

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session
June 1, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:33 a.m. on Friday, June 1, 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:

Bob Atkinson, Senior Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Melinda Martini, Program Analyst
Tracy Raxter, Senior Program Analyst
Carol M. Stonefield, Principal Research Analyst
Anne Vorderbruggen, Committee Secretary

OTHERS PRESENT:

Karen Hoppe, Chief Deputy Controller, Office of the State Controller
Leslie A. Johnstone, Executive Officer, Public Employees' Benefits Program
James T. Richardson, J.D., Ph.D., Nevada Faculty Alliance
T. Arthur Ritchie Jr., District Judge, Family Division, Eighth Judicial District Court, Clark County
Ronald P. Dreher, Peace Officers Research Association of Nevada
Andrew Clinger, Director, Department of Administration
Susan Fisher, Nevada Powersport Dealers Association

CHAIR RAGGIO:

The first bill before the Committee this morning is Senate Bill (S.B.) 185.

SENATE BILL 185 (1st Reprint): Revises provisions governing the Commission on Educational Excellence. (BDR 34-426)

Senate Bill 185 was heard in the Senate Committee on Human Resources and Education and sent to our Committee because it would impact the allocation of funds through the Remediation Trust Fund for Programs for Innovation and the Prevention of Remediation. This bill pertains to education and deals with provisions governing the Commission on Educational Excellence. The Commission on Educational Excellence was established under S.B. No. 404 of the 73rd Session, and provides the funding for the Account for Programs for Innovation and the Prevention of Remediation.

This bill has had extensive hearings in the Senate Committee on Human Resources and Education. It would be helpful if staff would give this Committee an overview of the bill and the proposed amendments.

CAROL M. STONEFIELD (Principal Research Analyst, Research Division, Legislative Counsel Bureau):

I was the primary policy analyst with the Legislative Committee on Education. As a member of the Legislative Counsel Bureau staff, I will neither advocate nor oppose any of the provisions of this bill. The provisions of the bill are the recommendations from the interim committee after extensive study of the grant program that has come to be known as S.B. No. 404 of the 73rd Session. The Legislative Committee on Education voted to recommend to the full Legislature the following changes to the structure of the Commission on Educational Excellence.

First, S.B. 185 requires the Commission to establish guidelines for the grant application process. This is in section 2 on page 4 of the First Reprint of S.B. 185. The guidelines must include consideration of the list of priorities of schools, ranked according to adequate yearly progress and Title I eligibility. The guidelines must also require the entire membership of the Commission to review and approve applications before funds are allocated to any grantee.

The second change is in section 3 on page 6 of S.B. 185. The Commission would be required to report the total amount of money allocated according to specific categories. These include the amount awarded to each school and school district, the amount awarded to schools on the list of priorities, the amount awarded for programs for direct student services and for programs that have an indirect benefit to students including professional development and employment of administrators, the amount awarded for innovative programs or for programs available commercially and the cost associated with implementing the programs.

Finally, in section 4, on page 8 of S.B. 185, the bill provides the Commission may request some of the funds in the account be used for site visits and best practice fairs. That amount would be not more than \$50,000 each biennium. The amount for evaluation of the programs is limited to \$250,000 each biennium. Also added in the First Reprint of S.B. 185 are provisions on page 6, beginning at line 12, which require that the school districts provide assistance to each public school, including charter schools, in preparing their applications. The school district's assistance is to ensure the application of the school is based directly upon the plan to improve achievement of pupils, is developed in accordance with the criteria established by the Commission, contains a reasonable request for money that is logically connected to the program and does not duplicate the programs or services already available to the school through the school district.

The Legislative Committee on Education recommended these changes to ensure the intent of the Legislature is implemented, in anticipation the Legislature would again provide funding for this grant program. I understand there is an amendment before the Committee today.

CHAIR RAGGIO:

During the hearing on this bill, I understand there was a lot of input. I think everyone who is affected by this has agreed to the First Reprint.

MS. STONEFIELD:

As far as I know, that is true.

CHAIR RAGGIO:

If anyone has a concern about S.B. 185, this would be the time to let us know. There is a suggested amendment to section 4, on page 8 of the bill, which provides \$250,000 for an evaluation of the program. It is my understanding that amount needs to be augmented.

MELINDA MARTINI (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

In discussing the evaluation with the Department of Education, they have indicated the amount needs to be augmented to \$450,000. This amount would continue the statewide evaluation through the same vendor. Their current contract was in the amount of \$448,000 for the biennium.

CHAIR RAGGIO:

That amount should be augmented to \$450,000. I am sure everyone agrees the evaluation is essential. It is my understanding the evaluator is doing a credible job.

MS. MARTINI:

The vendor has conducted site visits at each of the programs and is performing ongoing site visits. We were given an amazing presentation on what they are collecting.

CHAIR RAGGIO:

There is one additional amendment which is consistent with the closing agreement we have on the Distributive School Account (DSA), and it would be appropriate in this bill. In section 2, subsection (4) (c), on line 19, the following language should be added after the sentence ending in "or for innovative programs, or both": "The Commission shall not award a grant of money from the account for a program to provide full-day kindergarten."

