

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session  
April 4, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:07 a.m. on Wednesday, April 4, 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

**GUEST LEGISLATORS PRESENT:**

Senator Warren B. Hardy II, Clark County District No. 2

**STAFF MEMBERS PRESENT:**

Michael J. Chapman, Senior Program Analyst  
Joi Davis, Program Analyst  
Laura Freed, Program Analyst  
Gary L. Ghiggeri, Senate Fiscal Analyst  
Melinda Martini, Program Analyst  
Larry L. Peri, Principal Deputy Fiscal Analyst  
Sandra K. Small, Committee Secretary

**OTHERS PRESENT:**

Ryan M. McGinness, Director, Washington, D.C., Office of the Governor  
Andrew Clinger, Director, Department of Administration  
Donald O. Williams, Research Director, Research Division, Legislative Counsel Bureau  
Lorne J. Malkiewich, Director, Legislative Counsel Bureau  
Valerie M. Rosalin, R.N., Director, Office for Consumer Health Assistance, Office of the Governor

**CHAIR RAGGIO:**

The first item for today is the Governor's Washington, D.C., Office budget account (B/A) 101-1011.

**ELECTED OFFICIALS**

Governor's Washington Office – Budget Page ELECTED-9 (Volume I)  
Budget Account 101-1011

RYAN M. MCGINNESS (Director, Washington, D.C., Office of the Governor):  
Nevada's Washington Office is located, along with 35 other state offices, two blocks from the United States Capitol in the Hall of the States. The office has been in existence since 1986 and serves as the primary lobbying entity for the State of Nevada to the U.S. Congress and the Administration, including all federal agencies and the White House. We also represent Nevada's Governor to both the National Governors Association and the Western Governors' Association.

Nevada's D.C. office operates on a contract basis; the current contractor is the Nevada Washington Office, LLC. It is a Washington, D.C., based limited liability company. The company assumed the contract duties on April 1, 2006, from the previous contractor, Michael Pieper & Associates.

The office has two full-time employees, including myself and one policy advisor; both are employees of the contractor. The State budget only shows the contract amount. I have provided the Committee with a breakdown of how the company proposes to use these funds to operate the office during the next biennium, general information about the Washington Office, a letter of support from Nevada's Congressional Delegation, supplementary written testimony and a weekly summary of the daily federal grant notice ([Exhibit C](#)).

We have budgeted for increases in costs over the next biennium to include rent, parking, insurance and utilities. The costs have been constrained to the current contract cost which has not changed since 2003.

CHAIR RAGGIO:  
What is the duration of the contract?

MR. MCGINNESS:  
The current contract expires at the end of this fiscal year (FY). The proposed budget covers the 2007-2009 biennium.

CHAIR RAGGIO:  
Is the office location the same as it has been in the past? Is it convenient for all purposes?

MR. MCGINNESS:  
The location remains the same. Most meetings we attend on a regular basis occur in this area. We have quick access to Capitol Hill.

Our policy-oriented work includes advising Congressional staff about the effects of new formulas, policies and proposals on new and existing State funding streams. The ability to provide substantive details in a rapid manner results in a well-informed Congressional delegation, allowing them to make decisions and suggest changes that help Nevada maximize its share of the federal dollar.

Our grant-oriented work includes the distribution of a daily e-mail report to all State agencies cataloging new federal grants. This alert system allows State agencies to immediately begin researching the applicability of new grants and begin the application process.

CHAIR RAGGIO:  
Who receives this report?

MR. MCGINNESS:

It is sent to most State agencies; anyone who has requested the report.

CHAIR RAGGIO:

In addition to this contract, what other contracts does your company have?

MR. MCGINNESS:

I have one other contract to represent the city of Corona, California.

CHAIR RAGGIO:

There being no further testimony, we will close the hearing on B/A 101-1011.  
We will open the hearing on Senate Bill (S.B.) 346.

**SENATE BILL 346**: Makes an appropriation to the Office of the Governor to fund  
a working group to study the methamphetamine problem in Nevada.  
(BDR S-1201)

ANDREW CLINGER (Director, Department of Administration):

This bill appropriates \$100,000 to the Office of the Governor for the Governor's working group on methamphetamine use. The working group submitted a Preliminary Report ([Exhibit D](#), original is on file in the Research Library) to the Governor and the Legislature on April 1, 2007. They plan to issue a final report at the end of this calendar year.

CHAIR RAGGIO:

Has the group held any meetings?

