

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session  
March 28, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:15 a.m. on Wednesday, March 28, 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  
Sandra K. Small, Committee Secretary

**OTHERS PRESENT:**

Jeff Mohlenkamp, Administrative Services Officer, Division of Mental Health and Developmental Services, Department of Health and Human Services  
Andrew Clinger, Director, Department of Administration  
Rosemary Melarkey, Clinical Program Planner, Division of Mental Health and Developmental Services, Department of Health and Human Services  
Kenneth E. Mayer, M.S., Director, Department of Wildlife  
Shawn Espinosa, Wildlife Staff Specialist, Department of Wildlife  
Doug Hunt, Deputy Director, Department of Wildlife  
Miles Celio, Administrative Services Officer, Office of the Military  
David Stewart, Deputy Administrator, Information Systems, Division of Welfare and Supportive Services, Department of Health and Human Services  
Carol Sala, Administrator, Aging Services Division, Department of Health and Human Services  
Michael Fischer, Director, Department of Cultural Affairs  
Peter Barton, Acting Administrator, Division of Museums and History, Department of Cultural Affairs  
Dino DiCianno, Executive Director, Department of Taxation

CHAIR RAGGIO:

Are there any preliminary matters to come before the Committee?

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

The Joint Subcommittees on K-12 and Human Services and General Government will begin closing budgets in Subcommittee on Friday, March 30, 2007. The following items will not be adjusted prior to closings: Statewide and Attorney General cost allocations; internal cost allocations such

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as the Department of Business and Industry, Department of Public Safety, Department of Motor Vehicles and Department of Information Technology; State-owned building rent; unclassified salaries; and prices for vehicles and other items included in the budget based upon the latest information from the Purchasing Division.

CHAIR RAGGIO:

Are those adjustments that will take place after the preliminary closing action?

MR. GHIGGERI:

That is correct.

CHAIR RAGGIO:

Are there any requests for bill drafts?

SENATOR RHOADS:

The Committee has received a letter from The Nevada Fire Safe Council dated March 16, 2007 ([Exhibit C](#)). During the last Session, the Legislature funded the Council at \$1.6 million. They did a lot of good. This request is for \$1,890,515.

SENATOR RHOADS MOVED TO AUTHORIZE A COMMITTEE-SPONSORED BILL DRAFT REQUEST ON BEHALF OF THE NEVADA FIRE SAFE COUNCIL IN THE AMOUNT OF \$1,890,515 FOR FUEL REDUCTION PURPOSES.

SENATOR COFFIN SECONDED THE MOTION.

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

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SENATOR CEGAVSKE:

The Center for Creative Therapeutic Arts requests a bill draft request (BDR) to purchase equipment for \$109,590.

SENATOR CEGAVSKE MOVED TO AUTHORIZE A COMMITTEE-SPONSORED BILL DRAFT REQUEST ON BEHALF OF THE CENTER FOR CREATIVE THERAPEUTIC ARTS FOR THE PURCHASE OF EQUIPMENT IN THE AMOUNT OF \$109,590.

SENATOR RHOADS SECONDED THE MOTION.

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SENATOR MATHEWS:

This is not part of the school district request, but the "Northern and Southern Nevada Music Therapy Programs Equipment Purchase" ([Exhibit D](#)) indicates it does include schools. Will we receive further information?

SENATOR CEGAVSKE:

Yes, we will.

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

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SENATOR CEGAVSKE:

The Area Health Education Center of Southern Nevada has requested a BDR for projects and programs to promote, support and foster child abuse prevention in the amount of \$25,000. The Committee has received proposed language for this BDR ([Exhibit E](#)).

SENATOR CEGAVSKE MOVED TO AUTHORIZE A COMMITTEE-SPONSORED BILL DRAFT REQUEST ON BEHALF OF THE AREA HEALTH EDUCATION CENTER OF SOUTHERN NEVADA IN THE AMOUNT OF \$25,000 FOR PROJECTS RELATED TO CHILD ABUSE PREVENTION.

SENATOR COFFIN SECONDED THE MOTION.

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

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CHAIR RAGGIO:

We will open the hearing for discussion on Senate Bill (S.B.) 253.

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

JEFF MOHLENKAMP (Administrative Services Officer, Division of Mental Health and Developmental Services, Department of Health and Human Services):  
Senate Bill 253 is a one-shot request for replacement equipment in the next biennium to include computers, software, vehicles, furniture and equipment.

CHAIR RAGGIO:

The replacements are identified by facility. Does staff have full information regarding the facilities and the requests?

MR. GHIGGERI:

We have some of the information but need to research further.

MR. MOHLENKAMP:

We will provide staff with the needed information including a list of equipment.

CHAIR RAGGIO:

Have any of the appropriation amounts changed since the bill was drafted? Staff will be analyzing the cost and necessity of these items.