Last Session, some of the money was used for that purpose and our joint agreement with the Assembly is that is not an appropriate program for the use of this funding. If there are no comments or objections, I would accept a motion to amend and do pass S.B. 185.

SENATOR CEGAVSKE MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 185.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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At this time, I will open the hearing on Assembly Bill (A.B.) 197. This is an appropriation to the Office of the State Controller.

ASSEMBLY BILL 197 (1st Reprint): Makes an appropriation to the Office of the State Controller for the purchase of computer hardware and software. (BDR S-1205)

KAREN HOPPE (Chief Deputy Controller, Office of the State Controller):
Assembly Bill 197 is a request for an appropriation to the Office of the State Controller for the purchase of computer hardware and software. The revised amount of the request is \$79,797.

CHAIR RAGGIO:
Is staff in agreement with the amount in this bill?

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

CHAIR RAGGIO:
This bill contains a reduced amount for computer hardware and software. If there are no further comments on this bill, I will close the hearing on A.B. 197. This bill contains an appropriation which we will have to hold until the education bill is passed.

At this time, I will open the hearing on A.B. 626. This bill deals with the Public Employees' Benefits Program (PEBP).

ASSEMBLY BILL 626: Establishes for the next biennium the amount to be paid to the Public Employees' Benefits Program for group insurance for certain active and retired public officers and employees. (BDR S-1511)

LESLIE A. JOHNSTONE (Executive Officer, Public Employees' Benefits Program):
This is a routine bill each session to set the subsidy rate the State will pay for active employees and retired participants in the plan. The amounts in this bill are consistent with the PEBP budget as well as what has been built into the rest of the *Executive Budget*.

CHAIR RAGGIO:
Does staff have any questions on the amounts? Are they accurate and consistent with the budget?

MR. GHIGGERI:
Yes.

CHAIR RAGGIO:
Are there any questions or comments on this bill?

JAMES T. RICHARDSON, J.D., PH.D. (Nevada Faculty Alliance):
We are supportive of this bill. It reflects the Governor's recommendation and what the PEBP has built their budgets around.

CHAIR RAGGIO:

There being no further comments, I will close the hearing on A.B. 626.

Assembly Bill 627 is sponsored jointly by the Assembly Committee on Ways and Means and the Senate Committee on Finance.

ASSEMBLY BILL 627: Ensures sufficient funding for K-12 public education for the 2007-2009 biennium. (BDR S-1523)

The Committee needs an overview of what this bill contains. It is the funding for the DSA, otherwise known as the K-12 public education bill.

BOB ATKINSON (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Section 1 of A.B. 627 establishes a statewide basic support average of \$5,122 for each pupil for fiscal year (FY) 2007-2008. The individual school district amounts for that basic support guarantee are displayed in section 1 of the bill. Section 2 establishes a statewide average basic support amount of \$5,323 for each pupil for FY 2008-2009. This section includes estimates of the ad valorem taxes that are expected to be collected in the districts in FY 2008-2009. The provisions that follow allow an adjustment to the basic support amount based on the anticipated amount of those collections so the basic support amounts for each individual district can be revised at the beginning of FY 2008-2009.

Section 3 allocates the special education units, reserving 40 units for distribution and allocation by the State Board of Education to meet additional special education needs of school districts and charter schools.

Subsection 4 of section 3 provides an allocation of \$171,898 in the first year of the biennium and \$163,656 in the second year of the biennium for the gifted and talented special education units.

Section 4 appropriates the money to the DSA. The amount is a little over \$1 billion in the first year of the biennium and \$1.1 billion in the second year of the biennium. Section 5 authorizes the DSA to spend money other than the General Fund appropriation included in the bill in the amount of \$172 million in the first year of the biennium and \$183 million in the second year of the biennium. These are the slot tax collections which support a portion of the DSA, the out-of-state local school support taxes, the revenue from mineral leases on federal lands and the interest from the Permanent School Fund.

Section 6 allows a temporary advance to the DSA in the event there is not sufficient money to make the distributions to the school districts. This is standard language that is included in the school funding bills in every session of the Legislature.

Section 7 allocates \$21.4 million in the first year of the biennium and \$23.4 million in the second year of the biennium for the Adult High School Diploma program.

Section 8 provides \$50,000 to each school district to support counseling services in elementary schools targeting at-risk students.

Section 10 provides funding for the Regional Professional Development Programs (RPDP) in the amount of \$12.9 million in the first year of the biennium and \$13.3 million in the second year of the biennium.

Section 11 provides \$100,000 each year for an evaluation of the RPDP. Section 12 provides \$100,000 each year to the coordinating council of the RPDP to provide training opportunities for educational administrators in Nevada.

Section 13 allocates \$3.3 million in each year of the biennium to the early childhood education programs.

Section 14 is the continuation of the purchase of one-fifth of a year retirement credits for certain licensed educational personnel in the amount of \$22.9 million in the first year of the biennium and \$31.1 million in the second year of the biennium.

Section 15 establishes the minimum expenditures that must be spent on textbooks, instructional supplies and instructional hardware. In the first year of the biennium, that amount is \$90.9 million and it is \$96 million in the second year of the biennium.

