009 biennium and additional grant funding is not available to support the increase.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3149
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HHS - Rural Child Welfare– Budget Page DCFS-55 (Volume II)
Budget Account 101-3229

MR. GOODMAN:

The Subcommittee recommended approval of funding for increases in the daily-foster care rate in this budget, from \$21.00 currently to \$24.00 a day in FY 2007-2008 and \$28.00 a day in FY 2008-2009 and related increases in adoption subsidies, at a cost of approximately \$1.3 million over the biennium. The Subcommittee recommended approval of funding for special salary increases for mental health positions at a cost of \$164,879. The Subcommittee also recommended approval of funding of \$1.5 million over the biennium for caseload growth of adoption subsidies and residential placements for children in higher level of care placements statewide.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3229
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HHS - Child Abuse and Neglect – Budget Page DCFS-77 (Volume II)
Budget Account 101-3271

MR. GOODMAN:

The Subcommittee recommended approval of the Governor's recommendation to consolidate this budget into the Children, Youth, and Families' administration budget to provide better monitoring of grant funds. The Subcommittee also recommended approval of an adjustment to program expenditures to align the budget with the recommendations of Children's Justice Act Task Force which oversees the program activities funded through this budget.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3271
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HHS - Juvenile Accountability Block Grant – Budget Page DCFS-82 (Volume II)
Budget Account 101-3262

MR. GOODMAN:

The Subcommittee recommended to approve the recommended consolidation of this budget into the Community Juvenile Justice Programs Budget. The Division indicated this consolidation would provide better monitoring of grant funds and provide efficiencies for staff that administer the grant programs.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3262
AND THE CONSOLIDATION AS RECOMMENDED BY THE JOINT
SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HHS - Youth Alternative Placement – Budget Page DCFS-86 (Volume II)
Budget Account 101-3147

MR. GOODMAN:

The Subcommittee recommended approval of additional funding for regional juvenile detention facilities in the 2007-2009 biennium. Increases in the amount of approximately \$900,000 over the biennium were approved for salary and benefit increases and utility inflation increases for the three facilities, China Spring Youth Camp, Aurora Pines Girls Facility and Spring Mountain Youth Camp.

CHAIR RAGGIO:

How much of this is going to the new facility at Spring Mountain Youth Camp?

MR. GOODMAN:

Approximately \$200,000 in each fiscal year was recommended.

CHAIR RAGGIO:

What is recommended for China Spring Youth Camp and Aurora Pines Girls Facility?

MR. GOODMAN:

They were recommended for approval of an additional \$229,000 in the first year and \$271,000 in the second year, again related to the salary and benefits increases and the utility increases.

CHAIR RAGGIO:

Is this the enhanced funding that was requested for the Spring Mountain Youth Camp?

MR. GOODMAN:

Yes, there is also S.B. 249 which recommends Spring Mountain Youth Camp be compensated at a per-bed rate similar to China Spring and Aurora Pines, which is still being considered.

SENATE BILL 249: Revises provisions relating to the financial support of regional facilities for the detention of children. (BDR 5-653)

SENATOR COFFIN:

Here is an instance where Clark County complains that this is the first time they have seen any support for that youth facility. Senate Bill 249 would be important, but I do not know what is going to happen with that bill. Can Mr. Ghiggeri tell me that amount of that appropriation?

MR. GOODMAN:

The amount requested is approximately \$1 million a year which would place them at the same state funding level Aurora Pines and China Spring receive per-bed day.

SENATOR COFFIN:

I think we ought to hold this budget or close it in such a fashion that would leave it open to implement S.B. 249 if it passes. I will just register the complaint that Clark County has.

CHAIR RAGGIO:

I do not know. It depends on the revenue that is available.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3147
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR COFFIN VOTED NO.)

BUDGET CLOSED.

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HHS - Juvenile Correctional Facility – Budget Page DCFS-88 (Volume II)
Budget Account 101-3148

MR. GOODMAN:

The Subcommittee recommended approval of the restoration of General Fund appropriations in the amount of approximately \$1.3 million in each year of the biennium to fund debt repayment for construction costs of the facility. Debt repayment costs were minimal in the current biennium due to refinancing of the debt. The Subcommittee recommended approval of the reclassification of an administrative services officer I (ASO) position to an ASO II position in this budget pending the approval of the reclassification by the Department of Personnel. Similar reclassifications are recommended for all of the ASO positions in the Division's Juvenile Justice budgets. The Subcommittee also recommended approval of funding for a special salary adjustment for mental health positions in this budget.

