

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session
March 14, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:15 a.m. on Wednesday, March 14, 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
Larry L. Peri, Principal Deputy Fiscal Analyst
Jo Greenslate, Committee Secretary

OTHERS PRESENT:

Andrew Clinger, Director, Department of Administration
Catherine Cortez Masto, Attorney General, Office of the Attorney General
Teri Sulli, Chief Financial Officer, Office of the Attorney General
Randal Munn, First Assistant Attorney General and Legislative Liaison, Office of the Attorney General
James D. Earl, Executive Director, Technological Crime, Office of the Attorney General
Marta A. Adams, Senior Deputy Attorney General, Office of the Attorney General
Tim Terry, Chief Deputy Attorney General, Medicaid Fraud Control Unit, Office of the Attorney General
Daniel Wong, Solicitor General, Litigation Division, Office of the Attorney General
Kareen Prentice, Domestic Violence Ombudsman, Office of Ombudsman for Victims of Domestic Violence, Office of the Attorney General
Dorene Whitworth, Grants and Project Analyst, Office of the Attorney General
Conrad Hafen, Chief Deputy Attorney General, Criminal Justice Division, Office of the Attorney General

CHAIR RAGGIO:

This morning we have one request for a bill draft from the Western Folklife Center in Elko for the National Cowboy Poetry Gathering in the amount of \$200,000. You have a letter from Mr. Stan Aiazzi dated March 8, 2007, regarding the request ([Exhibit C](#)).

SENATOR RHOADS MOVED TO REQUEST A COMMITTEE BILL DRAFT FOR \$200,000 TO THE WESTERN FOLKLIFE CENTER FOR THE NATIONAL COWBOY POETRY GATHERING IN ELKO.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:
We have information on budget amendments.

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

The budget for Health and Human Services Welfare Division was heard in a joint subcommittee yesterday. The budget for the Office of the Attorney General is being heard today. The information regarding budget amendments for those two budgets was not available to include in the information provided to the Committee.

CHAIR RAGGIO:
Mr. Clinger, are we anticipating further budget amendments? I note your letter sent to all the agencies indicating they need to submit those to your Office ([Exhibit D](#)).

ANDREW CLINGER (Director, Department of Administration):
I currently have other budget amendments on my desk, one of which includes the supplemental appropriation for the teacher-signing bonus in the amount of \$1.5 million and the health fee increase issue. The problem I have right now is before I can process those, I need to find General Fund savings somewhere else. I do not have enough money to balance those out.

CHAIR RAGGIO:
Based on the budget amendments that have been received, is there an increase in the total budget expenditures?

MR. CLINGER:
Overall, there is a slight increase over the three years, 2007, 2008 and 2009. In 2007, there is a \$223,000 increase from the *Executive Budget*. In 2008, there is a \$400,000 increase, and in 2009 there is a \$549,000 decrease. All together, there is a \$77,000 increase over the *Executive Budget*.

CHAIR RAGGIO:
With these amendments, is there a balanced budget in each fiscal year (FY)?

MR. CLINGER:
There currently is. However, the remaining adjustments will cause the budget to be out of balance.

CHAIR RAGGIO:
Does this accommodate all the adjustments requested by the Office of the Attorney General (AG)?

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MR. CLINGER:

No, it does not. There is one adjustment in budget account (B/A) 330-1038.

ELECTED OFFICIALS

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

Apparently, there is an adjustment that needs to be made between the mill assessment (mills) and General Fund. There is an increased General Fund, and I need to find a way to balance that.

SENATOR TITUS:

I want to ensure we receive the letter from the Public Utilities Commission saying there will be no rate increases in utilities since no inflation for utility costs is built into any of these budgets.

CHAIR RAGGIO:

Staff has information regarding that issue.

MR. GHIGGERI:

Staff has preliminary information received late yesterday afternoon and reviewed this morning. Before I distribute it to the Committee, I want to validate some of the information included in that response.

SENATOR TITUS:

I appreciate that, because I want to be able to tell my constituents their power bills will not rise in the next two years.

CHAIR RAGGIO:

Are you aware that issue needs consideration?

MR. CLINGER:

Yes, I am.

SENATOR BEERS:

I would like to request a Committee bill draft for the Nevada Children's Health Council, a not-for-profit corporation, in the amount of \$600,000 to perform a feasibility study needs assessment for a not-for-profit children's hospital and research center in southern Nevada. With this appropriation, the corporation hopes to secure funding to build this facility through private contributions and operational revenues.

SENATOR BEERS MOVED TO REQUEST A COMMITTEE BILL DRAFT FOR AN APPROPRIATION OF \$600,000 TO THE NEVADA CHILDREN'S HEALTH COUNCIL TO PERFORM A FEASIBILITY STUDY NEEDS ASSESSMENT FOR A NOT-FOR-PROFIT CHILDREN'S HOSPITAL AND RESEARCH CENTER IN SOUTHERN NEVADA.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will proceed with the hearing for the Office of the Attorney General.

CATHERINE CORTEZ MASTO (Attorney General, Office of the Attorney General):

You have been provided a handout entitled "Office of the Attorney General Budget Presentation 2007-2009 Biennium" ([Exhibit E](#), original is on file in the [Research Library](#)). There are no new fees within our proposed budget, and the budget falls within the dollar constraints established by Governor Gibbons for my Office. The recent history of the AG's Office includes the leadership of three Attorneys General in a two-year period, resulting in a general feeling of uncertainty and instability in the Office. In the past two legislative sessions, for the most part, the Office's legislative fiscal notes were not filed, were abandoned or were otherwise compromised. In the spirit of cooperation, existing staff were called upon to absorb new clients and duties that inevitably flowed from each session of the Legislature.

The AG's Office has absorbed considerable new clients and work as a result of legislation from the last two sessions. In FY 2004-2005, the AG's Office experienced a 48-percent turnover of its attorneys either changing divisions through internal job posting or deciding to leave the Office. As you will note in footnote 2 on page 3 of [Exhibit E](#), there were 2,296 vacancy days during FY 2004-2005 or over 18,000 hours of attorney work unfulfilled. The many changes in leadership, the excessive attorney turnover and the vacancy days have negatively impacted our Office. Therefore, a priority for me as our Attorney General is to bring stability to the Office, reduce our backlog and retain seasoned attorneys.

One of the first acts I took after assuming Office in January, was to request a best-practices assessment be conducted by the National Association of Attorneys General (NAAG) to review how we are doing business in our Office. A team of three executive attorneys, on loan from the attorneys general of Oregon, Utah and Colorado, came to Carson City and Las Vegas for the better part of a week, conducted interviews and surveyed our staff and management. Best practices recommended we reorganize ourselves around what we do rather than whom we represent and how we are geographically situated. Common sense tells me this must be done in appropriate managed phases, ensuring the needs of the State are best met. Therefore, I will need the assistance and guidance of this legislative body as this process moves forward.

The AG's Office should be divided into three primary areas: Administrative, reporting to a Chief of Staff; Legal, reporting to the assistant AG; and Appellate, reporting to a solicitor general. In restructuring the Office, I intend to prioritize our Litigation Division to ensure we can meet the litigation needs of the State and build in necessary legal walls to limit, as much as possible, the advent of conflicts that would require the use of outside special counsel. In addition, we will engage in a systemic strategic planning process throughout the divisions and units to fully analyze and reform ourselves, ensuring resources are adequately directed toward the needs of the State of Nevada and its citizens and that my Office is utilizing our resources as efficiently as possible. The following proposed budget begins the first phase of necessary change I will be proposing for the Office of the Attorney General.

The first B/A is 101-1030.

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

This B/A currently supports the salary, benefits, travel and operating costs for 229.73 full time equivalent (FTE) employees. The B/A is supported by General Funds, AG cost allocation, boards and commission fees, district court assessments, contract service charges, tobacco funds and miscellaneous requirements. In this B/A, we are requesting 11 new FTEs. Within those 11, we are requesting 5 be transferred to the High Tech Crime B/A. Decision units E-924, E-925 and E-926 also transfer the existing three High Tech Crime Unit FTEs and these proposed five new ones to B/A 101-1044.

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

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

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

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

CHAIR RAGGIO:

On your cost allocation, in FY 2007-2008, the percentage of General Fund support is changing from historic levels and there is a large increase in the cost allocation revenue. Would you explain the reason for that change?

TERI SULLI (Chief Financial Officer, Office of the Attorney General):

The percentage of General Fund to the total in FY 2008-2009 is approximately 47 percent. We performed an analysis, and that is in line with where it has been.

CHAIR RAGGIO:

In FY 2006-2007, cost allocation revenue is approximately 48 percent. In this budget, according to information staff has compiled, the 2008 amount is 36 percent of expenditures in General Funds and 56 percent in cost allocation revenue. It is quite a significant increase in cost allocation revenue by percentage. It is 48 percent in 2007 and 56 percent in 2008. In 2009, the cost allocation revenue drops to 47 percent. We were curious about the reason for the departure from historic funding in 2008.

Ms. SULLI:

I am currently looking into that. We have been discussing it with the Legislative Counsel Bureau (LCB) analyst. The reason I believe that is occurring has to do with the roll-forward amount which is a truing up of a previous fiscal year's dollars and legal hours. For example, in FY 2004-2005, we probably overbilled cost allocation, and we are correcting it in FY 2007-2008, causing that General Fund percentage to decrease drastically. Again, in FY 2008-2009, we would be truing up the FY 2005-2006 cost allocation figures, and that effect was a little higher. We probably under billed in FY 2005-2006 based on the new legal hours and costs, and it increased the percentage. I am compiling an analysis.