CHAIR RAGGIO:

I would like to emphasize section 16, which limits the use of the amounts authorized in sections 10 through 14 to the specified purpose. Those funds are not subject to negotiation or other utilization.

MR. ATKINSON:

That is correct.

Section 17 provides \$112,000 each year for transporting students who live outside the school district.

In past sessions, we have had separate school funding bills for the DSA and the Class-Size Reduction (CSR) program. In addition, other education programs funded through budget accounts were included in the regular Appropriations Act and Authorizations Act.

CHAIR RAGGIO:

Are all of these programs now included in this bill?

MR. ATKINSON:

All of those are incorporated into this one bill.

CHAIR RAGGIO:

Will we not have a separate bill dealing with Class-Size Reduction?

MR. ATKINSON:

That is correct.

CHAIR RAGGIO:

Will we still be able to track the CSR program separately?

MR. ATKINSON:

Yes. Section 20 establishes provisions that would typically be in the beginning of the Class-Size Reduction bill.

Section 21 provides \$141.2 million in the first year of the biennium to employ at least 2,201 teachers for the Class-Size Reduction program.

Section 22 provides \$153.7 million in the second year of the biennium for 2,260 teachers for the Class-Size Reduction program.

Section 23 includes standard language we have included in past Class-Size Reduction bills.

The Other State Education Programs Budget Account, (B/A) 101-2699, includes significant funding which is passed through to the school districts as well. Rather than being included in the Appropriations Act and Authorizations Act, it is included in this bill.

EDUCATION

K-12 EDUCATION

NDE - Other State Education Programs – Budget Page K-12 ED-8 (Volume I)
Budget Account 101-2699

In Section 25, \$21.5 million is appropriated in the first year of the biennium and \$22.5 million in the second year of the biennium for the programs in the Other State Education Programs Budget Account.

Subsection 2 of section 25 authorizes the expenditure of the non-General Fund revenues in this account. Also included is some language that has typically been in the back of the Appropriations Act which allows the Department of Education to transfer some of the appropriations between years, if necessary. Some examples are the new teacher signing bonus program, the Counselor National Board Certification program and educational technology. In the past, the Appropriations Act has authorized flexibility with that money between the two years of the biennium, and that flexibility is now included in this bill.

Section 26 is the Remediation Trust Fund or the Account for Programs for Innovation and the Prevention of Remediation. This provides a General Fund appropriation of \$60.4 million in the first year of the biennium and \$85.5 million in the second year of the biennium. It also authorizes the expenditure of revenues primarily comprised of interest earnings and balance forwards.

CHAIR RAGGIO:

Is this the funding established by S.B. No. 404 of the 73rd Session?

MR. ATKINSON:

That is correct.

CHAIR RAGGIO:

The amount of \$145 million seems different from my recollection. How was the funding determined?

MR. ATKINSON:

That was the funding recommended by the Governor to continue the program.

Over the biennium, the Governor recommended a total of \$121 million, consisting of \$60 million in the first year of the biennium and \$61 million in the second year. That was broken down into \$66,000 for administration, \$51 million for full-day kindergarten, \$55 million for innovative programs and \$14 million for the Grades 7 through 12 grants.

CHAIR RAGGIO:

The amount authorized for the continuation of the full-day kindergarten program was included in these amounts which is the reason for the higher number. The continuation of the full-day kindergarten program became a little more than twice the first-time amount of \$22 million.

MR. ATKINSON:

That is correct.

CHAIR RAGGIO:

That clears it up for me. The understanding had been that, in addition to whatever the Governor had recommended, we were going to continue the funding for the at-risk schools that qualified for the full-day kindergarten and then we were going to commit an additional \$7.6 million out of the reversion money. Is this the total of that?

MR. ATKINSON:

That is included.

SENATOR COFFIN:

I am looking at sections 1 and 2 of the bill. Why is there such a large difference in the two years of the biennium in Eureka County's basic support guarantee?

MR. ATKINSON:

This primarily relates to the small number of students in Eureka County in relation to the amount of tax they receive from net proceeds of minerals. Typically, in Eureka County, they do not receive any basic support funding from the DSA, because when we establish a basic support amount for them, their local revenue collections provide more than that amount. For example, the basic support guarantee in section 2 is \$10,533 for each pupil, but their local revenue collections would provide them \$16,781 for each pupil. Their basic support guarantee ends up being a negative number because they collect more local revenues than the DSA would otherwise guarantee to them.

SENATOR COFFIN:

The net proceeds from the mines are changing this number. I do not understand why there should be such a large difference between the two years. The first year of the biennium is at \$4,000 and the second year is at \$11,000. The other counties appear to be more consistent.

MR. ATKINSON:

The large swings in the net proceeds of minerals would cause that.

SENATOR COFFIN:

Are we expecting a mine to open?

MR. ATKINSON:

The net proceeds amounts are estimated by the Department of Taxation. I am not certain what they are expecting.