MR. CLINGER:

Yes, they have had three meetings and plan to have meetings over the next nine months.

CHAIR RAGGIO:

Who makes up the working group?

MR. CLINGER:

The 16 members of the group are shown on page 8 of [Exhibit D](#).

CHAIR RAGGIO:

This subject was referenced in the Governor's State of the State message. He acted promptly to create the working group and asked the Attorney General to act as chair.

MR. CLINGER:

The \$100,000 is required for meetings during the remainder of the calendar year. The Attorney General and the group will put a budget together.

CHAIR RAGGIO:

The Committee will need a copy of that detail before closing this budget. With so many people involved from different sectors, there will be expenses for travel and other purposes.

SENATOR CEGAVSKE:

Are you aware of the interim study Senator Washington introduced to the Legislative Operations and Elections Committee? Do the methamphetamine working group and the interim study go hand-in-hand?

MR. CLINGER:

I do not know if there is any connection.

CHAIR RAGGIO:

Perhaps the interim study will not be necessary if we fund the working group.

SENATOR CEGAVSKE:

They should look at the interim study and talk to Senator Washington.

CHAIR RAGGIO:

The Preliminary Report is well done and indicates the areas the working group is prepared to consider. This is a short-term working group. They have made four recommendations: replacement of lost federal grants, allocation of funds to the Department of Health and Human Services for education/awareness programs, require community coalitions demonstrate collaboration with local agencies and law enforcement, and support further study of the impact of methamphetamine on Nevada's workforce. The report also includes an overview of some of the bills being introduced this Session. Perhaps they can make recommendations to the Legislature on some of the bills.

MR. CLINGER:

I will take that information to the working group.

CHAIR RAGGIO:

There being no further testimony on S.B. 346, the Committee will hear S.B. 444. This is a request to supplement FY 2006-2007 funding. Please indicate if the requested amounts are correct.

**SENATE BILL 444**: Makes a supplemental appropriation to the Office of the Governor for terminal leave and other costs. (BDR S-1240)

MR. CLINGER:

The supplemental requested in S.B. 444 can be reduced by \$17,369. The corrected amount is \$63,357. The reference to funding for terminal leave should be removed from the bill. The supplement is for: an increase of \$10,000 in dues for the National Governors Association; a consultant contract for the Governor's Commission on Medical Education, Research and Training; and a consultant who will maintain a database and prepare reports on Legislative bills.

CHAIR RAGGIO:

There being no further testimony, we will close the hearing on S.B. 444. The Committee could process this bill now.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 444 USING THE CORRECTED AMOUNT OF \$63,357 AND OMITTING THE REFERENCE TO TERMINAL LEAVE.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

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CHAIR RAGGIO:

The Committee will hear S.B. 373.

**SENATE BILL 373**: Makes an appropriation to the Legislative Fund for the creation of an oral history of the Nevada Legislature. (BDR S-703)

SENATOR WARREN B. HARDY II (Clark County District No. 2):

When I represented the city of North Las Vegas, Senator Joe Neal approached me to discuss North Las Vegas. Senator Neal discussed his knowledge of the Legislature and southern Nevada. It was a fascinating evening. It occurred to me that others would not have the opportunity to have such a discussion about his institutional knowledge and reverence for the process. Most people know of the former Senator Neal's reputation as an orator and interest in parliamentary procedure. I feel fortunate, because I have been around here so long, I can tell a Joe Neal story, a former Assemblyman Joe Dini story, a former Senator Jacobsen story or a Senator Raggio story. With the Constitutional changes, there will not be another Joe Neal, Joe Dini or this type of individual. When Senator Jacobsen passed away, I hoped someone had taken the time to record his history and knowledge of this building and process. Most people know that Joe Dini is the longest-serving Speaker in the State's history. People do not know of his compassion and kindness.

I am bringing S.B. 373 forward for your consideration. Other states have begun oral histories. We owe it to future generations to understand the individuals who have made Nevada great. We have a unique State with unique issues.

SENATOR CEGAVSKE:

Several years ago, Wisconsin put together a history compact disc (CD). I got the library here involved in making a CD which used our voices for different characters from Nevada's history. It is available on the Website. I have talked to Mr. Guy Rocha about making a second one. What you are doing now would fall into what we were hoping for. We were able to get some grants and funding. I agree this is an important endeavor.

SENATOR HARDY:

The Committee has received the S.B. 373 cost assumptions, a list of individual legislators for the oral history and information on what some other states have done ([Exhibit E](#)). The list of legislators can be adjusted. It is a tragedy that we do not have these histories. Some oral histories have been completed. We need to ensure the histories are taken.