CHAIR RAGGIO:

Staff pointed out we had an error in the revenue shortfall, and a supplemental allocation is required. For what reason is the supplemental allocation required?

Ms. SULLI:

The supplemental request is required because when the cost allocation is completed, the Budget Division decides the amount of funding for each agency. In doing that, they stated the Medicaid budget was 100-percent federal and built the budget based on that. In actuality, Medicaid fraud should have been 50-50 which meant we did not receive appropriate General Funding.

CHAIR RAGGIO:

Are you saying we must provide almost \$700,000 in a supplemental appropriation?

Ms. SULLI:

Of the \$700,000, \$450,000 is due to the error you mentioned. The other portion is due to our boards and commission fees not coming in. We are billing agencies, but we are not receiving those fees.

CHAIR RAGGIO:

Which boards and commissions were short? Has that been corrected in the new budget request?

Ms. SULLI:

Yes. We are not budgeting as much for boards and commission fees based on the fact we are not getting everything we budgeted for in prior years. That number has been reduced.

CHAIR RAGGIO:

When will we receive the final cost allocation plan? Will that be later in this session?

Ms. SULLI:

The final is finished.

CHAIR RAGGIO:

Staff, I thought it came later in April or May.

MR. GHIGGERI:

Historically, the final cost allocation has been provided to the Fiscal Division in either late March or early April, but we understand the Budget Division does not anticipate any changes to this budget request.

CHAIR RAGGIO:

You are saying this is the final budget request. You started talking about the High Tech Crime Unit, decision units E-325 through E-328. You already have an account for high tech crime. Is that correct?

Ms. CORTEZ MASTO:

It was under B/A 101-1030. We are requesting it be transferred into B/A 101-1044. Part of our request is to transfer the three existing high tech crime positions and five new positions to B/A 101-1044. The five new positions consist of one program specialist, three computer forensic examiners and one investigator. Our original request was for six new positions. We are only requesting five for the High Tech Crime Unit, because we are asking that one of those positions, an investigator, be redirected to the Tobacco Unit in decision unit E-326.

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

CHAIR RAGGIO:

It may be easier, since you discussed this with me earlier, to review your alternative organization. The Committee received a handout entitled "An Alternative Organization for the Office of the Nevada Attorney General: Top Level Overview" ([Exhibit F](#)).

MS. CORTEZ MASTO:

As I mentioned earlier, I commissioned the NAAG to perform an assessment. Part of that assessment was to review our management structure. If you look at our existing management structure on page 2 of [Exhibit F](#), there are too many lines, and it is not conducive to a top-to-bottom supervisory structure, taking away some of the compartmental units currently existing in our Office. The new line of organization leaves it with an Attorney General, and right under the Attorney General, we have three direct reports which are a chief of staff, the assistant AG, which I currently have, and a solicitor general. The chief of staff and the solicitor general are essentially new positions to the AG's Office. The reason the request was made is because currently the assistant AG has too many duties and cannot effectively supervise the Office and accomplish the number of duties assigned. The chief of staff would assume some of those duties and would be responsible for legislative affairs. He or she would also handle the administrative side of the Office and take over the public information duties and work with the public information officer. The chief of staff would also take on any special projects to leave the assistant AG to work with the attorneys, the investigators in the Office and the legal side of the Office.

The solicitor general is a position that does not exist in its true form in our Office. We have what we have titled a solicitor general in our Office who oversees our Civil Litigation Division. That position oversees cases, goes to trials and supervises. In a true Office at the federal and state levels, a solicitor general is someone who handles appeals at the appellate level. In this case, the solicitor general would take all the civil appeals and handle any type of appeal going to the state or federal level. It is important to the Office because you need to ensure you are streamlining not only the cases that come into the Office but also providing consistency in the type of law and argument you are making out of the Office to the federal and state level. That position would also provide assistance to and advise the trial attorneys in our Office as well as any of the other attorneys who have questions of law that normally would go to the appellate level.

The assistant AG would also have oversight over four new divisions that would be created in our Office. My budget is currently built around those three new positions or the three positions we are trying to restructure. Without going outside the *Executive Budget*, I retooled the budget and stole positions from where I had originally requested, to help fund some of the positions I am requesting such as the solicitor general and chief of staff. That is what we will be talking about as we go through this budget. The chief of staff position already exists in the sense I have taken a chief deputy position, titled it chief of staff and am asking to reclassify that and supplement it with additional fees. The position of solicitor general will be reorganized in the same manner using an existing position.

The proposed restructure of the High Tech Crime Unit is pursuant to recommendations of the Advisory Board for the Nevada Task Force for Technological Crime. We seek legislative support to expand the mission of the unit, to specialize in electronic legal investigations and to become a cyber-crime incident-response team for prosecution support for State and local government prosecutors. Funding from the General Fund, AG cost allocation and boards and commission fees is sought. One of the legislative members of the advisory board has submitted a bill draft request (BDR) on behalf of the board, in part, to provide for criminal forfeitures in support of related law-enforcement activities. At present, forensic analysis of suspect electronic devices in Nevada is performed primarily by federal agencies such as the Federal Bureau of Investigation (FBI), Immigration and Customs Enforcement (ICE) and the U.S. Secret Service.

Currently, the State has only one dedicated employee from our Office working with that Las Vegas task force. Also, federal authorities in Nevada have informed the advisory board their agencies will be unable to meet future demands of Nevada law-enforcement agencies for forensic electronic examinations. That is why we are requesting five new positions.

The next enhancement unit is a request to increase the staff in the Tobacco Unit in decision unit E-326. We originally requested six new FTEs for the High Tech Crime Unit. We are now asking for only five, and that the additional FTE be redirected to the Tobacco Unit for investigative purposes. Legislative support for utilization of additional resources from tobacco master services agreement settlement funds for enforcement purposes is unlikely. Therefore, we requested one FTE General Fund investigator. We are requesting this FTE to support existing and anticipated growth of enforcement of counterfeit contraband cigarette statutes passed by the 2005 Legislative Session. Enforcement of statutes ensures more taxable sales occur in Nevada. This change will not have an increase in the overall *Executive Budget*.

The next decision unit is E-327 which is our Criminal Division Special Prosecutions Unit. We are requesting two FTEs, one deputy attorney general (DAG) and one legal secretary II.

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

CHAIR RAGGIO:

Remind us of the function of the Special Prosecutions Unit. How is it presently staffed?

RANDAL MUNN (First Assistant Attorney General and Legislative Liaison, Office of the Attorney General):

The Special Prosecutions Unit has approximately six or seven prosecutors statewide. They handle not only habeas corpus cases but the regular crimes committed by State employees and by inmates. They handle the public integrity portion of our enforcement responsibilities. This unit is spread out, and they cover the primary prosecutions of the Office other than the specific fraud units.

CHAIR RAGGIO:

Please clarify the type of crime they handle.

MR. MUNN:

They are handling general crimes by inmates and employees or Officers of the State.

CHAIR RAGGIO:

What is the current caseload?

MR. MUNN:

The tab titled "Overview" in [Exhibit E](#), footnote 5 on page 3, shows the current caseload for the Criminal Division from 2001 through 2006.

CHAIR RAGGIO:

What does this Special Prosecution Unit (SPU) do? You said crimes involving State Officers or employees?

MR. MUNN:

That is correct.

CHAIR RAGGIO:

Why do you need another deputy?

MR. MUNN:

Their caseload has reached the level beyond what the employees can handle.

CHAIR RAGGIO:

I am unable to see that in your numbers. Provide us a workload of this unit, historically, and the projection for an increase to justify adding a new deputy.

MR. MUNN:

Yes, sir.

CHAIR RAGGIO:

Do you have a backlog of cases in that unit?

MR. MUNN:

I would not call it a backlog of cases. I would refer to it as having to be more selective in the cases we take due to the limited number of employees to handle them.

MS. CORTEZ MASTO:

The next enhancement is in our Civil Division. It is decision unit E-328.

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

We are requesting two FTEs in decision unit E-328, one senior DAG, and a legal secretary. Our original request had been four new FTEs. Instead of the four, we are requesting two in the Civil Division, but in lieu of the other two, we are asking to help supplement the salaries for a chief personnel Officer and a solicitor general.

CHAIR RAGGIO:

To clarify, you are asking for a new solicitor general position in this budget and suggesting salary increases.

MS. CORTEZ MASTO:

For the solicitor general, we are using a vacant chief of staff position. We are asking to supplement that salary with a legal researcher from this request. We originally requested four positions. We are taking two of those and saying one is a legal researcher. We want to redirect the funding for that position toward the salary for the solicitor general.

CHAIR RAGGIO:

What would the recommended salary be for the solicitor general and for the chief of staff?

MS. CORTEZ MASTO:

They would all be at the same level as the current assistant attorney general which is \$141,397 for FY 2007-2008.

CHAIR RAGGIO:

The solicitor general would be unclassified?

MS. CORTEZ MASTO:

Yes. There was another request. Of the four originally requested, one was a legal researcher, another was a DAG. Instead, we are requesting an unclassified chief personnel officer position. The Office of 350 employees has no chief personnel officer. It is necessary for running a smooth Office and to protect against potential liability. That was a recommendation of the NAAG organizational assessment and also one that I saw as a need when I initially came into the Office. Those are the two adjustments. Additionally, there are two FTEs I have talked about for the Civil Division: one is a senior DAG position and one is a legal secretary. This request for the Civil Division is needed to handle a 12 percent growth in overall Civil Division caseload. On Page 3, under the Overview tab in [Exhibit E](#), is listed the caseload for the Civil Division to justify the need for those positions.