In section 26, subsection 4, in FY 2007-2008 and FY 2008-2009, respectively, \$25,640,881 and \$40,834,698 will be allocated to the full-day kindergarten program for expansion and continuation of that program. In subsection 5, of the amount authorized in subsection 2, \$180,000 will be allocated in the first year and \$8.9 million in the second year for a program of empowerment schools.

CHAIR RAGGIO:

Section 26 accommodates the agreement reached on the funding for continuation and enhancement of the full-day kindergarten program and also the empowerment programs.

MR. ATKINSON:

It does.

Section 27 spells out the same full-day kindergarten provisions included in the funding that established the program at \$22 million for the current year. It will be based upon the number of pupils qualifying for free and reduced lunch.

Section 28 is a clarifying provision that allows the remediation trust fund to receive interest. There was discussion with the Office of the State Treasurer because no interest had been posted during the current biennium. This language clears that up and allows them to provide interest on the account.

Section 29 implements the amended hold-harmless provisions that were approved by the two Committees, providing that if a school district has a declined enrollment of more than 5 percent, they would be entitled to a two-year hold harmless. If enrollment has declined by less than 5 percent, the school district would have a one-year hold harmless.

CHAIR RAGGIO:

That was a good analysis. I will entertain questions or comments from the Committee at this time. We cannot act on this bill until it is read on the Senate Floor. We will meet immediately after the Floor Session to pass this bill and some of the other appropriation bills we have been holding.

Senate Bill 387 is one of the bills that deals with the reorganization of the State Public Works Board. This Committee heard this measure on April 30, 2007. It was previously heard in the Senate Committee on Government Affairs. Assembly Bill 12 also provides for the revision and reorganization of the State Public Works Board.

SENATE BILL 387 (1st Reprint): Revises various provisions governing public works and the State Public Works Board. (BDR 28-904)

ASSEMBLY BILL 12 (1st Reprint): Provides for the replacement of the State Public Works Board. (BDR 28-193)

A joint group from the Assembly and the Senate met on this issue and agreed on the provisions and revisions to these bills. There is agreement on the amendments and we will utilize S.B. 387. I will ask staff to go through the proposed amendments. If there is anyone in the audience who is interested in this and has concerns, please let us know. The Committee has received copies of the Amendment Language to S.B. 387 ([Exhibit C](#)).

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

The first change is to Section 5 of S.B. 387 on the second page of [Exhibit C](#).

CHAIR RAGGIO:

First, I would like to point out the agreement was to use the Senate's version in section 1 of the bill which provides for a Board of seven members. Page 2 of the bill lists the qualifications for the appointment of these members. This version was agreed to instead of the version in the Assembly bill.

MR. RAXTER:

Section 5 includes the addition of a new deputy manager for compliance and code enforcement who would be responsible for the building official duties within the State Public Works Board (SPWB). This would separate the building official duties from the project management duties.

CHAIR RAGGIO:

One of the issues was that we needed a complete division of responsibility between the manager and the new position of deputy manager for compliance and code enforcement. This reflects that agreement.

MR. RAXTER:

That is correct.

On line 19 of the bill on page 5 is the first change in the amended language. It provides for scope changes that increase or decrease the total square footage or cost of the project by 10 percent or more. The statute currently provides for scope changes to be defined by regulation. The SPWB has defined scope changes of 10 percent or more in square footage. The first reprint of the bill reflects an increase or decrease in the total awarded contract price. However, that provision would not allow for a scope change to come before the Interim Finance Committee (IFC) for a building that might change from 100,000 square feet to 42,000 square feet such as the Nevada State College Academic Building did. Staff felt it would be important for not only the cost of the project but also the square footage of the project to be considered when determining whether a scope change is necessary to come before the IFC.

CHAIR RAGGIO:

All parties agreed to follow staff's recommendation on that situation.

MR. RAXTER:

In section 5, there is wording regarding the monthly reports the SPWB provides to the Legislature. The reporting requirement is currently in statute. However, starting with line 13 on page 5 of the bill, the change more clearly defines the requirements to be included in those monthly reports. They include factors which may result in changes in scope and increased or unexpected costs or delays in the completion of projects.

On page 7 of the bill, section 8, subsection 3 on line 23, there is a correction. The first reprint of the bill states the Board may negotiate with any responsible and responsive bidder on any contract to obtain a revised bid if the bid is less than the appropriation made by the Legislature and all bids received on the contract exceeded the relevant budget item for that building project by more than 10 percent. It is the desire of the Legislature to have the current statutory language put back into the bill that would say "May negotiate with the lowest responsible and responsive bidder"

CHAIR RAGGIO:

The agreement was to delete this suggested amendment. That should be noted when the final amendment comes to us.

MR. RAXTER:

On page 8 of the bill, continuing with section 8, is the other wording regarding scope changes. It will be changed to square footage or cost that increases or decreases the project by 10 percent or more.

The language on page 8 of the bill, in subsection 7, is currently in the first reprint. It revises the limits on change orders not to exceed in the aggregate 15 percent of the total awarded contract price and in any amount where the total contract awarded price is less than \$50,000. That is the current version of the bill and no changes are recommended.