SENATOR CEGAVSKE MOVED TO CLOSE THE BUDGET ACCOUNT 101-3148 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HHS - Caliente Youth Center – Budget Page DCFS-94 (Volume II)
Budget Account 101-3179

MR. GOODMAN:

The Subcommittee did not recommend approval of funding for the purchase of annual replacement of uniforms for the direct-care staff. The Subcommittee had some concerns about the use of uniforms where they have not been previously used. The Subcommittee recommended approval of the reclassification of the ASO position in this budget as well as a special salary adjustment for direct care mental health positions and nurses. Additional funding was also approved for the inflationary cost increases of food and medical services.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3149 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGET CLOSED.

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HHS - Nevada Youth Training Center – Budget Page DCFS-101 (Volume II)
Budget Account 101-3259

MR. GOODMAN:

The Subcommittee did not recommend approval of funding in this budget for uniforms but did recommend to approve the reclassification of the ASO position and special salary adjustment for mental health positions and nurses. The Subcommittee also recommended approval of funding in the amount of \$56,395 for deferred maintenance projects at the facility. The Subcommittee recommended approval of funding for agency-specific inflation costs for food and medical expenses but adjusted the amount of the increase for medical expenses to reflect the increases in the budgets of the Division's other detention facilities.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3259 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HHS - Youth Parole Services – Budget Page DCFS-108 (Volume II)
Budget Account 101-3263

MR. GOODMAN:

The Subcommittee recommended concurrence with the Governor's recommendation to restore funding in the amount of \$974,883 for placement and treatment services for paroled youth but did not place the funding in the budget. Instead, the Subcommittee recommended appropriating the funds to the IFC. The Division has not provided services at the same levels in FY 2005-2006 or FY 2006-2007 as it did before its mental health redesign but projects these services will return to historically higher levels in the 2007-2009 biennium. The Subcommittee indicated the Division should request additional funding when its actual services provided and expenditures increase to historical levels. The Subcommittee also recommended appropriating funding to the IFC for one new position to support the Interstate Compact on Juveniles. The Interstate Compact would introduce new requirements on the State when it is adopted by 35 states. The Compact has currently been adopted by 32 states and the adoption by additional states may or may not occur during the 2007-2009 biennium. The Subcommittee also recommended approval of the reclassification of the chief of youth parole position to an unclassified bureau chief position but recommended this position be removed from the special salary adjustment for law enforcement positions.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3263
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HHS - Northern Nevada Child & Adolescent Services – Budget Page DCFS-116
(Volume II)
Budget Account 101-3281

MR. GOODMAN:

The Subcommittee recommended approval of funding for 2.51 FTE new positions to perform intake coordination for the Division's Early Childhood Mental Health Services and Outpatient programs. Funding was also approved for two new part-time positions to provide a therapeutic day treatment classroom for children aged four to six. Deferred maintenance projects for the facility were approved at a cost of \$222,825. A special 2-grade salary adjustment was also recommended for approval for 32 direct care mental health and nurse positions, as recommended by the Governor.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3281
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HHS - Southern Nevada Child & Adolescent Services – Budget Page DCFS-126
(Volume II)

Budget Account 101-3646

MR. GOODMAN:

The Subcommittee recommended to approve funding in the amount of approximately \$1.5 million for a new mobile crisis team for children's mental health. The team would consist of 11 contract mental health positions and would provide response to mental health crises in homes, emergency rooms and other locations on a seven-day-per-week basis. The Subcommittee recommended to approve funding to add five new positions to convert one residential unit at the Desert Willow Treatment Center to a unit specializing in the treatment of co-occurring diagnoses such as severe emotional disturbances and substance abuse. The Division indicated the converted unit would help satisfy an unmet need in the State for this type of treatment.