MR. MOHLENKAMP:

No, there have not been any changes.

MR. GHIGGERI:

Staff understands there have been a number of budget amendments that may affect one-shot requests. We have not received any of this information.

MR. MOHLENKAMP:

We have been working at the direction of the Budget Division to provide information if there are cuts.

ANDREW CLINGER (Director, Department of Administration):

We have asked agencies to make cuts to one-shot requests. We have not compiled our list yet; in fact, I have not looked at it yet.

CHAIR RAGGIO:

Is this bill likely to be affected?

MR. CLINGER:

I am not sure if S.B. 253 will be affected. We will be required to cut \$10 million in one-shot requests.

CHAIR RAGGIO:

When will the final decisions be made?

MR. CLINGER:

The Budget Division just sent a request to the agencies requesting the cuts. They were due in our office yesterday. We should be able to provide that information by the end of this week.

CHAIR RAGGIO:

We need to make decisions on these bills, particularly those in the budget at specific amounts.

There being no further testimony, we will close the hearing on S.B. 253 and move to S.B. 337.

**SENATE BILL 337**: Makes a supplemental appropriation to the Division of Mental Health and Developmental Services of the Department of Health and Human Services for the Family Preservation Program. (BDR S-1256)

MR. MOHLENKAMP:

The family preservation program provides monthly payments of \$350 to families who care for mentally disabled family members in their own home. The program is an unqualified success in that it keeps families together and reduces the burden on the State. Many of the disabled family members would require institutional care. In fiscal year (FY) 2005-2006, we received a Contingency Fund allocation of approximately \$85,000 to allow the Division to provide services to a greater number of families than was budgeted. We have reduced the requested amount to \$40,000 rather than the \$60,000 stated in S.B. 337.

ROSEMARY MELARKEY (Clinical Program Planner, Division of Mental Health and Developmental Services, Department of Health and Human Services):

The \$40,000 will be sufficient for FY 2006-2007.

CHAIR RAGGIO:

You are confirming the amount needed at \$40,000 for FY 2006-2007. Would you comment further on the success of this program?

MS. MELARKEY:

The family preservation program's goal is to keep families intact. About 98 percent of the families we serve are kept at home.

CHAIR RAGGIO:

Are your clients adults and children? How many clients are there?

MS. MELARKEY:

These are adults and children who are severely retarded or under the age of six with developmental disabilities. We are serving 460 individuals statewide.

CHAIR RAGGIO:

Would the majority otherwise be institutionalized?

MS. MELARKEY:

That is correct.

CHAIR RAGGIO:

There being no further testimony on S.B. 337, we will open the hearing on S.B. 186.

**SENATE BILL 186**: Makes an appropriation to the Office of the Governor to purchase replacement computer hardware and software and to purchase office furniture and machines. (BDR S-1202)

MR. CLINGER:

This is a one-shot request for \$50,000 to replace computer hardware, software and office equipment in the Office of the Governor. The replacement of that hardware and software is on a standard four-year replacement schedule as established by the Department of Information Technology (DoIT).

CHAIR RAGGIO:

Has a specific list been provided to staff?

MR. CLINGER:

Yes, it has.

MR. GHIGGERI:

Staff would like to review the list based upon the Purchasing Division's updated pricing. There is also some wording that may need to be changed.

CHAIR RAGGIO:

There being no further testimony on S.B. 186, we will open the hearing on S.B. 189. This is the first time Mr. Mayer has been before the Committee. Please tell us about your background.

**SENATE BILL 189**: Makes an appropriation to the Department of Wildlife for the implementation of sagebrush habitat projects. (BDR S-1224)

KENNETH E. MAYER, M.S. (Director, Department of Wildlife):

I served 27 years with the California Department of Fish and Game as a wildlife biologist. I ran a deer management program for several years; I was the chief scientist for the Office of Spill Prevention Response, we responded to all oil spills and other dilatorius spills in the waterways of California; I also worked on various nongame issues. I was associated with interstate deer herd work and many of the Nevada Wildlife people. I came onboard in February 2007 with the Legislature in session, Fish and Game doing hunting regulations and the audit.

Senate Bill 189 continues work on the sage grouse conservation plan. We are attempting to address the significant loss of sagebrush habitat as a result of fires. There are about 2.1 million acres of sage grouse habitat negatively impacted by wildfires.

CHAIR RAGGIO:

We have had some drastic range fires over the last four years that have destroyed significant sage grouse habitat.

MR. MAYER:

The work we are doing on sage grouse will have a positive effect on mule deer and other sagebrush obligate species. This is a huge conservation issue.

CHAIR RAGGIO:

How will this \$200,000 be utilized to restore habitat?