SENATOR BEERS:

If the expansion is due to the growth of boards and commissions, we would want to see an increase in the revenue to your agency from the boards and commissions rather than the General Fund.

MS. CORTEZ MASTO:

I appreciate that comment. I would like to see that as well. The problem is we have certain boards and commissions that cannot afford to pay. That is why we do not have as much money from them as we would like. They are unable to pay, and they do not generate revenue. Chair Raggio had asked which boards those are. We have a list of those boards and the amount of money they were unable to pay.

SENATOR BEERS:

Is staff reviewing those budgets?

MS. SULLI:

Did you want to hear those?

CHAIR RAGGIO:

We would like to hear the ones with the larger amount of debt.

Ms. SULLI:

The homeopathic board currently owes \$84,000; oriental medicine owes approximately \$19,000; the osteopathic medicine state board is at \$233,000; a smaller one is the psychological examiners board at about \$10,000.

Ms. CORTEZ MASTO:

We have a list we could submit to you.

CHAIR RAGGIO:

We would like to see that list.

SENATOR BEERS:

Those boards are all funded, and they all have licenses and fee revenues. Is that correct?

CHAIR RAGGIO:

The fees are not reaching the budget projections.

SENATOR BEERS:

They have to rearrange their expenditures.

CHAIR RAGGIO:

Their expenditures are primarily for legal services. Is that correct?

Ms. CORTEZ MASTO:

That is correct.

CHAIR RAGGIO:

Are there alternatives other than cutting the services?

Ms. CORTEZ MASTO:

They would have to go to their members and increase their fees for their licensing.

SENATOR BEERS:

Or rearrange their spending.

Ms. CORTEZ MASTO:

Correct.

CHAIR RAGGIO:

Their spending is primarily with their Office.

SENATOR BEERS:

They have staff and offices.

CHAIR RAGGIO:

Would staff look into the ones that are not meeting their debt obligations?

MR. GHIGGERI:

I have not seen the list, but if they are not paying what is being billed, indirectly I would surmise the General Fund is subsidizing the operation of those boards. We are having to backfill that revenue with General Fund dollars.

SENATOR BEERS:

I would imagine all those boards have travel budgets and equipment, office supplies and a number of other things besides legal expenses.

MR. GHIGGERI:

I would assume they do, but those budgets are not in the *Executive Budget* and not filed with the Fiscal Division, so we have no information on their operations.

SENATOR BEERS:

Does the Budget Division keep track of them?

CHAIR RAGGIO:

Mr. Clinger, what do we do with those boards that are not supported? Is there a justification for continuing them when there is no financial support?

MR. CLINGER:

The only information we receive from the boards and commissions is audited financial statements. We could go back and look at those and their operations, because if boards and commissions are not paying for the legal services they are receiving, the General Fund is picking up the difference.

SENATOR MATHEWS:

When I first came to this body, those boards were reviewed periodically in a sunset provision. Is that not still done?

MR. GHIGGERI:

The budgets of the boards and commissions used to be included in the *Executive Budget* and were reviewed by the Legislature, but were deleted from the *Executive Budget* in the early 1990s.

SENATOR MATHEWS:

My only other concern would be one attorney covered two, three and four boards, at least in the health field. It is a matter of public safety. We would not want to pull those people out, even if they do not have the ability to pay and we have to underwrite them.

CHAIR RAGGIO:

In the early days, most of the boards and commissions had outside counsel. The Attorney General wanted to represent all those boards. I do not know whether any still have their own counsel or not, but for a long time they all had outside counsel.

SENATOR COFFIN:

I have some history, because in 1987 and 1989, I served on the Senate Committee on Commerce and Labor. Some boards were concerned with a particular element of public safety and were not generating enough in fees to support the necessary duties. They came to this Committee from the Senate Committee on Commerce and Labor. It is true, as Senator Mathews pointed out, there are public safety concerns. Nursing is one of them. We have the authority to pull those budgets any time we want and look at them. We could check if we had a serious General Fund demand that may exceed what we had originally planned, since we are up against a budget cap. We would have to decide whether to raise fees to meet the difference or perhaps update the fee structure.

CHAIR RAGGIO:

We do need to gain a better understanding. Staff, please get a list of the boards that are not receiving funding sufficient to support their activity, the type of adjustment that may be available and determine which boards need review. Mr. Clinger, please help provide that information.

MR. CLINGER:

We can do that.

MS. CORTEZ MASTO:

I will move to decision unit E-805 which is another enhancement under B/A 101-1030.

E-805 Classified Position Reclassifications – Page ELECTED-43

We are requesting reclassification of an information technology (IT) professional II to an IT professional III. This position is currently classified as a computer network specialist I. Based on a State personnel occupational study, this position will be reclassified to an IT professional II. Due to the computer forensic responsibilities and the level of forensic expertise required by this position, it is better fitted to an IT professional III.

SENATOR BEERS:

How many people will that person be managing?

MS. CORTEZ MASTO:

He does not supervise anyone.

SENATOR BEERS:

We are encountering an interesting phenomenon where the Department of Personnel has, on a wide-scale basis, apparently upgraded IT positions in anticipation of Department of Information Technology personnel on loan to agencies being transferred directly to the agency. One criterion for that to happen is for a manager to be in place. We looked at an agency yesterday at the Department of Taxation, for example. If we approve their budget proposal and the personnel reclassification combination, they will have six managers supervising thirty people; a worker to supervisor ratio of 5:1. This is much lower than historical numbers around State government. This seems to be due to this personnel reclassification push. I am trying to understand where that is with your agency.

MR. MUNN:

Our IT unit has one supervisor and approximately ten people statewide. This particular individual, in decision unit E-805, works in the High Tech Crime task force and serves in the dual role of IT employee and investigator, even though he is not a Peace Officers Standards and Training (P.O.S.T.)-certified investigator. It is a unique job. That is why this person does not necessarily supervise anyone. The ratios in the IT unit in our Office are good as far as supervision.

MS. CORTEZ MASTO:

I apologize, I skipped decision unit E-902.

E-902 Transfers – Page ELECTED-46

This decision unit requests a transfer of the Victims of Domestic Violence grant-funded positions from the Attorney General Administrative Fund into the Violence Against Women's Grant which provides more efficient tracking of the grant expenditures.

The next decision unit is E-806 which is reclassification of the executive director.

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

Our original request was to increase the salary of the executive director of the High Tech Crimes task force to a salary equivalent to a senior DAG. After further evaluation, we are requesting that position salary be equivalent to a mid-level DAG position which is approximately \$83,000 in FY 2007-2008 and \$86,000 in FY 2008-2009. The savings achieved between the salaries from a senior DAG to a DAG would be utilized to reclassify a chief DAG position which we already have in the Office and appropriately pay the chief of staff position.

CHAIR RAGGIO:

That accommodates one of your three main positions, the chief of staff. Is that correct?

Ms. CORTEZ MASTO:

Yes, that is correct.

CHAIR RAGGIO:

What will the chief of staff's duties entail?

Ms. CORTEZ MASTO:

The chief of staff will oversee administration in the Office including the financial side. It would oversee the public information officer and that component of the Office. It would handle the legislative affairs of the Office and work with the legislators and any special projects that may come into the Office.

CHAIR RAGGIO:

You are proposing that the chief of staff would also be added to the unclassified pay schedule?

Ms. CORTEZ MASTO:

That is correct.

SENATOR COFFIN:

I assume there is not an incumbent that will receive double salary, but you will search for a new high-tech person. Is that correct?

Ms. CORTEZ MASTO:

No. Currently, for the high-tech executive director, we have one now. We are asking to reclassify his salary to increase it.

SENATOR COFFIN:

What is his current salary?

Ms. CORTEZ MASTO:

I believe it is \$56,000.

JAMES D. EARL (Executive Director, Technological Crime, Office of the Attorney General):

My present salary is approximately \$50,000 a year.

SENATOR COFFIN:

What would this gentleman's salary go to?

Ms. SULLI:

It will increase to approximately \$83,454.

SENATOR COFFIN:

It could go further than that, though. Is that correct?

Ms. SULLI:

In FY 2007-2008, it would be \$83,454. In FY 2008-2009, it would rise to \$86,792. That includes all the cost-of-living adjustments and the unclassified step 10 adjustments.

SENATOR COFFIN:

Why did you take this job at such a low salary?

MR. EARL:

Actually, that was the question I was asked by Attorney General Chanos 14 months ago. The answer is I am convinced technological crime is critically important. The definition in the statute is such that technological crime includes, for example, all Internet crimes against children, all computer-based fraud associated with identity theft, any methamphetamine-distribution operation that uses cellular telephones, the Internet or computers to trace or to move money or drugs. Any murder that is planned with Internet research and or connected to drug interaction or such things as body disposal is also a technological crime. The definition of technological crime within the statute is broad enough so essentially it is any crime involving, directly or indirectly, any device or network that can be programmed or can convey any information in any form.