The Subcommittee recommended approving funding for the conversion to State employees of contract staff that support the agency's services of transporting children to treatment programs. Funding was also approved for the special salary adjustment for 84 direct care mental health and nurse positions. The Subcommittee recommended to approve funding to relocate the agency's East Neighborhood Family Service Center and Eastern Day Treatment Center to new offices, collocated with County agencies and other groups providing similar services. The Subcommittee also recommended approval for funding in the amount of \$974,019 over the biennium for the ongoing operation of two on-campus treatment homes that were reopened with funding provided by the IFC during the interim.

SENATOR COFFIN:

The Desert Willow Treatment Center has asked for an extra person for the expansion which we discussed on the Joint Subcommittee on Higher Education and Capital Improvement.

MR. GOODMAN:

I do not believe this expansion is scheduled to open during this biennium. The CIP, is on request, but the opening will not happen this biennium.

SENATOR COFFIN:

Senator Cegavske found a way to make more room at the facility and they will need more personnel. I will go along with the motion.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3646
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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MR. GOODMAN:

The Subcommittee recommended also reviewed B/A 606-3250 Transition From Foster Care, B/A 101-3259, Review of Death of Children, B/A 645-3242, Child Welfare Trust, and B/A 101-3181, Victims of Domestic Violence. The Subcommittee recommended these budgets be closed as recommended and amended by the Governor.

SENATOR CEGAVSKE MOVED TO CLOSE THE REMAINING BUDGET ACCOUNTS 606-3250, B/A 101-3251, B/A 645-3242 AND B/A 101-3181 AS RECOMMENDED AND AMENDED BY THE GOVERNOR.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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MR. GOODMAN:

The impact of the Subcommittee's recommendations results in a General Fund savings of \$3 million in FY 2007-2008 and \$3.3 million in FY 2008-2009.

CHAIR RAGGIO:

The Committee will hear the closing report from the Joint Subcommittee on K-12/Human Services for the Division of Health Care Financing and Policy.

STEVE ABBA (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on K-12/Human Resources has completed its review of the budgets for the Division of Health Care Financing and Policy and has developed the following recommendations which reduce General Fund support for the Division by approximately \$64 million over the 2007-2009 biennium. Due to the complexities involved in balancing the Medicaid budget until the final input of all the Subcommittee recommendations are completed and reviewed, the General Funds savings are estimated and subject to change.

HCF&P - Administration – Budget Page HCF&P-1 (Volume II)
Budget Account 101-3158

MR. ABBA:

The *Executive Budget* recommended a total of 12 new positions that include 10 positions to strengthen the Division's fiscal management structure; 1 IT position to provide programming support for the Division's various databases, software applications and to complete the rewrite of the Nevada Check Up database; and, 1 new position for the compliance unit to oversee provider and recipient support services related to rural health issues, third-party liability and provider and recipient hearings.

The Subcommittee recommends approving 7 of the 12 new positions recommended by the Governor which include 2 auditors, 2 budget analysts, 2 accountants and 1 information systems specialist. The positions recommended address the Division's most pressing needs and their top priority for additional resources to develop a strong audit presence in the areas of medical and administrative expenditures; to enhance their budget capabilities in light of the complexities of the Medicaid, Check Up and Health Insurance Flexibility and Accountability (HIFA) medical programs; and, to add accounting support to manage and perform higher-level accounting functions that currently are not provided because the Division lacks professional expertise. The Subcommittee recommended eliminating five positions which include two auditors, one budget analyst, one grants and project analyst and one social services chief. The Subcommittee feels these five new positions are not justified at this time based on comparisons to other agencies and information obtained during the budget hearing process.

CHAIR RAGGIO:

Please point out any change the Assembly Committee on Ways and Means has made with respect to the Joint Subcommittee closures.

MR. ABBA:

In this budget, there were none.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3158
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HCF&P - Nevada Medicaid, Title XIX – Budget Page HCF&P-12 (Volume II)
Budget Account 101-3243

MR. ABBA:

The Subcommittee addressed a number of major issues during the process of reviewing the Medicaid budget. Most significant was the re-projection of Medicaid expenditures which occurred in mid-April and take into consideration the most recent caseload projections, cost per eligible data and mandatory inflation increases for pharmacy, managed care and transportation services. The results of the April re-projection indicate Medicaid expenditures would decrease by approximately \$53.6 million in General Funds over the upcoming biennium compared to the amounts recommended in the *Executive Budget*. Additionally, a favorable change in the Federal Match Assistance Percentage (FMAP) reduced General Fund expenditures in FY 2008-2009 by another \$16 million. The reduction in the Medicaid expenditures is based on several factors which include a decrease in projected caseload, a miscalculation in applying inflation rates which overstated expenditures associated with mandatory rate increases and a reduction in the cost per eligible for most Medicaid eligible groups compared to the costs included in the Governor's budget.