DONALD O. WILLIAMS (Research Director, Research Division, Legislative Counsel Bureau):

This is an important issue. I have tried to collect documents from different Legislators and determine where documents are housed. Some Legislative documents are housed at the universities and others at local historical societies. We do not have the resources to conduct oral histories within the current budget.

CHAIR RAGGIO:

How was the \$228,056 determined?

MR. WILLIAMS:

The amount is based upon the number of hours for each interview. We identified 17 Legislators to interview during the next biennium. The Committee could decide to start with fewer Legislators. The amount is based on \$13,000 to \$15,000 for each interview.

SENATOR COFFIN:

I suggest, when data gathering, you send letters to the historical societies and universities. Many of them have already completed oral histories.

MR. WILLIAMS:

We have collected that information.

SENATOR TITUS:

The University of Nevada, Las Vegas, History Department has a focus on public history and has hired at least two experts in the area who would be glad to comment.

SENATOR BEERS:

Would it be prudent to treat this as a longer-term multi-interim project initially recording histories with broad criteria and transcribing the recordings into future biennia? Do we want to amend the bill to allow that possibility? The list of people to interview is limited.

SENATOR HARDY:

That is an exceptional idea. We need to record the information.

SENATOR MATHEWS:

Are you using 20-year Legislative service criteria? If that is true, you will never record any of us because we are on term limits. The term limit will be 12 years.

MR. WILLIAMS:

The initial criterion is 20 years. If the project continues, that criteria would not remain the same.

SENATOR MATHEWS:

I think it is a great program, whatever number of years you use. My concern is, in the future, history will be made in a shorter time.

SENATOR HARDY:

We used the criteria to contain the cost. If we incorporate Senator Beers' suggestion, there will be an opportunity to interview more people.

SENATOR MATHEWS:

Who determines who the universities record?

MR. WILLIAMS:

Legislators are a small group of people chosen for interview by the universities. Our criteria are similar to the university's criteria.

CHAIR RAGGIO:

It is a good project; there is a lot of history that could be preserved and would be of interest to others. I think doing the oral histories could be easier than the manner the university uses which is a question and answer format. If you sit down with the Legislators and just let them talk, there may be time savings.

There being no further testimony on S.B. 373, we will close the hearing. We will open the hearing on S.B. 461.

**SENATE BILL 461**: Makes an appropriation to the Legislative Fund for various projects of the Legislature and the Legislative Counsel Bureau.  
(BDR S-1206)

LORNE J. MALKIEWICH (Director, Legislative Counsel Bureau):

The *Executive Budget* contains an appropriation of \$6,554,236 for one-shot appropriations to the Legislative Counsel Bureau (LCB). These projects have been reviewed during interim committee hearings. I have provided the Committee with "Senate Bill No. 461" ([Exhibit F](#)) which gives additional detail regarding this request. We are requesting \$50,000 for reproducing out-of-print publications. The information technology projects are listed in [Exhibit F](#). The LCB has proposed building a new facility on 5th Street and is requesting planning funds in this biennium with construction funds to be requested during the 2009 Session.

There are a number of items requested such as screens in the legislative chambers, maintenance projects and remodeling, all detailed in [Exhibit F](#).

There is a proposed amendment included in [Exhibit F](#) to exempt the LCB from some of the State Public Works Board requirements. The language used states all construction projects will be put out to bid and performed under prevailing wage requirements.

CHAIR RAGGIO:

The Governor has requested all agencies submit cuts to budgets. A significant amount has been requested from the LCB. Are there any cuts in S.B. 461?

MR. MALKIEWICH:

This bill is not affected by the requested budget cuts. The Governor has requested LCB cut approximately \$1.5 million. We have a list of cuts in the amount of \$880,318 in FY 2007-2008 and \$656,776 in FY 2008-2009.

CHAIR RAGGIO:

Are the funds requested in S.B. 461 in the *Executive Budget*?

MR. MALKIEWICH:

Yes, the funds are in the budget. The funds will come from the current year budget.

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

The S.B. 461 funding will be from the surplus projected to be available in FY 2006-2007. The budget cuts requested by the Governor are on enhancements in FY 2007-2008 and FY 2008-2009.

CHAIR RAGGIO:

Is S.B. 461 subject to the Education First Initiative?

MR. GHIGGERI:

Yes, it is. This legislation cannot be approved until the education budget is approved.