This is the growth area of crime in the future. The advisory board, also established by chapter 205A of the *Nevada Revised Statutes* (NRS), a joint executive legislative branch agency, has been severely underfunded since its inception in 1999. As the Attorney General mentioned, the federal assets that have performed forensic examinations on cellular telephones and computers to assist law enforcement agencies throughout the State are gradually being withdrawn from their availability to support local and State interests. Their focus, by direction from Washington, D.C., is now more on homeland security issues. As the result of a mission review the advisory board undertook approximately one year ago, it has made a number of recommendations to the AG including the funding changes she has described. Also, there is presently BDR 14-78 that proposes criminal forfeiture provisions with regard to technological crime in addition to revisiting the statute itself in terms of mission and composition of the board.

BILL DRAFT REQUEST 14-78: Makes various changes concerning technological crimes. (Later introduced as [Assembly Bill 306](#).)

CHAIR RAGGIO:

I am trying to follow these adjustments on the handout titled "Governor Recommends Budget Amendments 2007-2009 Biennium ([Exhibit G](#))". We need to know about any of these that are not included in your budget amendments. I see decision unit E-806, but I see a reduction in total numbers. Is this accommodated in the budget amendment?

MR. MUNN:

Yes.

MS. CORTEZ MASTO:

With the proposed increase in the executive director's salary, that adjustment would also have to be in the unclassified pay bill. The AG's chief financial officer performs the duties and responsibilities equivalent to the classified job of administrative services officer (ASO) IV of a large executive department. The scope of responsibility of this position will grow in anticipated best-practices reorganization of the Office. This position has significant authority and is required to make independent decisions in the fiscal affairs of the Office. It is requested this position be paid the equivalent of an ASO IV. Again, this adjustment would have to be made in the unclassified pay bill.

CHAIR RAGGIO:

Who is that, the executive director?

MS. CORTEZ MASTO:

That is Ms. Teri Sulli, the chief financial officer.

CHAIR RAGGIO:

For our purposes, you should probably expand your limited table of organization ([Exhibit F](#)) and add the boxes for the other employees so we would have a complete table of organization for you.

MS. CORTEZ MASTO:

We will send that over to your staff. I will move to decision unit E-807 which is reclassification, upgrade promotions of various unclassified staff.

E-807 Position Upgrades – Page ELECTED-44

We are requesting two Litigation Division DAGs be increased to senior DAGs. The supervisory ratio is currently too high in both Carson City and Las Vegas. The DAG to senior DAG ratio is 8:1 in the Carson City Office and 6:1 in Las Vegas. Also, the lack of promotional opportunities has contributed, in part, to approximately 50 percent turnover in this division in the last 1.5 years. We are also asking that one Nevada Department of Transportation (NDOT) legal researcher be reclassified to a supervising legal researcher. This position is needed to recruit and retain career researchers in the Department of Transportation. It is requested this reclassification occur in FY 2008-2009. We are also requesting one general investigator be reclassified to a deputy chief investigator. An upgrade of this unclassified position will provide much needed supervision for the Las Vegas investigators where there is no supervisor for the investigators. The current number of direct reports to the chief investigator is too high at 10:1. This deputy chief investigator would need to be added to the unclassified pay bill.

We are also requesting one Gaming Division DAG be reclassified to a senior DAG. This is needed to ensure DAG retention in the face of industry recruitment of trained attorneys away from State service. We are requesting one Civil Division legal researcher be reclassified to a supervising legal researcher to supervise five researchers therefore lowering the existing ratio. The current number of direct reports is too high at 12:1. We are also requesting the secretary to the executive director of the High Tech Crime task force be changed to an administrative assistant. The position, along with this increase, will transfer to the new B/A 101-1044, and the secretary's title and salary would need to be changed in the unclassified pay bill. Other than for the Budget Division adjustments, if you would like me to go through those as well, that is all for that Division.

CHAIR RAGGIO:

Staff is pointing out Senate Bill (S.B.) 191 is recommending a General Fund appropriation of an amount in excess of \$480,000 for computer hardware, software, projectors and a tape back-up system. Would you comment on that?

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

Ms. SULLI:

This is our replacement equipment for the Office along with a few items for the High Tech Crime Unit.

CHAIR RAGGIO:

Does staff have a breakdown? If not, we will need that information when S.B. 191 is heard. There is also a one-shot General Fund appropriation in excess of \$200,000 to fund the storage area network solution project. Please tell us about this project. Has that been removed? The Budget Division submitted a budget amendment requesting this project be removed from the Information Technology projects' budget and put into this budget.

Ms. SULLI:

That is correct.

MR. CLINGER:

When we originally put the budget together, we included funding for this project in B/A 101-1325, the Information Technology account within the Department of Administration. After reviewing it, we felt it was more appropriate that funding go directly to the Office of the Attorney General.

CHAIR RAGGIO:

Are you saying there is no need for further oversight of that project?

MR. CLINGER:

No. It is only replacement of what they call a storage area network.

CHAIR RAGGIO:

Are all the courts transitioning to e-filing? I know it is in federal court, and if it is not already, will soon be in the State courts.

MR. CLINGER:
That is correct.

CHAIR RAGGIO:
Will this project assist in the implementation of e-filing?

Ms. SULLI:
The storage area network was to provide a duplicate system for backup in the southern region. That was the purpose of this technology investment request (TIR).

CHAIR RAGGIO:
We will move to B/A 101-1044. We have alluded to this budget account. It is the High Tech Crime budget, and this is a new account.

Ms. CORTEZ MASTO:
That is correct. We are moving positions from B/A 101-1030 into B/A 101-1044 to create the High Tech Crime account. There are three existing positions in this B/A, and we are requesting five additional positions.

CHAIR RAGGIO:
I believe we have covered the requested positions unless there is something new.

Ms. CORTEZ MASTO:
We discussed the five new positions and reclassification of the executive director and the secretary's salary.

CHAIR RAGGIO:
I have one question on the training in B/A 101-1044. In the budget, there is \$68,000 a year which includes \$64,000 a year in out-of-state per diem to attend high-tech-crime training, together with \$11,000 a year for out-of-state travel for conferences and the approximate \$79,000 a year in dues and registration for out-of-state training courses. That is nearly \$155,000 a year for out-of-state travel, training and attendance at conferences. Based on the number of employees, that is over \$17,000 a year for each employee. That seems high to me.

MR. EARL:
The numbers you describe are accurate, and that is a lot of money. It takes as many as 300 hours of training to bring a knowledgeable computer user up to the level at which he or she can perform computer forensic analysis. The positions in the budget are based on input from the advisory board members, including the heads of the FBI and ICE operations in Nevada. These people are in charge of computer personnel who perform the exams in Nevada.

CHAIR RAGGIO:
What about bringing a trainer in?

MR. EARL:
The same question was asked in the Assembly Committee on Ways and Means, and in the last several days, I have explored that possibility. The type of training I specified for these individuals is essentially wherever I can get it from nonprofit organizations composed of law enforcement officers with,

relatively-speaking, low registration fees. As a consequence, they only provide training in specified locations. When I prepared this budget and Ms. Sulli delivered it to the Budget Division, two of the groups who will provide training had training schedules provided in advance for FY 2007-2008 and FY 2008-2009. I researched where the nearest training would be and have asked whether it would be possible for any of the trainers to provide in-state Nevada training. One organization said it would be possible to provide some but not before 2008. They provided the cost of that type of training within Nevada, which is on a cost-plus basis, at \$25,000 for a three-day course. It is not cost effective to bring in outside trainers even for those institutions that occasionally provide off-site training.

CHAIR RAGGIO:

I suggest you put your pencil to operating and training and see what adjustments might be made. We are going to have to cut budgets somewhere; give us some priorities.

MR. EARL:

I understand.

CHAIR RAGGIO:

We will move to the special litigation fund, B/A 101-1031.

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

MS. CORTEZ MASTO:

The special litigation fund in the AG's Office is established for payment of expenses directly related to the investigation, preparation, prosecution and defensive suits unknown at the time of the budget preparation. The budget also covers any cost of litigation and related outside legal services necessary to Nevada's opposition efforts against the U.S. Department of Energy's (DOE) proposed development of the Yucca Mountain High Level Nuclear Waste Repository. There are currently no positions in this B/A. The B/A is supported by General Funds and reimbursements from other State or county agencies when applicable.

We are requesting the addition of a new decision unit, E-250, in this account. This is for one new FTE, increased funding of approximately \$200,000 a year, transferred from the State Public Works Board (SPWB), to create an unclassified construction law counsel position. The SPWB had built into their budget the ability to contract for specialized legal counsel in support of SPWB projects. After talking with Chair Raggio and a number of legislators, there was concern about the cost of outside counsel for which our Office had been contracting. The SPWB came to us after looking into their budget, and we discussed how we could bring into the AG's Office specialized expertise in the construction law area so they would represent the SPWB moving into the future. More importantly, we could start to cultivate our own experts in the construction law area in the AG's Office.

CHAIR RAGGIO:

It does not make sense to do that if someone is still going to hire outside counsel to do what has been done up to this point.

MS. CORTEZ MASTO:

The intent is to decrease the hiring of outside counsel.

CHAIR RAGGIO:

Mr. Clinger, could you address the issue of the SPWB's budget proposal for \$400,000 to hire outside counsel?

MR. CLINGER:

Included in the packet of adjustments you were given this morning ([Exhibit G](#)) is a change also included in the SPWB budget. Instead of using their \$200,000 a year to employ outside legal counsel, they would transfer those funds to the AG's Office to hire this position. This funding would only accommodate the one position within the AG's Office.

CHAIR RAGGIO:

Where will you find someone like this?

MS. CORTEZ MASTO:

We would have to recruit, and that is why the salary would have to be high enough to attract qualified people. As you know, construction law counsel are paid a lot of money.