After much deliberation, the Subcommittee recommended approving the latest Medicaid projections that were recommended by the Governor as part of his statewide budget reduction plan. Additionally, the Subcommittee recommends approving a number of General Fund "adds" which reduce the projected savings by approximately \$9.1 million over the upcoming biennium. As a precautionary measure, the Subcommittee recommends reserving approximately \$3.3 million in General Funds as a contingency if the latest Medicaid projections understate actual expenditures for the upcoming biennium. The General Fund the Subcommittee recommends reserving, is actually savings that could have been reduced in the Medicaid budget from the elimination of waiver slots and Intermediate Care Facility/Mental Retardation beds in other agency budgets. The Subcommittee feels a more prudent course of action is to retain these General Fund savings in the Medicaid budget as a small contingency.

The latest Medicaid projections provide funding to support Medicaid caseloads of 163,819 average monthly recipients for FY 2007-2008 and 167,204 average monthly recipients for FY 2008-2009. The Subcommittee also recommends approving mandatory inflation and rate increases for pharmacy, managed care and transportation services based on recent information provided by the Division's actuary and projections developed by Express-Scripts, a national pharmacy benefits manager.

The Subcommittee recommends approving a fee-for-service rate increase for physicians and other medical professionals effective August 2008. Although the Governor originally recommended the rate increase to take effect October 2007, the implementation timeframe has been modified numerous times to realize savings to cover errors in the Medicaid budget that require additional General Fund support. The August 2008 implementation timeframe represents the revised recommendation from the governor. The rate increase is based on updating the Medicare Physicians Fee Schedule used to reimburse providers from the 2002 to the 2007 fee schedule and reimbursing surgery, radiology and obstetrics codes at 100 percent of the Medicare rate and evaluation and management and medicine codes at 90 percent of the Medicare rate. Currently, providers that bill using the evaluation and management and medicine codes are reimbursed at 85 percent of the Medicare rate. Additionally, the Subcommittee recommends funding to cover the projected impact the fee-for-service rate increase for physicians would likely have on managed-care providers that include physicians within their networks.

The Subcommittee recommended approving six new initiatives recommended by the Governor designed to promote savings in the Medicaid budget. The six new initiatives include staffing enhancements for the Medicaid Estate Recovery and Surveillance and Utilization Review Units; adding a Clinical Claims Editor software package to the Medicaid Management Information System; initiating a Voluntary Managed Care Program for the Aged, Blind and Disabled population; care management and regional care coordination for specialized high-risk and high-cost populations; and extending nonemergency dental benefits to pregnant women age 21 and older for the prevention and treatment of periodontal disease to reduce the incidence of premature deliveries and low-birth-weight babies. Originally, the *Executive Budget* included General Fund savings of \$8.4 million over the 2007-2009 biennium as a result of implementing these initiatives. The General Fund savings the Subcommittee recommends is approximately \$3.82 million and is based on more recent information that was not apparent during the construction of the Governor's budget.

The Subcommittee recommended two new initiatives included in the *Executive Budget* that expand coverage and services. The first initiative provides long-term community-based residential habilitation and behavioral adult day-care services for Medicaid recipients over the age of 22 with a diagnosis of traumatic brain injury (TBI). The intent is to add this package of services to the existing physically disabled waiver. The Subcommittee recommends approving two case manager positions for the projected TBI caseload. The second initiative is to eliminate the unearned income limit for the Health Insurance for Work Advancement (HIWA) program. The unearned income limit is considered a barrier and is the primary reason enrollment in the HIWA program has never met expectations. The Subcommittee feels eliminating this barrier would allow the HIWA program to expand as originally intended when the 2003 Legislature first approved funding.