On page 9, in section 10, the first reprint includes language to allow for the appointment of a subcommittee of the IFC to review matters of the SPWB which require prior approval of the IFC. The language has the word "may" so it is not a requirement. The Committee may want to include language which states the Subcommittee would review and make recommendations to the IFC on those matters. The Subcommittee would not be approving the items that come before them, it would just make recommendations for the IFC.

On the bottom of page 5 of [Exhibit C](#), is a new section that is being recommended to be added to the bill. It would amend *Nevada Revised Statutes* (NRS) 338.140. This is in regard to the submission of bids on SPWB projects. My understanding is it is being recommended by the Clark County District Attorney's Office.

CHAIR RAGGIO:

This is an amendment Senator Warren Hardy brought to our attention. It was at the request of, or because of the action or opinion of, the Clark County District Attorney's Office which indicated there needed to be some language which would specifically authorize them to store this data electronically. The Assembly was going to look it over, and it is my understanding they have agreed to the amendment.

MR. RAXTER:

That is correct.

At the bottom of page 6 of [Exhibit C](#) is another new section recommended to be added to amend NRS 341.161. A current statute requires IFC approval for the SPWB to use construction manager at risk (CMAR) services. By regulation, the Board has adopted a process for determining and hiring CMAR services. Once they have gone through that process and made a selection, they currently

come before the IFC to get approval. There is sufficient process in statute and in regulation that provides for oversight on the selection process, and it is probably not necessary to have the IFC approval.

CHAIR RAGGIO:

In our discussions, we agreed that could delay projects and it has resulted in delaying projects. We want to get the projects started as soon as possible.

MR. RAXTER:

That is correct. It is one of the benefits of the CMAR process.

On the next page is a similar provision that would amend NRS 341.166. This has to do with the requirement for IFC approval when the Board wants to contract with a firm to review building design and building plans and also to assist the Board in estimating costs. This amendment would take out the requirement for IFC approval.

At the bottom of page 7 of [Exhibit C](#) is a new section that would amend NRS 341.191. This is the section in statute where the SPWB is required to make a recommendation for their capital improvement program (CIP) to the Governor by October 1 of even-numbered years. This would add a provision in the statute that insofar as practicable, the CIP program recommended by the Board should provide for a two-step process for funding large CIP projects. This would be defined as projects exceeding \$10 million. Those projects would be recommended for funding for design and planning in one biennium and funding for construction in a subsequent biennium. The wording here would say "insofar as practicable." If there were an urgent need to have a project both planned and designed and constructed in one biennium, that could be accommodated.

CHAIR RAGGIO:

That was in [A.B. 12](#), and it was agreed to.

MR. RAXTER:

That is correct.

The next amendment would provide for a similar provision in NRS 353.185 which has to do with the *Executive Budget*.

On the last page of [Exhibit C](#) is a new section that was included in [A.B. 12](#). This would provide for a pilot program for the SPWB to determine the feasibility of using privatized construction management and construction inspection services. The SPWB currently uses privatized project management services for what they call extended project management to augment their existing construction management services. On some occasions, they also utilize privatized project inspection services to augment their current inspector staffing. This provision would primarily provide for an analysis of the cost and benefits of using those services and have it reviewed by the IFC so they could determine whether it is a good idea to utilize more of those services in the future.

CHAIR RAGGIO:

This matter was discussed extensively in the Government Affairs Committees. Mr. Ivan Ashleman, Chairman of the SPWB, and Mr. Gus Nunez, Manager of the SPWB, had full input into these changes. If there are no further questions or comments, I will accept a motion to amend and do pass [S.B. 387](#).

SENATOR CEGAVSKE MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 387.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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I have been advised the Committee can act on A.B. 626, heard earlier in this meeting.

SENATOR BEERS MOVED TO DO PASS A.B. 626.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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At its meeting of May 23, 2007, when this Committee took action on S.B. 547, the Public Employees' Benefits Program, we wanted to review the proposed amendment. Have you had an opportunity to review Amendment No. 988?

[SENATE BILL 547 \(1st Reprint\)](#): Makes various changes regarding the management of the Public Employees' Benefits Program. (BDR 23-1414)

Ms. JOHNSTONE:

I have. The language in Amendment No. 988 is consistent with the action taken by this Committee on May 23, 2007.

CHAIR RAGGIO:

The Committee said they would amend and do pass S.B. 547 subject to approval of the proposed amendment. Is there any objection on the part of any member of the Committee to the utilization of Senate Amendment No. 988? If not, is there a motion to amend the bill with Amendment No. 988?

SENATOR BEERS MOVED TO APPROVE AMENDMENT NO. 988 TO
S.B. 547.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Senate Bill 556 creates the Commission on Law Libraries for the Supreme Court and the District Courts. There was testimony in the Committee that this amendment was necessary to accommodate the time between when the other realignment of judges takes place. The Committee has received a copy of the Proposed Amendment to S.B. 556 ([Exhibit D](#)) which will accomplish that purpose.