CHAIR RAGGIO:

Would that salary be the highest salary in your Office?

MS. CORTEZ MASTO:

No. It would not be any higher than our chief of staff, assistant or solicitor general; they would all be at the same level.

CHAIR RAGGIO:

This could be a limited position in time. Senator Reid says this proposal is dead.

MS. CORTEZ MASTO:

Which proposal is dead?

CHAIR RAGGIO:

The Yucca Mountain High Level Nuclear Waste Repository proposal.

MS. CORTEZ MASTO:

No. This position is not for Yucca Mountain. This position is for construction law counsel with expertise in complex litigation construction law to work with the SPWB and then, hopefully, build that expertise in our Office.

CHAIR RAGGIO:

This fund is also the one that depends upon Yucca Mountain.

MS. CORTEZ MASTO:

That is correct, and we have not gotten to that yet. The request for the construction law position would have to be added to the unclassified pay bill.

CHAIR RAGGIO:

Would this position obviate the necessity for all the special outside counsels such as we had on the Grant Sawyer State Office Building and the Lied Library?

Ms. CORTEZ MASTO:

Not overnight. This would start to develop someone who could handle complex construction law litigation within our Office.

CHAIR RAGGIO:

You are not going to hire someone and train him or her. You will have to hire someone at that salary with construction law experience. My question is, if they have that kind of experience and that is their specialty, are you going to be able to hire them at that level?

Ms. CORTEZ MASTO:

We have to start somewhere. That is why we started with \$200,000 a year to see what type of response we would get. We need to try to bring that expertise in house so we can cut down on outside counsel expenses.

The next enhancement is the Yucca Mountain litigation, decision unit E-325.

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

This decision unit will bring our funding for Yucca Mountain litigation to the anticipated need for \$2,090,000 for the biennium, of which \$1.1 million is already in the Base Budget.

CHAIR RAGGIO:

What is the current status on this litigation?

Ms. CORTEZ MASTO:

I will defer to Ms. Marta Adams.

MARTA A. ADAMS (Senior Deputy Attorney General, Office of the Attorney General):

Are you asking about present litigation or prospective?

CHAIR RAGGIO:

What is the current status, and why do we need this large amount for FY 2007-2008, if, in fact, Senator Reid said "This is a dead project"?

Ms. ADAMS:

We quipped that Yucca Mountain is on life support; however, the project is going forward under an ambitious DOE schedule. We have been told a license application for Yucca Mountain will be filed by June 2008. That being the case, we have moved into a highly-specialized phase of this project where we need outside counsel to sustain our effort and to ultimately be successful. Obviously, if we do not use all these funds, we would have them reverted to the General Fund.

CHAIR RAGGIO:

What litigation is ongoing at the moment?

Ms. ADAMS:

There are two cases pending. One is a water case in Las Vegas in the U.S. District Court, and the other is a Freedom of Information Act case pending in the U.S. District Court in Reno. The prospective cases we know of, in the near future, will be a challenge of the final Environmental Protection Agency

(EPA) standard which sets the public health and safety bar for the proposed repository and a licensing rule that will go along with the EPA standard which will shortly follow that rule. We anticipate complex litigation. Meanwhile, as Mr. Robert Loux, of the Office of Nuclear Projects, has presented to this Committee, we are soon to be entering into the licensing phase. There is a vast amount of material, 6 million documents, to be reviewed by outside counsel and the experts for the State.

CHAIR RAGGIO:
Six million documents?

Ms. ADAMS:
Yes, on the licensing support network. It is an electronic database that will be used by the federal government to support this application.

CHAIR RAGGIO:
Are we the only client this firm has?

Ms. ADAMS:
We are a primary client.

CHAIR RAGGIO:
You have \$909,000 recommended for General Funds in 2008. If you continue the Base expenditures of \$590,000, that is \$1.5 million available in FY 2007-2008 and just under \$600,000 in FY 2008-2009, approximately \$2 million over the biennium in litigation. Is that what is likely?

Ms. ADAMS:
If you would look at the cost for outside counsel the DOE is spending, I do not have the figure in front of me, but it vastly exceeds what the State anticipates.

CHAIR RAGGIO:
We allocated \$1 million last session.

Ms. ADAMS:
That is correct.

CHAIR RAGGIO:
Now we are looking at the need for \$2 million? No matter what you appropriate, some lawyer is going to find a way to spend the full amount. How do you monitor this?

Ms. SULLI:
We have submitted a supplemental request for \$600,000 for FY 2006-2007. We would spend approximately \$1.6 million in FY 2006-2007.

CHAIR RAGGIO:
Is the supplemental request for \$600,000 needed? They have already expended that amount, or likely will, for FY 2006-2007 in addition to the \$1 million we already put into the account. Is that correct?

Ms. SULLI:
Yes, we have spent all of the funds except approximately \$40,000 of this year's allocation.

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CHAIR RAGGIO:

Are they billing you on a retainer basis or for actual work done?

Ms. ADAMS:

It is actual work; there is no retainer.

CHAIR RAGGIO:

Who monitors that?

Ms. ADAMS:

For our Office, I do.

SENATOR BEERS:

Do we have the authority to stop the work so they do not spend the \$600,000?
Senator Reid was quite clear this project is done.

CHAIR RAGGIO:

That is why I asked the question of whether the funding is needed. There is still ongoing litigation. You mentioned two cases I assume are in process. You cannot stop cases that are ongoing.

SENATOR BEERS:

Can you settle or withdraw them?

Ms. ADAMS:

It would be nice if it were that easy. Senator Reid said the project is dead, but we cannot take that for granted. We must remain prepared to fight the project. The DOE will continue to fight it and move forward with their licensing. We cannot give up and not have the funds to continue our fight over the next couple of years.

SENATOR BEERS:

I wish there was a way we could set money aside in case it was needed.

CHAIR RAGGIO:

I think we did that before. We put it into the contingency plan. We will consider your request. Is there anything else in this budget?

Ms. CORTEZ MASTO:

Decision unit E-326 which is forensic laboratory costs.

E-326 Services at Level Closest to People – Page ELECTED-55

Apparently in the past we enjoyed, without cost, a Department of Public Safety global contract with the Las Vegas Metropolitan Police Department for forensic laboratory services on crimes. We were notified by the Department of Public Safety they will no longer provide this free service, and we will need to budget for the anticipated cost. In addition, there are the Budget Division adjustments.

CHAIR RAGGIO:

We will next cover B/A 101-1037, Medicaid Fraud.

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

MS. CORTEZ MASTO:

This B/A manages costs relating to the Medicaid Fraud Control Unit (MFCU) and the Senior Nevada Advocates on Guard (SNAG) program. It currently supports the salary, benefits, travel and operating costs for 15 MFCU FTEs and 2 SNAG FTEs. The MFCU is a federally-mandated program and subsidized with 75-percent federal funding. The 25-percent match is met through recoveries from the collection of penalties. The SNAG program is funded through the Administration on Aging Department of Health and Human Services. No new positions are being requested. We have enhancements for decision unit E-710 for replacement equipment and E-720 for new equipment.

E-710 Replacement Equipment – Page ELECTED-59

E-720 New Equipment – Page ELECTED-60

The new equipment requested is two digital cameras and two global positioning satellite tracking systems for investigative purposes. In addition, we have Budget Division adjustments.

CHAIR RAGGIO:

Staff, how do we handle the State match of 25 percent required from the State?

MS. CORTEZ MASTO:

The 25 percent is met through recoveries from the collection of penalties.

CHAIR RAGGIO:

We are recommending, in the budget, projecting \$420,000 and \$358,000 as recoveries in FY 2007-2008 and FY 2008-2009. Did we collect approximately \$427,000 in FY 2006-2007?

MS. SULLI:

That is correct. To date, it has been approximately \$420,000. Those figures of \$420,000 and \$358,000 were reached through the budget process. We built all the decision units with a 75-25 breakdown. We had to limit the grant dollars in both those areas and then ensure our balance forwards were balancing.

CHAIR RAGGIO:

In FY 2005-2006, your revenue collections were over \$770,000. Was that an off year?

MS. SULLI:

Yes, it was. Prior to that, collections were around \$315,000. We had some years in which they were only around \$93,000.

SENATOR BEERS:

Is there a breakout in categories of recovery? How much was provider fraud, how much was recipient fraud and so forth?

TIM TERRY (Chief Deputy Attorney General, Medicaid Fraud Control Unit, Office of the Attorney General):

Our jurisdiction extends only to provider fraud in the Medicaid program. We are not responsible for recipient fraud or patient fraud against the Medicaid program. I could give you breakouts with respect to provider fraud recoveries.

SENATOR BEERS:

What other type of revenue is there? Is it not strictly provider recovery?

MR. TERRY:

Our jurisdiction, generally speaking, only applies to provider fraud such as doctors, hospitals and dentists. Within a particular case, if we make a recovery, there could be a conviction or a civil recovery, financial penalties that may be recovered in any given case. They are broken into three different accounts: restitution, which goes back to the Medicaid program; investigative costs, which are retained by the AG's Office and go toward the 25-percent State grant share; and fines or penalties which are also returned to the Medicaid program.

SENATOR BEERS:

Are most of your cases generated from tips?

MR. TERRY:

We have sophisticated software which allows us to explore providers who may be what we call outliers within their particular category. That is one lead where we get tips from such people as ex-spouses, ex-partners, ex-girlfriends, unhappy patients and so forth.

SENATOR BEERS:

Is the software housed at Medicaid?