Finally, the Subcommittee recommends approving five and eliminating three new positions recommended by the Governor that are not part of the initiatives designed to promote savings. The five positions recommended include a unit supervisor for the Las Vegas district office; an IT position to provide support to the Medicaid staff accessing the abundance of data available from the Medicaid Management Information System and decision support systems; and, three health care coordinators to meet the more onerous quality assurance requirements for Medicaid waivers imposed on states by Centers for Medicare and Medicaid (CMS).

CHAIR RAGGIO:

What did the Assembly Committee on Ways and Means change on this?

MR. ABBA:

The Committee approved the recommendations.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3243
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

SENATOR COFFIN:

Since I was not on the Subcommittee, were the advocacy groups who work with social services happy with this budget?

MR. ABBA:

As I recall, the advocacy groups were supportive of the budget, especially the TBI program and eliminating the unearned income limit for the HIWA program. They were also supportive of the cost saving initiatives and the additional staff the Division needs to meet the quality assurance requirements for the waivers.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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MR. ABBA:

During the review of the Nevada Check Up budget, it became apparent caseload growth continues to increase, following a trend that began during the first quarter of FY 2006-2007. The caseload for April 2007 actually exceeds the caseloads recommended by the Governor for FY 2007-2008. In light of this growth, the Division reran the Check Up payment and caseload projection model which indicated caseloads would increase compared to the Governor's budget by 1,575 recipients a month for FY 2008 and 1,790 recipients a month for FY 2008-2009. The Subcommittee recommended approving approximately \$1.2 million in General Funds over the 2007-2009 biennium to provide average monthly caseloads of 30,167 recipients for FY 2007-2008 and 31,081 recipients for FY 2008-2009.

The Subcommittee recommends approving four of six new positions and the transfer of three positions from the Division of Welfare and Supportive Services to assume eligibility and policy responsibility for the Employee Sponsored Insurance (ESI) subsidy program. When the HIFA waiver was originally approved by the 2005 Legislature, the Division intended to contract with a vendor to perform a majority of the eligibility work related to the ESI subsidy program. However, when bids were solicited, it became apparent that it would be more cost effective and less expensive for the Division to assume this responsibility. The new positions recommended will provide the resources necessary to administer the day-to-day operations of the HIFA medical program, customer support and client contact, eligibility and follow-up and federal reporting and monitoring as required as part of the HIFA waiver.

The Subcommittee recommends one new compliance investigator to handle suspected cases of fraud and abuse with families enrolled in the Check Up program. The Division of Welfare and Supportive Services has provided investigative services on a limited basis; however, they do not have the resources to continue providing these services long term or at the frequency and level of review desired, especially in light of the actual and projected growth in caseload.

CHAIR RAGGIO:

Did the Assembly Committee on Ways and Means make adjustments?

MR. ABBA:

Yes, they did. In the budget that follows, HIFA Medical B/A 101-3247, there is a projected savings of approximately \$815,000 in General Funds over the biennium. They elected to use approximately \$400,000 of those savings to provide for additional caseload growth in the Check Up budget B/A 101-3178 that may occur due to outreach programs scheduled during the next biennium.

CHAIR RAGGIO:

I think we should defer action on that and close the budget as recommended.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT
101-3178 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Budget Account 101-3247

MR. ABBA:

The HIFA medical program began accepting applications for coverage in December 2006 shortly after receiving approval of the HIFA waiver from the CMS in November. Since December, enrollment for both pregnant women and coverage for Employee Subsidies Insurance (ESI) have lagged in comparison to projections and the enrollment assumptions used in the Governor's budget. In light of the slower than anticipated participation, the Subcommittee recommends adjusting the enrollment projections for the pregnant women and ESI caseload to more realistic levels based on actual enrollment to date. Going forward, the Subcommittee recommends continuing to use the enrollment assumptions developed by the consultant who initially helped design the HIFA waiver. Additionally, the Subcommittee recommends additional funding to cover the per-member per-month costs for dental services for pregnant women that mistakenly were not included in the Governor's budget. The adjustments the Subcommittee recommends to the enrollment assumptions provide for a General Fund savings of approximately \$815,000 over the 2007-2009 biennium. The funding the Subcommittee recommends will provide HIFA medical coverage for up to 2,048 pregnant women a month and ESI coverage for 4,025 participants a month by the end of FY 2008-09.

