

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session
May 29, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:14 a.m. on Tuesday, May 29, 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:

Gary L. Ghiggeri, Senate Fiscal Analyst
H. Pepper Sturm, Chief Deputy Research Director
Sandra K. Small, Committee Secretary

OTHERS PRESENT:

John P. Sande, III, Nevada Franchised Auto Dealers; Western States Petroleum
Alfredo Alonso, Alliance of Automobile Manufacturers

CHAIR RAGGIO:

The staff has additional information on the Western Interstate Commission for Higher Education (WICHE) program.

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

When the WICHE budget was closed by the Committee, funding was included for a program contingent upon an agreement with Banner Churchill Community Hospital in Fallon. That agreement has essentially fallen through. The Committee has received a copy of a memorandum dated May 25, 2007, ([Exhibit C](#)) indicating the closings as adopted by the Committee have been adjusted deleting the funding for the Banner Churchill Community Hospital program.

CHAIR RAGGIO:

In the Joint Subcommittee on Higher Education and Capital Improvements meeting discussing capital construction projects, there was some disagreement and we were unable to close the item. Do we have sheets available today?

MR. GHIGGERI:

Staff is working on the sheets. We hope to have them done either later this afternoon or first thing tomorrow morning.

CHAIR RAGGIO:

We will schedule a meeting for that purpose; we need to see where our differences are with the Assembly.

SENATOR MATHEWS:

Will the sheets be the same as we had yesterday or will they be updated?

MR. GHIGGERI:

The sheets will be adjusted for a few decisions that were made. Staff is working on the capital improvement program (CIP) as recommended by the Governor. Anything outside what the Governor recommends will be an addition to the program. Staff has not received direction to add anything.

SENATOR MATHEWS:

Before the sheets are finalized, I hoped we could consider what is happening with the Truckee Meadows Community College and the Spanish Springs property. I would also like to know what is happening with the Fine Arts Building planning.

SENATOR COFFIN:

There was confusion yesterday due to communication problems between the University and the Legislature. There are people in the audience who could tell us what their needs are.

CHAIR RAGGIO:

The Committee will schedule another meeting, when staff is ready, to look at the CIP and these other concerns. At that time, representatives from higher education can be here. It is late in the game for additional add-ons.

The Committee heard Senate Bill (S.B.) 191 on March 26, 2007.

SENATE BILL 191: Makes an appropriation to the Office of the Attorney General to purchase computer hardware and software and projectors. (BDR S-1203)

MR. GHIGGERI:

Staff has reviewed this legislation. Based upon current pricing from the Purchasing Division, staff recommends the amount included in the legislation be reduced from \$480,271 to \$452,272. Additionally, staff is recommending this legislation be used to amend the *Nevada Revised Statutes* 205A.090 relating to the Nevada Task Force for Technological Crime. This statute creates the account for Technological Crime in the General Fund. Section 4 of the statute provides that funds in the account do not revert to the General Fund at the end of any fiscal year. Because the budget approved by the Committee includes General Funds, staff recommends the reversion of unexpended General Fund appropriations at the end of each fiscal year. Staff also recommends any Highway Fund authorizations revert at the end of each fiscal year; there are none in this biennium, but there may be in future years. Funds received from sources other than the General Fund or Highway Fund would continue to be available for use in that account

CHAIR RAGGIO:

Does the Committee require further information to process this measure?

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 191 BY CHANGING THE AMOUNT INDICATED FROM \$480,271 TO \$452,272; AND TO PROVIDE THAT GENERAL FUND AND HIGHWAY FUND DOLLARS REVERT TO THEIR RESPECTIVE FUNDS IF NOT EXPENDED AT THE END OF EACH FISCAL YEAR.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The Committee heard S.B. 226 on April 16, 2007. There is a proposed amendment. The amount requested in this bill is not in the *Executive Budget*.