MR. TERRY:

It is located at the Medicaid agency.

SENATOR BEERS:

Do they supply a list of potential outliers off the software?

MR. TERRY:

They have a specialized unit, the Surveillance and Utilization Review Section within Nevada Medicaid. They run these types of analyses and reports and share them with us if they suspect fraud, and then we may open investigations.

SENATOR CEGAVSKE:

I understand the federal Deficit Reduction Act authorizes a 10-percent bonus on Medicaid money collected as a result of an approved False Claim Act. Are you aware of that? What kind of system is the Office working with in Medicaid to ensure the correct private insurance payers are getting their bills?

MR. TERRY:

Nevada has a State False Claims Act at NRS 357.010 which was patterned after the federal False Claims Act and became effective October 1999. The federal government, in the Deficit Reduction Act of 2006, created the bonus you referred to whereby state recoveries can be boosted 10 percent in Medicaid fraud recovery if the state has a False Claims Act that mirrors the federal act. When that legislation passed, there was the opportunity for states to request an opinion from the federal government Office of Inspector General as to whether their state False Claims Act mirrored the federal False Claims Act to qualify for the 10-percent boost. We took advantage of that and submitted a letter to the Office of the Inspector General and Department of Justice with a copy of our False Claims Act and requested their analysis. Their reply was that Nevada's

False Claims Act is not close enough in two areas to the federal False Claims Act to qualify for the 10-percent bonus.

As a result of receiving that letter, the Nevada Medicaid program, through their Deputy Attorney General Darrell Faircloth, is requesting a BDR to correct the deficiency so that our False Claims Act can be amended to qualify for the 10-percent bonus.

SENATOR CEGAVSKE:

Has the AG's Office had a need to subpoena records of insurance companies who are not complying with the Medicaid eligibility inquiries?

MR. TERRY:

With respect to an ongoing investigation, if there were one, I could neither confirm nor deny its existence. You are asking about insurance issues and eligibility issues which are typically not within a Medicaid fraud control unit's jurisdiction. It would be more the responsibility of the agency.

SENATOR CEGAVSKE:

Have you considered looking into historic Medicaid claims to determine whether the bills are being paid by the correct agency or entity?

MR. TERRY:

That is probably not within our jurisdiction, and we have not undertaken such a review or audit.

SENATOR CEGAVSKE:

If a patient is covered by the Nevada Medicaid program and also has other coverage, for example, Blue Cross of Montana, but they only present their Medicaid card to avoid the \$1,000 deductible, whose fault is that? Would it be the patient's for not indicating they have a second insurance coverage? Is it the Medicaid program which paid a claim without checking, or would it be the fault of Blue Cross of Montana?

MR. TERRY:

Probably all three would be at fault. The Medicaid agency has a subsection called Third Party Liability (TPL) that is charged with ensuring Medicaid is not becoming the insurer of first resort rather than the insurer of last resort. The patient who fails to mention he or she has separate insurance is at fault. The Medicaid agency's contractor, the TPL people, may be at fault for not discovering that, and the primary insurer is probably not doing their job either. There is significant litigation ongoing around the country on this topic.

SENATOR CEGAVSKE:

We are looking at a \$5.5 million issue with the Clark County School District and Medicaid fraudulent claims. I am quite concerned. There are three entities: the School District says they hired the entity the State told them to hire, Maximus. Everyone is chasing their tails saying "It is not my fault." We had a plan which was obviously not followed by the company that was hired. Where is the school district going to get \$5.5 million? The State is responsible for paying that back.

MR. TERRY:

We discussed this briefly, and it involves matters and issues I am not at liberty to discuss publicly.

SENATOR CEGAVSKE:

I have been informed the University Medical Center (UMC), one of the hospitals I know of at which at least one doctor verified there was Medicaid fraud in an office in which he worked. The doctor can no longer be licensed for a business of his own, but he is still a doctor currently working for the UMC. I am curious as to how, if you have committed Medicaid fraud, you can still practice medicine? The two do not go together.

MR. TERRY:

The consequences of a conviction for Medicaid fraud by a health-care provider would be a minimum of a five-year exclusion by the federal government from participating in any health care program that receives federal funds. That does not necessarily mean they would also lose their license. That is more a state board responsibility. If you are indicating there is a convicted physician who has been excluded by the federal government from participating in any federally-funded health care program and is working at UMC, our Office would be interested in knowing the identity of that individual so we could follow up.

CHAIR RAGGIO:

We will move to B/A 101-1033.

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

MS. CORTEZ MASTO:

This is our Workers' Compensation (Comp) Fraud Unit and our Insurance Fraud Unit. The B/A monitors costs relating both to workers' comp and insurance fraud. The B/A supports the salary, benefits, travel and operating costs for 30 Workers' Comp Fraud Unit FTEs and 12 Insurance Fraud Unit FTEs. For the Workers' Comp Fraud Unit, funding is through the transfer of funds received from the Division of Industrial Relations.

CHAIR RAGGIO:

We do not have any major issues here other than S.B. 24 in the Senate Committee on Commerce and Labor. That was going to increase revenue. Has that been withdrawn?

SENATE BILL 24: Increases the maximum annual amounts that may be assessed on certain insurers for purposes relating to the investigation of insurance fraud. (BDR 57-504)

MS. CORTEZ MASTO:

We have asked that it be withdrawn.

CHAIR RAGGIO:

Let us move to B/A 330-1038, the Consumer Advocate budget.

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

MS. CORTEZ MASTO:

This B/A monitors costs relating to the Bureau of Consumer Affairs. Within this account, we are requesting one new utility-funded position, and we are

requesting two utility-funded positions be eliminated. The new position we are requesting is in decision unit E-252.

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

CHAIR RAGGIO:

What is the result of the budget amendment?

MS. CORTEZ MASTO:

Originally, this decision unit had requested the program specialist be eliminated. However, due to our reorganization within this B/A, we are requesting the funding for this position be utilized to fund a new, unclassified ASO position with a maximum salary not to exceed that of a topped out ASO II in the classified service. Through the elimination of two utility-funded unclassified positions, we would like to request a new unclassified ASO position. This position would assume all of the fiscal responsibilities and portions of the administrative responsibilities of the Bureau of Consumer Protection (BCP) therefore enabling the regulatory manager, who previously performed these responsibilities, along with the administrative assistant, to assume more technical tasks. The unclassified ASO needs to be added to the unclassified pay bill.

Taking into consideration the salary and benefits of the two positions being eliminated and the creation of the ASO position, the overall savings would be approximately \$33,531 in FY 2007-2008 and \$33,207 in FY 2008-2009.

CHAIR RAGGIO:

Staff, is that in the amendment?

MR. GHIGGERI:

I am not sure if we received that amendment. Scanning what was sent us last night ([Exhibit G](#)), there is a B/A 330-1038 included, but I am not sure if it includes that adjustment.

MR. CLINGER:

Decision unit E-252 is included in the adjustments you received this morning.

MR. GHIGGERI:

There is an amendment to make up some lost mill assessment revenue, but we have not yet received it. It is approximately \$300,000.

MR. CLINGER:

I mentioned that this morning when I spoke about the budget amendments that have been sent over and those still pending. There is one on B/A 330-1038 that has not been sent over. The problem there is the need to find savings somewhere else to offset that adjustment.

CHAIR RAGGIO:

Is the overstatement of the mill assessment still an issue?

MR. CLINGER:

That is correct.

CHAIR RAGGIO:

Is the current rate 0.65 mills? Does that bring in \$5.6 million over the biennium?

MR. CLINGER:

That is correct.

CHAIR RAGGIO:

Are you recommending more than that in the budget, \$6 million?

MR. CLINGER:

That is correct.

CHAIR RAGGIO:

Does there have to be an adjustment to the rate? The utility consumer advocate is funded from that source. Is that correct?

MR. CLINGER:

That is correct. It is not an issue with a rate adjustment more than it is an issue of costs within the BCP that should have been funded from the General Fund but were funded from the mill assessment. It is more of a correction in the way the account was funded.

CHAIR RAGGIO:

We need to gain an understanding of this as soon as we can.

MS. CORTEZ MASTO:

Decision unit E-710 is replacement equipment.

E-710 Replacement Equipment – Page ELECTED-72

Decision unit E-806 is to reclassify various positions.

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

These are unclassified salary increases. We are requesting a pay increase for one senior engineer and one technical staff manager based on market comparisons. The senior engineer position has not received a salary adjustment since July 1999 when the Legislature approved an upgrade for the then engineer position to a senior engineer. The Legislature approved a salary equal to that of a professional engineer Grade 42 in State classified service. However, in 2001, engineers in the classified service were upgraded by two pay grades resulting in the professional engineer position being upgraded to a Grade 44. Our unclassified senior engineer was not included in this upgrade. A 12-percent salary increase is needed to bring our senior engineer salary back in line with a comparable position in classified service.

The other position is the technical staff manager. That position has not received a salary adjustment other than the cost-of-living adjustment since its creation in 1993. A 6-percent salary increase provides a salary comparable to similar positions at the Public Utilities Commission of Nevada, and this position is funded by the utility mill assessment.

We also have decision unit E-807 which is a reclassification, upgrade and promotion of various unclassified staff. One is from a DAG to a senior DAG.

This upgrade is for the sole deputy for enforcement of telemarketing and deceptive trade practices and consumer fraud in northern Nevada. This deputy also assigns and oversees the work of the other two General Fund consumer-fraud positions in northern Nevada, one investigator and one legal researcher. Duties of the position are comparable to those of other senior deputies. The other adjustment is a DAG to a senior DAG, and this upgrade is a utility DAG in Las Vegas. This position is funded by the utility mill assessment.