CHAIR RAGGIO:

Would the cost of S.B. 461 come out of FY 2006-2007 funding?

MR. GHIGGERI:

That is correct.

SENATOR COFFIN:

The Assembly and Senate Journals for the last Session include the Special Session of 2004 on the impeachment of the State Controller. I find those fascinating reading. The two volumes are sold as a set for \$240. If you set up a two-volume issue entitled the "Impeachment of Controller Augustine," or something of that nature, sales would increase. You might include an afterword with the history of her death. I can see this becoming a desirable thing to have.

MR. MALKIEWICH:

We do have special publications. We do compilations of certain portions of the *Nevada Revised Statutes*.

CHAIR RAGGIO:

There being no further testimony on S.B. 461, the hearing is closed. The Committee has received "Senate Finance Committee, Closing List #1, April 4, 2007" ([Exhibit G](#), original is on file in the Research Library). [Exhibit G](#) outlines staff's issues and recommendations for each of the budgets listed. The Governor has instructed the agencies to suggest budget reductions. As we close these budgets, keep in mind they are subject to further review if and when budget cuts are required. Staff has indicated we must close budgets based upon information we presently have which will be subject to modification.

MR. GHIGGERI:

These closings do not include adjustments for statewide or Attorney General cost allocations; any internal cost allocations that may be required; any adjustments for the Department of Information Technology (DoIT) assessments based upon the closing of the DoIT budget; any adjustments that may be required for fringe benefits; any adjustments that may be required for State-owned building rent; any unclassified salary adjustments; any adjustments that may be required for computers, hardware, software, and vehicles required after the Fiscal Division receives updated pricing from the Purchasing Division. In addition, these closings do not reflect any adjustments for utilities; it is staff's understanding that funds will be provided by the Interim Finance Committee (IFC) on an as-needed basis during the interim.

These recommended closings do not include any adjustments that may arise due to the Governor's recommended reductions to the enhancement units. The Fiscal Division received some suggested adjustments yesterday. To prepare these closing documents for the Committee's review, staff began working on the adjustments the middle of last week. Receiving information the day before closing does not allow staff the time to provide adjustments to closing



documents. As the information is reviewed, staff will be bringing the information to the Committee for consideration. There will be no blanket adjustments by staff to any suggested recommendations by the Governor. The information will be brought to the Committee so it is cognizant of what is occurring.

CHAIR RAGGIO:

Subject to all of the potential adjustments, this will be preliminary action on the part of the Committee. We will review B/A 101-1020. Staff will provide its recommendations for each closing.

#### ELECTED OFFICIALS

Lieutenant Governor – Budget Page ELECTED-34 (Volume I)  
Budget Account 101-1020

MR. GHIGGERI:

The recommendations to the Committee at this time, as indicated on pages 1 through 3 of [Exhibit G](#), are a reduction of \$61 in General Funds for operating costs in FY 2007-2008 and an increase in General Funds of \$17,867 in FY 2008-2009. The FY 2008-2009 adjustment provides for the cost-of-living adjustment (COLA) increases when the Lieutenant Governor serves as President of the Senate during the 2009 Session. It also provides for the constitutional and statutorily authorized per diem allowance for the Lieutenant Governor during the 2009 Session. Since the Legislature will be reviewing suggested COLA increases for State employees, which will affect the Lieutenant Governor's salary during the 2009 Session, staff recommends language be included in the unclassified pay bill to permit the Lieutenant Governor access to the funding should it be required during the 2009 Session. This is similar to what was done for the 2007 Session when the salary increases for constitutional officers were approved by the 2005 Session.

SENATOR BEERS:

Will there be a large utility inflation increase? Do the budgets reflect that increase?

MR. GHIGGERI:

These budgets do not reflect utility inflation. There is a General Fund appropriation of approximately \$11.6 million being reviewed for State agencies, the Distributive School Account (DSA) and the Nevada System of Higher Education that would provide General Funding at 80 percent of the calculated need. Agencies will be able to request funds from the IFC if the need arises and they cannot find savings in their budget. Staff is looking at any potential impact the increase in utility cost would have on the Buildings and Grounds Division budget which would affect State-owned building rent. The large increase in the Lieutenant Governor's budget is primarily attributable to the increase in State-owned building rent before any increase due to utilities.

SENATOR BEERS:

Is the \$11.6 million going to be treated as a contingency appropriation to the IFC?