SENATE BILL 556: Creates the Supreme Court Commission on Law Libraries and the District Court Commission on Law Libraries. (BDR 1-1475)

T. ARTHUR RITCHIE JR. (District Judge, Family Division, Eighth Judicial District Court, Clark County)

The proposed amendment resolves the problem of creating commissions with off-cycle judges. The eight district court judges, two family court judges in Washoe County and six in Clark County, would become on-cycle judges with this amendment. We worked with Legislative Counsel Brenda Erdoes to create language which would essentially end the terms of the family court judges and have them recreated in 2011. All of the eight affected judges agreed the terms between 2011 and 2015 would be four-year terms. With this amendment, all district court judges would be on cycle.

CHAIR RAGGIO:

Are these family court judges?

DISTRICT JUDGE RITCHIE:

Yes. They are district court judges in the family division.

CHAIR RAGGIO:

After 2011, all district court judges would be elected at the same time. By that time, the Missouri Plan will be in effect. This provision for the law library commissions for the Supreme Court and the district court judges is necessary to equalize the pay until they are on cycle. Is that accommodated in this proposed amendment?

DISTRICT JUDGE RITCHIE:

Yes. This would put all the district court judges on cycle. The terms of the five Supreme Court Justices are staggered.

CHAIR RAGGIO:

That is required by the Constitution of the State of Nevada.

Are there any questions from the Committee?

SENATOR COFFIN:

I appreciate getting the information I requested from the district court regarding workload and court use. It is better than I thought it would be. In addition to the family court judges, I hope the other district judges will also attempt to hold evening courts and share courtroom use. The courtrooms are expensive and there will need to be a best-practices plan for when the number of judges increases.

CHAIR RAGGIO:

If there is no objection, I would entertain a motion to amend S.B. 556 with the contents of Exhibit D, subject to review of the formal amendment.

SENATOR CEGAVSKE MOVED TO AMEND AND DO PASS AS AMENDED S.B. 556.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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The Committee needs to process S.B. 287 to provide an appropriation to cover the state park rangers because they have already been accepted into the police and firefighters' early retirement program.

SENATE BILL 287: Revises the requirements concerning eligibility to participate in the Public Employees' Retirement System as a police officer under certain early retirement provisions. (BDR 23-976)

RONALD P. DREHER (Peace Officers Research Association of Nevada):
On May 18, 2007, the state park rangers were accepted into the Police and Firefighters' Retirement Fund by the full Public Employees' Retirement System Board. I have provided a proposed amendment to S.B. 287 ([Exhibit E](#)).

CHAIR RAGGIO:
I would entertain a motion that we amend S.B. 287 and staff will ensure the revision is appropriate to provide entitlement in the Police and Firefighters' Retirement Fund for the state park rangers. Does staff know the cost associated with this?

MR. GHIGGERI:
The cost is estimated at approximately \$103,000 in FY 2007-2008 and \$108,000 in FY 2008-2009.

SENATOR MATHEWS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 287.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:
The Committee has two bills before it related to sex offenders. I asked Senator Titus to get together with the Governor's Office regarding these bills and provide a report to the Committee.

SENATOR TITUS:
I met with Mr. Tray Abney from the Governor's Office and Mr. Bradley Wilkinson of the Legal Division. I have a mock-up ([Exhibit F](#)) that combines S.B. 471 and S.B. 232 and lists the Senate Committee on Finance as a cosponsor with the Senate Committee on Judiciary. It includes community safe zones, DNA testing, monitoring and cleans up some of the technical conflicts with an Attorney General's bill which has already gone to enrollment.

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

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

CHAIR RAGGIO:

Copies of the [Exhibit F](#) mock-up have been distributed to the Committee. If there are no objections, the Committee can act on it following the recess. I would ask that the Committee come back to the meeting promptly upon adjournment of the Floor Session so we can act on the DSA bill and others that are ready for passage.

The Committee is now in recess at 9:41 a.m. until immediately following the recess of the Senate Floor Session.

CHAIR RAGGIO:

The meeting of the Senate Committee on Finance is called back to order at 12:09 p.m.

Are there any additional comments or questions from the Committee regarding A.B. 627, the DSA funding bill? If not, I will take a motion to do pass A.B. 627 which is jointly sponsored by the Assembly Committee on Ways and Means and the Senate Committee on Finance.

SENATOR RHOADS MOVED TO DO PASS A.B. 627.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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I am going through a list of bills the Committee has heard and to which there did not appear to be any objections.

Assembly Bill 197 was heard earlier in this meeting. It is an appropriation to the State Controller for computer hardware and software.

SENATOR CEGAVSKE MOVED TO DO PASS A.B. 197.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Assembly Bill 200 is an appropriation to the Information Technology Division for an 800 MHz radio system. It was heard in this Committee on May 18, 2007.

ASSEMBLY BILL 200: Makes an appropriation to the Information Technology Division of the Department of Administration to add sites and enhancements to the 800 MHz radio system. (BDR S-1265)

SENATOR BEERS MOVED TO DO PASS A.B. 200.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Assembly Bill 203 was heard in this Committee on May 24, 2007. It makes an appropriation to the Grants Management Unit for the benefit of Family Resource Centers.

ASSEMBLY BILL 203 (1st Reprint): Makes an appropriation to the Grants Management Unit of the Department of Health and Human Services for the benefit of Family Resource Centers. (BDR S-1212)

SENATOR BEERS MOVED TO DO PASS A.B. 203.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Assembly Bill 204 is an appropriation to the Department of Education for video and computer equipment. The bill was heard in this Committee on May 17, 2007.