E-807 Position Upgrades – Page ELECTED-73

CHAIR RAGGIO:

Are these upgrades where you are going from a DAG to a senior DAG, important for retention?

Ms. CORTEZ MASTO:

That is correct. Retention is part of it.

CHAIR RAGGIO:

Have you had a lot of turnover? You mentioned a lot of vacancy hours.

Ms. CORTEZ MASTO:

Yes. We have provided that to you in the Overview in footnote 8 of [Exhibit E](#). The information shows the attorney turnover in our Office from FY 2002-2003 to FY 2005-2006. As you can see, the highest actual turnover rate was in FY 2004-2005 at 48 percent.

CHAIR RAGGIO:

In the Litigation Division, you had an 89-percent turnover? Over what period of time?

Ms. CORTEZ MASTO:

That is correct. We had an 89-percent turnover in FY 2004-2005 in the Litigation Division.

CHAIR RAGGIO:

An 89-percent turnover would include almost all of them.

Ms. CORTEZ MASTO:

When we talk about turnover, it is not just people leaving the Office, it is also people moving within the Office to other divisions.

CHAIR RAGGIO:

That does not help us much.

Ms. CORTEZ MASTO:

If you would like a calculation of people just leaving the Office, we can provide that to you.

CHAIR RAGGIO:

Yes, please. We will move to crime prevention, B/A 101-1036.

MS. CORTEZ MASTO:

This B/A monitors the costs relating to the Missing Children's Clearinghouse Unit and supports three FTEs. It is supported through the General Fund and revenue generated from the sale of special vehicle license plates. No new positions are being requested.

CHAIR RAGGIO:

How effective has this unit been?

MS. CORTEZ MASTO:

This division has been quite effective in recovering exploited children.

CHAIR RAGGIO:

That is a broad statement. What does that mean? Have you found any children and what are you doing in this area?

MS. CORTEZ MASTO:

We can provide that statistical information to you on the actual number of children we have recovered.

CHAIR RAGGIO:

Who do you work with?

MS. CORTEZ MASTO:

We work with law enforcement, at the local, State and federal level, to recover children who have been taken across lines to other states, but also those children who have been brought into our State. We work across lines with other local law enforcement and individuals to bring those children back where they belong.

SENATOR BEERS:

What percentage of the recoveries are recovered from noncustodial parents versus a stranger?

MS. CORTEZ MASTO:

I do not have that statistical information, but I can provide that to you.

SENATOR BEERS:

Do you think that is a large part of the problem?

MS. CORTEZ MASTO:

I cannot answer that, but I can provide that information to you.

CHAIR RAGGIO:

Who is in charge of this area?

MS. CORTEZ MASTO:

One of our attorneys, Mr. Victor Schulze, is in charge of this unit. He works in our Las Vegas Office and is not present today.

CHAIR RAGGIO:

We would like that information. The next B/A is 715-1348, the Tort Claim Fund.

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

MS. CORTEZ MASTO:

This account monitors costs relating to the State of Nevada Tort Claim Fund. It supports two FTEs. The Fund for Insurance Premiums is an internal service fund financed by premiums assessed to State agencies, boards and some counties. The size of the fund is determined by an actuarial report generated biannually based on the State's claims history. Each agency is then billed a premium based on the number of FTEs legislatively assigned to the agency, the number of automobiles owned by the agency and the claims history. No new positions are being requested, and the enhancement unit we have in this account is for replacement equipment.

CHAIR RAGGIO:

Committee, you will recall the settlement payment of \$9.5 million. We recognized at that time we would have to take an advance from the various agencies and then repay the funds to the agencies. We did that to avoid interest payments on the arbitration award. Is there a change in the assessment rate?

MS. CORTEZ MASTO:

No, there is not.

CHAIR RAGGIO:

According to staff, there are changes in the assessment rate. In 2007, the employee tort rate is \$118.56.

MS. SULLI:

The Budget Division is indicating there is a decrease.

CHAIR RAGGIO:

The vehicle liability rate is increasing. We would like an explanation as to why that is done.

MR. CLINGER:

The assessments for the Tort Claim Fund are based on the actuarial report. When the actuarial report is compiled, they determine what cost is related to the employee bond.

CHAIR RAGGIO:

Are you saying it is a reallocation between the employee tort portion, potential liability and vehicle liability?

MR. CLINGER:

Correct. If your staff does not have that report, we can provide it to them.

CHAIR RAGGIO:

Does the total rate remain the same?

MR. CLINGER:

I believe the overall revenue generated by the rates is close to what it was in the current biennium.

CHAIR RAGGIO:

When S.B. 66 was processed, no one came forward to indicate there would be a fiscal note. Your Office submitted an unsolicited fiscal note which indicated you would be faced with much higher premium payments. Who came up with that? That is when we raised the potential tort liability under the doctrine of sovereign immunity from \$50,000 to \$100,000.

SENATE BILL 66: Increases the amount of damages that may be awarded in certain tort action brought against a governmental entity or its Officers or employees. (BDR 3-120)

Ms. SULLI:

That fiscal note came from our tort claims manager. He had someone conduct an evaluation and they came up with an increase of approximately 30 percent to our current expenditures which increased them approximately \$926,000 a year.

CHAIR RAGGIO:

To whom do you pay that?

Ms. SULLI:

We would pay that in claims.

CHAIR RAGGIO:

It will be nearly \$1 million a year more, according to that analyst, as a result of raising the potential tort liability from \$50,000 to \$100,000?

Ms. SULLI:

That was the analyst's determination.

CHAIR RAGGIO:

There are that many claims?

Ms. SULLI:

The formula they used was 30 percent.

CHAIR RAGGIO:

Who performed the analysis?

Ms. SULLI:

I do not have the name of the analyst, but I can provide a copy of the analysis.

CHAIR RAGGIO:

Please provide a copy to our staff as to how they reached that conclusion. If that was the case, why did you not say anything when this was before the Senate Committee on Judiciary?

Ms. CORTEZ MASTO:

It is my understanding we were working with the LCB staff to do that, and it moved more quickly than we had the opportunity to compile that information.

CHAIR RAGGIO:

We will need to see how many claims of this nature were paid and why it will be \$1 million more by raising that cap.

MS. CORTEZ MASTO:

Yes. We will provide that information.

SENATOR COFFIN:

This 30-percent increase is more sensible than the 100-percent increase requested by the Nevada System of Higher Education (NSHE). They are also reviewing the reason for the increase. I gather these are lawsuits against personnel of all State agencies. Which people are affected by the Tort Claim Fund?

DANIEL WONG (Solicitor General, Litigation Division, Office of the Attorney General):

The Tort Claim Fund pays claims, judgments and settlements of lawsuits filed against State employees.

SENATOR COFFIN:

You gave some thought to this number before you determined the 30-percent increase?

MR. WONG:

It is my understanding the Tort Claims Manager, Mr. Stan Miller, asked the Risk Management Division to perform an evaluation of the amount of additional money that would be necessary if S.B. 66 passed and the Tort Claim cap was raised from \$50,000 to \$100,000.

SENATOR COFFIN:

The AG's Office has done something more reasonable than the NSHE has done. They are more closely following the principles of self-insurance. I will certainly wait to hear from all the agencies that will have an opinion regarding this throughout session.

CHAIR RAGGIO:

Would you clarify this for me? Are we completely self-insured on these claims?

MR. WONG:

We are self-insured up to a certain amount, and we have excess insurance.

CHAIR RAGGIO:

When we have had cases against a State employee, we have paid out more than \$25,000 in settlements or judgments. Is that correct?

MR. WONG:

Yes. There are certain claims that are not subject to the tort cap.

CHAIR RAGGIO:

Could you give me an example?

MR. WONG:

Certain discrimination matters covered under Title VII are not subject to the current \$50,000 tort cap.

CHAIR RAGGIO:

I recall a case involving State troopers in which payments were made in excess of \$25,000.

MR. WONG:

We currently have a case in Las Vegas in which there was a tragic crash involving a Nevada Highway Patrol trooper. The payout is \$50,000 per claim, for each claimant. There were multiple fatalities and the fatal victims had multiple children, spouses and so forth.

CHAIR RAGGIO:

There was a cap on each claim of \$50,000?

MR. WONG:

It is per claim, per claimant.

SENATOR COFFIN:

The most egregious case I recall was when the AG decided it was in our best interest to settle the claim for \$300,000 plus on a prisoner who was killed while escaping. Because of civil rights allegations, Attorney General Del Papa decided it was in our best interest to settle at approximately \$300,000. This is an example of how you can surpass the cap.

CHAIR RAGGIO:

We will move to B/A 101-1002, Extradition Coordinator.

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

MS. CORTEZ MASTO:

This B/A monitors costs that relate to the Uniform Criminal Extradition Act. It supports the salaries of 2.51 FTEs. Eighty-eight percent of this budget is funded through the General Fund and twelve percent through recoveries. There are no new positions being requested in this B/A, and there is one enhancement for equipment replacement.

CHAIR RAGGIO:

This budget is difficult to control depending upon how many extraditions you require. Is it feasible to recover extradition expense from the person extradited?

MS. CORTEZ MASTO:

That is why it is so low. It is difficult to recover that expense.

CHAIR RAGGIO:

Do you actually collect some of the expense?