SHAWN ESPINOSA (Wildlife Staff Specialist, Department of Wildlife):

We want to be proactive with the existing sagebrush stands to improve and protect them. We want to protect existing intact sagebrush habitats in places like the Owyhee Desert. Those areas have dense stands of sagebrush we would like to treat by reducing the canopy cover and improving the understory condition of forage grasses. This action will make the habitat more resilient to things like wildfire. We would improve the conditions for sage grouse brooding, a critical component of the sage grouse life history. We also want to do significant fire breaks so that fuels management personnel from the Bureau of Land Management have an idea where things are in the landscape and they can better fight future fires. A portion of the funds would go to monitoring these treatments to see how the habitat and birds respond.

CHAIR RAGGIO:

What is the status of the sage grouse population now?

MR. ESPINOSA:

The status depends upon the location within the State. We have some sage grouse populations with intact sagebrush habitats; they are doing well in Lander County, Eureka and portions of White Pine and Washoe Counties. In Humboldt and Elko Counties and some of the small counties, like Mineral County, the populations are heavily impacted by wildfire and pinion and juniper encroachment into sagebrush habitats. We are actively conducting treatments on pinion and juniper to help increase the amount of available habitat for sage grouse. In Humboldt and Elko Counties, cheat grass and tansy mustard invasive species have taken over sagebrush stands because of the wildfires. There is not much left in those areas for sage grouse.

CHAIR RAGGIO:

Some people suggest a closed season for sage grouse. What is your opinion?

MR. ESPINOSA:

We have done that in many areas throughout the State where sage grouse populations were getting dangerously low. In places like the Mono Basin and Lyon and Mineral Counties, we have closed areas to hunting. We have seen increases in those areas over the last five to ten years. Closing the season, along with additional sagebrush treatments done on the landscape, may have helped.

SENATOR COFFIN:

Sagebrush does not grow thick in Las Vegas. Why would you want to thin sagebrush?

MR. ESPINOSA:

Before cheat grass became such an issue in the Great Basin, we would see wildfire occur on the landscape and naturally thin the denser stands of sagebrush. We did not have the large wildfires we have now. A 10,000-acre wildfire 20 years ago was considered a big fire. Now we are seeing fires in excess of 100,000 to 300,000 acres. Without the natural disturbance and with invasives, the way fires operate has changed. In sagebrush habitats that have not had a disturbance for a long period of time, it is natural to become thicker; it is almost like a forest situation and disease or insect infestations occur. We see that in the Sierras where pine bark beetles infest trees. It is nature's response to naturally thin a dense forest. We liken that to the sagebrush habitat; where there is a thick canopy cover, we see a loss of understory forage and grasses which are important to sage grouse, mule deer and many other species. When a wildfire occurs in that dense stand of sagebrush, there is nothing to break up the landscape. We want to break up the landscape to provide better resilience and improve the quality of the habitat. Literature and studies indicate a canopy cover of sagebrush, around 25 to 35 percent, is optimal. In many areas throughout the State, sagebrush is in excess of a 50-percent canopy cover.

SENATOR COFFIN:

Does other wildlife find the sagebrush canopy and thrive?

MR. ESPINOSA:

In some cases, other wildlife thrives. Pygmy rabbits use a smaller-scale habitat than sage grouse and mule deer. Mule deer and sage grouse are landscape-scale species. They need vast areas of sagebrush habitat to carry out their life cycles. The pygmy rabbit could live its entire life cycle in sagebrush the size of this room.

CHAIR RAGGIO:

Are there federal funds available in conjunction with this appropriation?

DOUG HUNT (Deputy Director, Department of Wildlife):

We have Pittman-Robertson Wildlife Restoration funds and State wildlife grant funds. There is potential for additional funding from the Healthy Lands Initiative.

CHAIR RAGGIO:

Do those require matching funds?

MR. HUNT:

Yes, they do which is the purpose of this bill.

CHAIR RAGGIO:

There being no further testimony on S.B. 189, the Committee will hear S.B. 250.

**SENATE BILL 250**: Makes an appropriation to the Adjutant General of the Office of the Military for the purchase of vehicles and equipment. (BDR S-1226)

MILES CELIO (Administrative Services Officer, Office of the Military):

This is a one-shot appropriation for two pieces of replacement equipment and three new pieces of equipment. The replacement equipment consists of two aged and over-mileage vehicles in our maintenance fleet, trucks with a rack and tool box, and an all-terrain earth-moving vehicle we use in our groundskeeping operation.

CHAIR RAGGIO:

Is the all-terrain vehicle (ATV) a tractor?

MR. CELIO:

It is an ATV tractor-type vehicle with an auger attachment and a front-end loader. It is nothing like a backhoe; it is smaller.

CHAIR RAGGIO:

Is the cost \$42,000?

MR. CELIO:

That is the cost with the attachments. It will also be used for snow removal in Carson City.

CHAIR RAGGIO:

The old vehicles to be replaced were four-wheel-drive pickups with utility boxes and ladders. Is that request for \$55,000?