ASSEMBLY BILL 204 (1st Reprint): Makes an appropriation to the Department of Education for video and computer equipment. (BDR S-1210)

SENATOR BEERS MOVED TO DO PASS A.B. 204.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Assembly Bill 206 was heard in this Committee on May 24, 2007. It makes an appropriation to the Department of Administration to fund information technology projects.

ASSEMBLY BILL 206 (1st Reprint): Makes an appropriation to the Department of Administration to fund certain information technology projects. (BDR S-1207)

SENATOR BEERS MOVED TO DO PASS A.B. 206.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Assembly Bill 271 was heard in this Committee on May 31, 2007. It is an appropriation to the Division of Health Care Financing and Policy for relocation expenses, replacement vehicles and other items.

ASSEMBLY BILL 271 (1st Reprint): Makes appropriations to the Division of Health Care Financing and Policy of the Department of Health and Human

Services for relocation expenses and replacement vehicles, phone system and other equipment. (BDR S-1213)

SENATOR BEERS MOVED TO DO PASS A.B. 271.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Assembly Bill 272 is an appropriation to the Department of Health and Human Services for vehicles, appliances and other equipment. It was heard in this Committee on May 18, 2007.

ASSEMBLY BILL 272: Makes appropriations to the Department of Health and Human Services to replace vehicles, appliances, radios and other equipment at certain youth facilities. (BDR S-1218)

SENATOR BEERS MOVED TO DO PASS A.B. 272.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Please look at A.B. 539. This is an appropriation to the State Department of Agriculture for the purchase of servers for the Reno and Las Vegas offices.

ASSEMBLY BILL 539 (1st Reprint): Makes appropriations to the State Department of Agriculture. (BDR S-1223)

SENATOR BEERS MOVED TO DO PASS A.B. 539.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Assembly Bill 618 was heard in this Committee on May 24, 2007. This is a contingent appropriation to the Tahoe Regional Planning Agency for the replacement of vehicles and other items. It requires two-thirds matching funds from the State of California.

ASSEMBLY BILL 618: Makes a contingent appropriation to the Tahoe Regional Planning Agency for replacement of vehicles. (BDR S-1222)

SENATOR COFFIN MOVED TO DO PASS A.B. 618.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Earlier in this meeting, the Committee received copies of the mock-up of Proposed Amendment No. 4291 to S.B. 471 ([Exhibit F](#)). Senate Bill 471 deals with sex offenders. Is someone prepared to go through this for the Committee?

SENATOR TITUS:

Senate Bill 471 was brought to us by the Senate Committee on Judiciary. It reflected the Governor's policy on sex offenders. Senate Bill 232, which I introduced, had another aspect of how to go after sex offenders. [Exhibit F](#) combines those two bills by adding an amendment to S.B. 471. This bill will be jointly sponsored by the Senate Committee on Judiciary and the Senate Committee on Finance.

The bill would create safety zones. It would require Tier 3 sex offenders who have offenses against children to live certain distances away from schools and parks. The second part of the bill is the Governor's part which requires DNA testing. It has a fiscal note.

The third part of the bill sets up a pilot project for tracking of the most serious offenders. It would be paid for by the offenders themselves. In addition, the Legal Division has tried to match some of the language so it is consistent with another bill that has a requirement for registering before leaving prison. That bill has been passed and enrolled.

CHAIR RAGGIO:

Where is the DNA testing in this amendment?

SENATOR TITUS:

Line 27, on page 5 of the amendment, requires a biological specimen.

CHAIR RAGGIO:

Is there someone here from the Office of the Governor?

SENATOR TITUS:

I gave a copy of this proposed amendment to Mr. Tray Abney of the Office of the Governor.

CHAIR RAGGIO:

We will withhold action on this until it has been approved by the Office of the Governor.

SENATOR COFFIN:

Has treatment for the sex offenders been discussed? We could be in a situation where we will eventually lose a court case because they will have nowhere to go. Is anything happening in that regard?

SENATOR TITUS:

There are some existing counseling programs within our prison system. We are currently looking at some prison reforms that will free up beds. Some of the money that will be saved will go back into treatment and counseling programs.

CHAIR RAGGIO:

If there are no other comments on this, we will hold it until we hear from the Office of the Governor on whether or not they can sign off on this proposed amendment.

ANDREW CLINGER (Director, Department of Administration):

I just spoke to the Office of the Governor and they are okay with the amendment.

CHAIR RAGGIO:

What is the fiscal impact of the bill as amended?

MR. GHIGGERI:

The fiscal impact would be \$617,227 in FY 2007-2008 and \$245,567 in FY 2008-2009. That provides for DNA testing of out-of-state inmates who currently have not been tested in FY 2007-2008, the purchase of two motor pool vehicles in FY 2007-2008 for the two officers who will be doing the active monitoring of the Tier 3 sex offenders and the salaries and operating costs for two officers for both years of the biennium.

CHAIR RAGGIO:

Does that require an appropriation in this bill?