SENATE BILL 226: Creates a revolving account for paying the expenses involved in thinning the forests in state parks. (BDR 35-1159)

MR. GHIGGERI:

The Committee has received a mock-up of a proposed amendment to S.B. 226 containing the changes communicated to staff by Senator Mark E. Amodei ([Exhibit D](#)). The appropriation is reduced from \$500,000 to \$150,000 and directs the Division of State Parks to conduct a study during the interim and report the results to the 75th Session of the Nevada Legislature.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 226 BY CHANGING THE AMOUNT INDICATED FROM \$500,000 TO \$150,000; AND TO PROVIDE FOR THE CHANGES RECOMMENDED IN [EXHIBIT D](#).

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The Committee has received a request for a bill draft.

JOHN P. SANDE, III (Nevada Franchised Auto Dealers; Western States Petroleum Association):

Senate Bill 105 was passed requiring the State Board of Agriculture to adopt the American Society of Testing Materials (ASTM) standards to ensure the quality of gasoline is adequate in Nevada as in the surrounding states. Unfortunately, there was confusion; some members of the Board thought they should have more authority to adopt regulations, not just the ASTM standards. We are proposing the State Board of Agriculture adopt the ASTM standards unless they find, based upon scientific evidence, a different standard for motor vehicle fuel will protect the consumers in Nevada as it relates to the drivability of a motor vehicle.

SENATE BILL 105 (1st Reprint): Revises provisions governing regulation of motor vehicle fuel. (BDR 51-258)

CHAIR RAGGIO:
What is the ASTM?

MR. SANDE:
The ASTM is a nonprofit organization funded by the oil industry and car manufacturers. They set standards for motor vehicle fuel to make sure cars drive correctly. It is a major problem in southern Nevada due to the heat. If gas is too volatile, older cars experience vapor lock and newer cars can have hot fuel handling issues. It is important to automobile manufacturers and car dealers in southern Nevada.

CHAIR RAGGIO:
If the Committee is willing, we could use S.B. 324, which has not had a hearing, to process this request. The bill was to accommodate the Blue Ribbon Commission's transportation plan. The Committee has received a mock-up of the proposed amendment language to be inserted in Senate Bill 324 ([Exhibit E](#)).

SENATE BILL 324 (1st Reprint): Makes various changes in the provision of funding for highway projects. (BDR 32-1139)

ALFREDO ALONSO (Alliance of Automobile Manufacturers):
We support the ASTM standards. The remaining western states have these same standards. We believe it is good policy for Nevada as well.

MR. SANDE:
To make this bill clear, I suggest removing the word "standard" from line 13 on page 1 and lines 10 and 12 on page 2, [Exhibit E](#), because the bill gives authority to adopt specifications other than the standard.

SENATOR BEERS MOVED TO AMEND AND REREFER TO THE SENATE COMMITTEE ON TAXATION S.B. 324 BY DELETING THE PROVISIONS OF S.B. 324 AND INSERTING THE LANGUAGE RECOMMENDED IN THE PROPOSED AMENDMENT PREPARED BY SENATOR TOWNSEND IN [EXHIBIT E](#); AND TO DELETE THE WORD "STANDARD" ON LINE 13 OF PAGE 1 AND LINES 10 AND 12 OF PAGE 2.

SENATOR TITUS SECONDED THE MOTION.

SENATOR TITUS:
Will it be possible for the Board to adopt a lesser standard than the ASTM?

MR. SANDE:
No; that is why it is important to have the ASTM standards referenced in the bill. The change gives the Board authority, if they have scientific evidence indicating the ASTM standard does not make sense, to adopt another standard as long as it protects the consumer.

SENATOR TITUS:
Why is the State Board of Agriculture doing this and not the Division of Environmental Protection?

MR. SANDE:
The State Board of Agriculture is in charge of weights and measures and tests stations to make sure they have adequate fuel.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

There is no fiscal impact associated with S.B. 324. The bill will be amended and referred to the appropriate committee. I need to disclose Mr. Sande and I are members of the same law firm.

The Committee heard S.B. 341 on March 26, 2007.