MR. CELIO:

That is correct.

CHAIR RAGGIO:

Will the duct-inspection equipment cost \$11,000?

MR. CELIO:

That is correct. It is basically a plumbing snake with a camera on the end of it. It is used in duct work, plumbing drain work and electrical and computer conduit work.

CHAIR RAGGIO:

Is the amount indicated in the bill, \$111,332, correct?

MR. CELIO:

That is correct.

CHAIR RAGGIO:

This is an appropriation included in the budget. There being no further testimony on S.B. 250, the Committee will open the hearing on S.B. 252. This is another bill included in the Governor's budget. The bill requests \$380,406 for aging equipment replacement and \$900,865 for other equipment.

**SENATE BILL 252**: Makes appropriations to the Division of Welfare and Supportive Services of the Department of Health and Human Services for the replacement of certain office equipment and computers. (BDR S-1217)

DAVID STEWART (Deputy Administrator, Information Systems, Division of Welfare and Supportive Services, Department of Health and Human Services):

The total appropriation for FY 2008-2009 is \$1,281,271. This appropriation will enable the Division to replace aging servers, laptops, several hundred desktops, over 100 network printers, 40 desktop printers and miscellaneous computer equipment in accordance with the *State of Nevada Technical Standards and Architecture Committee Standard No. 5.02c*. My testimony is included in the handout from the Division of Welfare and Supportive Services "SB252" ([Exhibit F](#)).

CHAIR RAGGIO:

There being no further testimony, we will close the hearing on S.B. 252 and open the hearing on S.B. 338. This appropriation was included in the *Executive Budget*.

**SENATE BILL 338**: Makes a supplemental appropriation to the Aging Services Division of the Department of Health and Human Services for relocation expenses. (BDR S-1252)

CAROL SALA (Administrator, Aging Services Division, Department of Health and Human Services):

I am here to support S.B. 338 which requests \$39,613 for relocating the Las Vegas Regional Office. The lease on the current office has expired and the facilities are no longer appropriate for the agency.

MR. GHIGGERI:

The information received by staff indicates the move would take place in November 2006. Have you moved?

MS. SALA:

The anticipated move is June 2007. The building is going through tenant improvements. We are working with the new landlord to determine the move date.

MR. GHIGGERI:

Does that affect the appropriation amount?

MS. SALA:

The request stands as is. We are in continuous contact with the landlord to ensure the costs are still appropriate.

CHAIR RAGGIO:

Is the appropriation correct for FY 2006-2007?

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Ms. SALA:  
Yes, it is.

CHAIR RAGGIO:  
There being no further testimony on S.B. 338, the Committee will hear S.B. 339.

**SENATE BILL 339**: Makes supplemental appropriations to the Department of Cultural Affairs for anticipated budgetary shortfalls for Fiscal Year 2006-2007. (BDR S-1248)

MICHAEL FISCHER (Director, Department of Cultural Affairs):  
This bill requests supplemental funding in FY 2006-2007 for three agencies in the Department of Cultural Affairs. The Division of Museums and History requires a supplement of \$3,408 for utility costs. The Nevada State Library request for \$57,913 to correct for excessive federal authority and to offset unrealized vacancy savings should be removed from S.B. 339. The Nevada State Museum request of \$9,925 for an anticipated shortfall in utility costs should be increased to \$16,566.

CHAIR RAGGIO:  
Was that information relayed to staff?

MR. FISCHER:  
Yes, it was.

PETER BARTON (Acting Administrator, Division of Museums and History, Department of Cultural Affairs):  
This bill is requested to cover utility shortfalls in the current FY for two of the Department's museums.

CHAIR RAGGIO:  
There being no further testimony on S.B. 339, the Committee will open the hearing on S.B. 340.

**SENATE BILL 340**: Makes a supplemental appropriation to the Department of Taxation for outstanding Fiscal Year 2005-2006 information technology costs and an anticipated budgetary shortfall. (BDR S-1247)

DINO DiCIANNO (Executive Director, Department of Taxation):  
The Department has requested S.B. 340 to cover shortfalls in FY 2005-2006 for information technology costs and other budgetary shortfalls. We are asking for an amendment to this bill to reduce the supplemental appropriation from \$710,575 to \$208,573. We reviewed several category expenses to make up a portion of the difference.

CHAIR RAGGIO:  
The requested amount can be reduced to \$208,573?

MR. DiCIANNO:  
That is correct.

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CHAIR RAGGIO:

There being no further testimony, we will close the hearing on S.B. 340. The Committee has no further business to discuss at this time; the meeting is adjourned at 9 a.m.

RESPECTFULLY SUBMITTED:

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Sandra K. Small,  
Committee Secretary

APPROVED BY:

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Senator William J. Raggio, Chair

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