MR. GHIGGERI:

Yes.

CHAIR RAGGIO:

Is it the Committee's desire to add an appropriation to the amendment and process the bill?

SENATOR TITUS MOVED TO APPROVE PROPOSED AMENDMENT NO. 4291 TOGETHER WITH THE NECESSARY APPROPRIATION AS REFERENCED BY STAFF AND TO AMEND AND DO PASS AS AMENDED S.B. 471.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Senate Bill 471 will be recommended for amend and do pass with the amendment and including the necessary appropriation.

Senate Bill 434 was heard in this Committee on May 14, 2007. This is the bill involving off-highway vehicles (OHV). The proponents were asking that the bill be processed to allow for the obtaining of a title to these vehicles. The Committee needs to understand what the fiscal impact of the bill would be. The Committee has received a copy of a memorandum dated May 18, 2007, from Chief of Administration Dennis Colling of the Department of Motor Vehicles, with the projected fiscal impact of the bill ([Exhibit G](#), original on file in the Research Library).

SENATE BILL 434 (1st Reprint): Revises provisions governing off-highway vehicles. (BDR 43-400)

MR. GHIGGERI:

It appears there would be a loss of revenue in the first year of the biennium and there would be revenue gain in the second year of the biennium and in future biennia.

CHAIR RAGGIO:

Does the Committee have questions or comments on this bill?

SENATOR COFFIN:

If the loss in the first year is due to one-shot expenses required to implement the bill, that would not impede the progress of the bill in my mind if the revenue in the biennium is going to equal or surpass the expenses.

CHAIR RAGGIO:

The Committee has received a one-page document regarding S.B. 434 (Exhibit H) from Ms. Susan Fisher.

SENATOR RHOADS:

The Committee on Public Lands has been working on this for at least six years. We have had hearings all over the State. While everyone has not signed off on this proposal and it is not complete, it is a beginning and we can go from there next session. Ms. Fisher has been working hard on this along with other people. We need to come to a conclusion, and I support this bill.

CHAIR RAGGIO:

Does this bill require an amendment?

SUSAN FISHER (Nevada Powersport Dealers Association):

The amendment would remove the sections of the bill requiring a registration program and setting up an advisory committee. The amendment calls for a mandatory title for all new vehicles purchased after January 1, 2008, and the provision of voluntary certificates of title for older vehicles. The titles would be provided through the Department of Motor Vehicles.

SENATOR TITUS:

What would be accomplished by titling the new vehicles when all the older vehicles will not have titles?

MS. FISHER:

Many of the owners of all-terrain vehicles (ATV) and dirt bikes want to have a title in case of theft. Also, a title is needed to finance a vehicle. For the past 30 years, the Department of Motor Vehicles (DMV) had provided titles on a voluntary basis for OHVs if people wanted them. They stopped doing that a couple of years ago. Currently, people can go to another state to purchase an ATV or OHV and not pay sales tax. To obtain a title, you must show proof of purchase and proof that the sales tax has been paid. If Nevada has a mandatory title, we will regain the sales taxes being lost by the people who are purchasing vehicles out of state. It also lessens the incentive to go across the border to purchase vehicles and they will come back to the Nevada dealers.

SENATOR COFFIN:

The tribes also have come to an agreement. They feel the abuse of their lands by people they cannot identify has become so severe they need to be able to photograph or in some manner identify the people who are tearing up their lands. For that reason, they would like us to support this bill.

Ms. FISHER:

We currently have a voluntary sticker program. The DMV has included redoing the stickers in their fiscal note. They have the ability to develop stickers that will stay on the vehicle. We will be working with them because we want an easily-identifiable sticker.

SENATOR TITUS:

I do not think a title helps to identify people who are tearing up the tribal lands. Registration is what they would like to have and it would be a good step toward making people more responsible because they can be identified. If this were the first step toward registration, I would support it, but just the title without registration seems to be missing the point.

SENATOR COFFIN:

The sticker would have a number and a color. There must be resistance to full registration at this point and that is why they would like to try this approach.

SENATOR RHOADS:

Every western state around us has full-blown registration and titling. We are the only ones that do not.

SENATOR RHOADS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 434; WITH THE INDICATED AMENDMENT THAT IT WOULD
RELATE TO MANDATORY TITLING OF NEWLY-PURCHASED VEHICLES
AND THE OPPORTUNITY FOR OTHERS TO OBTAIN A TITLE ON A
VOLUNTARY BASIS.

CHAIR RAGGIO:

I would accept the motion on the basis that the amendment is for that limited purpose and that the Committee concur with the amendment when it is received.

SENATOR MATHEWS SECONDED THE MOTION.

SENATOR BEERS:

I will be supporting this motion in Committee but I am still contemplating how I will vote on the Floor of the Senate.

CHAIR RAGGIO:

I appreciate that because I would like to remind the Committee that if you are not going to vote on the Floor the way you voted in Committee, under the rules, you are to advise the Chair.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:
There being no further business to come before the Committee, the meeting is
adjourned at 12:34 p.m.

RESPECTFULLY SUBMITTED:

Anne Vorderbruggen,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE:_____