SENATE BILL 341 (1st Reprint): Makes supplemental appropriations to the Office of the Attorney General. (BDR S-1243)

MR. GHIGGERI:

Staff recommends the amount to the Special Fund be reduced from \$600,000 to \$200,000. All other sections of the legislation will remain the same. The appropriation will be reduced from \$1,513,365 to \$1,113,365.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 341 BY CHANGING THE AMOUNT INDICATED FOR THE SPECIAL FUND FROM \$600,000 TO \$200,000.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The Committee heard S.B. 467 April 2, 2007. The \$202,602 appropriation is in the *Executive Budget*. The director of the Department of Public Safety and the Office of the Attorney General testified in support of this bill. Does staff have a change for this bill?

SENATE BILL 467: Makes an appropriation to the Office of the Attorney General for data storage equipment. (BDR S-1428)

MR. GHIGGERI:

Staff has no changes to S.B. 467.

SENATOR BEERS MOVED TO DO PASS S.B. 467.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The Committee heard S.B. 468 on April 2, 2007.

SENATE BILL 468 (1st Reprint): Makes a supplemental appropriation to the Office of Veterans' Services for unanticipated shortfalls in Fiscal Year 2006-2007 for utility costs. (BDR S-1422)

MR. GHIGGERI:

Staff recommends the funding provided in the legislation for shortfalls in salaries be eliminated. That is a reduction of \$72,382. The remaining appropriation is \$151,184.

CHAIR RAGGIO:

Does that accommodate the agency's issues?

MR. GHIGGERI:

Yes, it accommodates the agency's projected shortfall in utilities.

CHAIR RAGGIO:

How will they deal with the personnel services?

MR. GHIGGERI:

It was satisfied through salary adjustment funds.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 468 WITH A REDUCTION OF \$72,382 FOR SALARY SHORTFALLS RESULTING IN A TOTAL APPROPRIATION OF \$151,814.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The Committee has heard discussion on S.B. 540 including a proposed amendment on May 14, 2007.

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

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

The Committee has received a copy of a "Proposed Amendment to Senate Bill No. 540" ([Exhibit F](#), original is on file in the Research Library). This is the amendment you have seen before. The Committee has also received a copy of "Proposed Policy Structure for Public Elementary and Secondary Education in Nevada - S.B. 540 (2007)" ([Exhibit G](#)). [Exhibit G](#) shows the current structure and the structure under S.B. 540. There is a slight modification; under the mock-up, the Board would be a policy board rather than an advisory board.

Under the original bill, the State Board of Education was to be advisory to the superintendent. The proposed amendment deletes those sections. The State Board would retain its current regulatory and policy role. The Governor would still appoint the State superintendent of public instruction from names submitted by an ad hoc search committee which is a change from the original bill.

CHAIR RAGGIO:

Who appoints the ad hoc search committee?

MR. STURM:

Page 3, section 5 of the proposed amendment indicates the members are: one member of the State Board of Education, two members appointed by the Governor, and one member each appointed by the Majority Leader and the Speaker.

CHAIR RAGGIO:

I spoke with the superintendent of instruction, Dr. Keith Rheault, and asked him about this proposed amendment including this provision with which he previously had some concern. He has indicated to me he is supportive.

MR. STURM:

Also in the proposed amendment on pages 2 and 3, the Governor will select the president of the State Board of Education and serves as an ex-officio member of the Board. The Governor will have input on the agenda items before the Board and may reject actions or regulations adopted by the Board.

Another change proposed is the removal of the fiscal note. The requirement for a new division for the Department of Education is deleted. The Legislative Bureau of Education Accountability and Program Evaluation will remain intact.

The process for compiling and reviewing a proposed budget for the Distributive School Account, section 14, would involve the Superintendent and the State Board of Education prior to its submittal to the Budget Division.

In the proposed amendment, certain of the education commissions and councils are advisory to the Superintendent as listed on page 4, section 7. The last major change is the superintendent of public instruction will no longer be required to serve on certain ancillary boards and commissions, page 4, section 10.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 540 WITH THE CHANGES AS INDICATED IN [EXHIBIT F](#).

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:
There being no further business at this time, the Committee is adjourned at 8:41 a.m.

RESPECTFULLY SUBMITTED:

Sandra K. Small,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____