MS. CORTEZ MASTO:

Yes, we do. That is the 12-percent recovery.

CHAIR RAGGIO:

The next budget is B/A 101-1041.

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

MS. CORTEZ MASTO:

The costs in this B/A are related to the Advisory Council for Prosecuting Attorneys (ACPA). There is one FTE in this account, and it is funded primarily

through administrative assessments pursuant to NRS 176.059. There is a minimal amount of General Funds, \$100 a year. Through additional authority, the ACPA receives grant funding. No new positions are being requested. We are only asking for replacement equipment.

CHAIR RAGGIO:
We will move to B/A 101-1042.

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

MS. CORTEZ MASTO:
This account monitors costs related to the Domestic Violence Ombudsman, the Committee on Domestic Violence and the Domestic Violence Council. It supports two FTEs, grant funding received from B/A 101-1040, the Violence Against Women Grants and the District Court Assessment Fund.

CHAIR RAGGIO:
Why do we have two budgets? We have B/A 101-1042 and B/A 101-1040 which is Violence Against Women Grants. What is the difference?

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

MS. SULLI:
They were separated last biennium to focus on an account for the Ombudsman, the Domestic Violence Council and the Batterers' Treatment Council. Those are all within B/A 101-1042. Budget Account 101-1040 is more the grants programs and the sub-granted funds that are distributed. This account is where we are requesting to put the three grant-funded positions.

CHAIR RAGGIO:
What does the Ombudsman do?

KAREEN PRENTICE (Domestic Violence Ombudsman, Office of Ombudsman for Victims of Domestic Violence, Office of the Attorney General):
I sit on the Domestic Violence Prevention Council; the Committee on Domestic Violence which is the Batterers' Treatment Program; I train law enforcement and judiciary victim advocates. I sit on the Nevada Coalition Against Sexual Violence, and I am involved with the Nevada Network Against Domestic Violence.

CHAIR RAGGIO:
How do you train law enforcement?

MS. PRENTICE:
I lead discussions about the dynamics of domestic violence, discussions on how to assist the victims of domestic violence and how to work with them in an appropriate manner.

CHAIR RAGGIO:
Do you set up training programs with various law enforcement agencies?

MS. PRENTICE:

Yes. At the end of this month, I will attend P.O.S.T. training sessions and talk about victims' rights.

CHAIR RAGGIO:

Are you active in the P.O.S.T. program in this area?

MS. PRENTICE:

Yes.

SENATOR CEGAVSKE:

I am looking at the performance indicators under this area, and I see where your projection for 2006 was 99 victims receiving direct assistance and/or referrals, your actual was 81, and you put 99 across the board. How do you determine your performance indicators?

MS. PRENTICE:

I am not certain. I can provide that information to you.

SENATOR CEGAVSKE:

I would like that information. Also, in the performance indicators, you have three other categories which are all percentages. Could you also provide the exact numbers?

MS. PRENTICE:

Yes, I will provide that information.

SENATOR BEERS:

Did I just read in the newspaper that, nationwide, domestic violence has reached a 30- or 40-year low?

MS. CORTEZ MASTO:

I have not seen anything indicating that decrease.

CHAIR RAGGIO:

What is the Batterers' Certification Committee?

MS. PRENTICE:

The Committee on Domestic Violence licenses and approves all licensed batterers' treatment providers in Nevada. It is a group of nine people. They license groups such as SafeNest in Las Vegas; there are 19 batterers' treatment providers in Nevada with approximately 27 sites.

CHAIR RAGGIO:

These are programs to treat the batterers?

MS. PRENTICE:

Yes.

CHAIR RAGGIO:

What do they do?

MS. PRENTICE:

They work with the batterers. Usually batterers are ordered to participate in a treatment program by a judge.

CHAIR RAGGIO:

Who appoints the Batterers' Certification Committee?

MS. PRENTICE:

The Attorney General appoints the committee members.

CHAIR RAGGIO:

Who serves on the committee?

MS. CORTEZ MASTO:

Currently, there are nine physicians, and it is set by statute. It was created in statute under former Attorney General Del Papa. We can provide that information.

CHAIR RAGGIO:

The request for a supplemental appropriation has been withdrawn. It is no longer necessary?

MS. CORTEZ MASTO:

That is correct.

CHAIR RAGGIO:

We will discuss B/A 101-1040, the Violence Against Women Grant programs. Are these all federal funds?

MS. CORTEZ MASTO:

Yes. Currently, there are no positions in this B/A, but we are requesting, in decision unit E-902, the 2.75 grant-funded positions currently located in B/A 101-1030 be transferred to this B/A to provide for more efficient tracking of the grant expenditures.

E-902 Transfers – Page ELECTED-100

This B/A is currently supported by the Violence Against Women Formula Grant and the Grants to Encourage Arrest Policies Program.

SENATOR RHOADS:

Why is the Rural Domestic Violence Grant not being renewed?

MS. SULLI:

We applied for those grants but were denied.

CHAIR RAGGIO:

It appears there will be \$1.6 million a year available for these grants, and generally, you spend about that amount. Is that correct?

MS. CORTEZ MASTO:

That is correct.

CHAIR RAGGIO:

Who receives these grants?

DORENE WHITWORTH (Grants and Project Analyst, Office of the Attorney General):
We currently have two grants in B/A 101-1040. The Formula Grant monies are distributed based on the directives of the Office on Violence Against Women. They go to programs, support law enforcement, prosecutors, courts, victim service providers and a small amount that, as administrators, we have discretion in deciding where those funds will go. In the past, they have funded statewide initiatives by the Nevada Network to End Domestic Violence.

CHAIR RAGGIO:

Please provide us a list of where the grants have been awarded and for what purposes over this biennium.

Ms. WHITWORTH:

I will provide that list.

SENATOR BEERS:

Why was the Rural Domestic Violence Grant denied?

Ms. WHITWORTH:

Those are competitive programs. We compete with states and individual local agencies, and they are limited. We were successful on a number of occasions. We received our first award in 1998, and we have received approximately three supplemental awards since then. There was no definitive reason why our request was denied last year. We have applied again in 2007.

CHAIR RAGGIO:

Mr. Munn, you indicated you have information you can provide on the Special Prosecution Fund.

MR. MUNN:

Yes. Mr. Conrad Hafen is here and can address that subject.

CONRAD HAFEN (Chief Deputy Attorney General, Criminal Justice Division, Office of the Attorney General):

In response to your earlier question, we have 12 deputies currently assigned to the SPU in our Office: 1 in Ely, 2 in Reno, 3 in Carson City and 6 in the Las Vegas Office. Each of those deputies prosecute criminal cases and federal habeas corpus cases. In 2005, we prosecuted approximately 238 criminal cases. In 2006, the number jumped to 268 cases. In addition to those cases, each of those deputies is currently handling 60 to 100 federal habeas corpus cases. We mentioned Mr. Dick Schulze, who heads the missing children program. In addition to that assignment, he is also our capital habeas corpus coordinator and handles all the capital cases for the AG's Office in Las Vegas. We also have two deputies in the Reno Office who, in addition to the criminal and ordinary noncapital habeas corpus cases, also handle capital cases. In 2007, we plan to prosecute multiple Surenos gang murder cases. They will be submitted to me for review. We also have Aryan Warriors gang cases we prosecute out of the prisons.

The requested position would alleviate the caseload we are currently experiencing. I also carry a caseload. The cases I am handling include

prosecuting a University of Nevada, Las Vegas music professor for child pornography. We have had several State employees who have been involved in child pornography who we prosecuted out of our Public Integrity Unit. Additionally, we have prosecuted a multi-ring welfare fraud case. This type of case has increased because, over the last couple of years, our focus has been on pursuing State employees as well as prison cases and various other cases submitted.

SENATOR CEGAVSKE:

I would like to mention the video voyeurism bill. I hope you are following and supporting that bill as it goes through the Senate and into the Assembly.

MR. HAFEN:

Yes. However, that will probably be prosecuted more at the local level with the individual district attorneys' offices.

CHAIR RAGGIO:

Ms. Cortez Masto, you had a discussion that is of continuing concern to this Committee in restructuring an overview of your Office and better utilization of attorneys. Are you proceeding in that direction?

MS. CORTEZ MASTO:

Yes, and I appreciate your comments. That is the reason I commissioned the organizational assessment when I first took Office. The assessment not only considered our management structure, but also the things you are talking about. Additionally, we looked at conflict concerns and the use of outside counsel. The organizational assessment is in draft form, and I hope to have it finalized by next week. As soon as it is final, everyone on this Committee will receive a copy. That will be our starting base as we move forward to implement plans and strategies to address the issues you have just talked about.

SENATOR TITUS:

I distributed a memorandum to the Committee ([Exhibit H](#)). Senator Wiener brought something to my attention I would like the Committee to consider. Last session, we appropriated \$100,000 to an Advisory Council on the State Program for Fitness and Wellness. That committee was not created until late last session, and they have not been able to spend the full amount. They have plans for that amount but will have to return the money on June 30, 2007. She requested a bill draft to roll the appropriation over until a later date.

SENATOR TITUS MOVED TO REQUEST A COMMITTEE BILL DRAFT TO
EXTEND THE APPROPRIATION TO THE ADVISORY COUNCIL ON THE
STATE PROGRAM FOR FITNESS AND WELLNESS TO A LATER DATE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:
There being no further business to come before the Committee, the meeting is adjourned at 10:38 a.m.

RESPECTFULLY SUBMITTED:

Jo Greenslate,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____