The HIFA holding account was closed with adjustments to incorporate the savings the Subcommittee recommends in the HIFA medical budget. The Intergovernmental Transfer and Increased Quality of Nursing Care budgets were closed as recommended by the Governor.

CHAIR RAGGIO:

I think the Joint Subcommittee took the staff's recommendations on the projections and the reductions in this budget and then phased in the per-member per-month cost for pregnant women and dental coverage. Where did they get the \$400,000 out of this budget when it had already been reduced?

MR. ABBA:

This budget, with the delay in phasing in the enrollments provided the \$815,000 savings, of which half was used to increase enrollment in the Check Up budget. In this account, there was also a change made yesterday by the Assembly Committee on Ways and Means, to use the other half of the \$815,000 to match Title XXI funds.

CHAIR RAGGIO:

Where there was a General Fund savings of \$815,000, they used half of that to add to the other budget.

MR. ABBA:

Yes, and they also recommended to retain the other half in this budget to cover additional pregnant women. Those funds are then matched by Title XXI funds to provide coverage for an additional 321 pregnant women.

CHAIR RAGGIO:

Where did they get the additional projections of pregnant women?

MR. ABBA:

The pregnant women portion of coverage, because of the availability of money, is capped at about 2,050 pregnant women on an average monthly basis though that caseload is phased in and the cap would not be reached until 2008. The Assembly Committee on Ways and Means felt if they reached that cap, and there was still funding available, they would like to see the cap raised to 2,500.

There is one other issue that I would like to address even though it did not affect this closing. We discussed the situation that if there were savings during the interim in the HIFA budget, consideration be given by the IFC, to allow the Division of Health Care Financing and Policy to approach the Committee to establish the Single Adult or Childless Adult Program which would use the ESI subsidy of \$100 for adults who do not have children. It would be a State-only cost. The reason the full Committee wanted that is because the HIFA waiver that was originally approved was to include childless adults as part of that group covered under the subsidy. Then the Deficit Reduction Act approved in the U.S. Congress eliminated the use of Title XXI monies for that purpose. The full committee wanted to see what the funding looked like during the interim before initiating a program which would have to have the IFC approval. It would not change any of the closing, but that was a recommendation of the full committee.

CHAIR RAGGIO:

We will not consider that at this time. We will close the budget as recommended without that consideration.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3247
AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO

Were there other adjustments?

MR. ABBA:

The only other adjustment that staff would request is that the HIFA holding account, B/A 101-3155, be closed with adjustments to incorporate the savings the Subcommittee recommends in the HIFA Medical budget, B/A 101-3247, and the Intergovernmental Transfer, B/A 101-3157, and Increase Quality of Nursing Care, B/A 101-3160, budgets were closed as recommended by the Governor.

SENATOR CEGAVSKE MOVED TO CLOSE THE REMAINING BUDGET
ACCOUNTS AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO

Let us look at S.B. 253. This bill was heard on March 28 and staff was going to review the recommended funding.

SENATE BILL 253 (1st Reprint): Makes appropriations to the Division of Mental Health and Developmental Services of the Department of Health and Human Services for computer hardware and software, vehicles, furniture and other equipment. (BDR S-1215)

MR. GHIGGERI:

Staff has reviewed the funding that was included in the *Executive Budget*. I have distributed a mockup amendment for S.B. 253 ([Exhibit C](#)) which would reduce the total amount for a savings of \$326,899.

SENATOR RHOADS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 253.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will also look at S.B. 499. This bill was heard in this Committee on May 7.

SENATE BILL 499 (1st Reprint): Revises provisions governing the approval of certain plans, designs and specifications for school buildings. (BDR 22-443)

MR. GHIGGERI:

This bill will exempt Washoe County schools.

SENATOR COFFIN MOVED TO DO PASS S.B. 499.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

I want to remind the members that if anyone on the Committee intends to change a vote, please advise the Chair before we vote on the Senate Floor. That is part of the rules of this Committee.

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This meeting of the Senate Committee on Finance is adjourned at 10:33 a.m.

RESPECTFULLY SUBMITTED:

Lori Johnson,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____