MR. GHIGGERI:

It is my understanding this is similar to what has been done in the past. The money is appropriated to the IFC; the agencies or the DSA would make their case to the Board of Examiners who would recommend or not and pass the request on to the IFC. If the agencies find savings in their budget, they will be encouraged to use the savings before coming to the IFC.

CHAIR RAGGIO:

As staff indicated, closing these budgets is subject to this type of adjustment.

MR. GHIGGERI:

The Lieutenant Governor, in his response to the Committee, had requested funding at \$130 each day for 10 days each fiscal year during the interim in case he must perform as Acting Governor. Historically, that has not been funded and staff does not recommend funding at this time. If the Lieutenant Governor finds himself in that situation during the interim and has no savings in his budget, staff recommends the Lieutenant Governor approach the IFC.

CHAIR RAGGIO:

Are there any other adjustments suggested by the Committee? This request appears to be appropriate as required by statute. It is interesting that the Lieutenant Governor is entitled to receive an additional \$2 per diem allowance under the Nevada Constitution.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-1020 WITH ADJUSTMENTS AS RECOMMENDED BY STAFF; TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR PRICE CHANGES, COST ALLOCATIONS, ASSESSMENTS, BUILDING RENT, FRINGE BENEFITS AND SALARIES; AND SUBJECT TO ADJUSTMENTS THAT MAY ARISE DUE TO THE GOVERNOR'S YET TO BE DETERMINED REDUCTIONS TO ENHANCEMENT UNITS.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR RAGGIO:

The budget for the Lieutenant Governor will be closed as recommended by staff with the adjustments as indicated. The Committee will hear B/A 101-1050.

Secretary of State – Budget Page ELECTED-107 (Volume I)  
Budget Account 101-1050

LAURA FREED (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

A summary of the Secretary of State's budget, including staff's recommended adjustments to revenues and expenditures, is included on pages 4 through 8 of the Closing List, [Exhibit G](#). Decision unit E-325 recommends General Fund appropriations of \$5,000 in each year of the biennium to support travel and operating costs of the Advisory Committee on Participatory Democracy (ACPD). The operation of the ACPD has not been funded by General Funds in the past.

The ACPD was funded by the Advisory Committee Gift Fund and the Secretary of State. The Gift Fund currently is \$45.

E-325 Services at Level Closest to People – Page ELECTED-110

CHAIR RAGGIO:

This is an enhancement of \$5,000. How will the \$5,000 be used?

MS. FREED:

The \$5,000 will be used for generic travel expenses and operating costs to review applications and distribute the federal Help America Vote Act of 2002 (HAVA) funding to organizations seeking to promote participatory democracy. The committee members live in different parts of the State.

Decision unit E-327 recommends General Fund appropriations of \$5,538 in FY 2007-2008 and \$8,320 in FY 2008-2009 to increase support of the confidential address program. This enhancement appears reasonable to staff.

E-327 Services at Level Closest to People – Page ELECTED-110

Decision unit E-329, as amended, recommends \$25,000 in FY 2007-2008 and \$40,054 in FY 2008-2009 to support overtime costs. Staff recommends approval of this enhancement.

E-329 Services at Level Closest to People – Page ELECTED-111

Decision unit E-710 recommends replacement equipment, listed on page 5 of [Exhibit G](#), at \$278,980 in FY 2007-2008 and \$280,085 in FY 2008-2009. Staff is concerned about the number of printers. If the Committee wishes to approve the printers in this decision unit, staff recommends changing six of the black and white printers and three of the color printers from network printers to local printers.

E-710 Replacement Equipment – Page ELECTED-111

CHAIR RAGGIO:

This issue with the Secretary of State's budget is the number of items requested. There appears to be some duplication or numbers that may not be necessary. How can we close this? The Office of the Secretary of State has indicated it intends to make reductions.

MR. GHIGGERI:

Staff has not received an update from the Secretary of State. Staff recommends approval of what is possible such as some of the enhancement units. As additional information is provided, staff will bring it to the Committee for further review. Since these are enhancement items, they may be covered by the reductions recommended by the Secretary of State.

CHAIR RAGGIO:

There are 12 laser printers and 6 color laser printers in decision unit E-710; decision unit E-720 requests 12 color printers. Should we approve these?

E-720 New Equipment – Page ELECTED-112

MR. GHIGGERI:

I recommend holding decisions unit E-710 and E-720 pending resolution of outstanding items.

CHAIR RAGGIO:

What should we do with decision unit E-806, the reclassification and pay increases?

E-806 Unclassified Position Salary Increases – Page ELECTED-112

MS. FREED:

Decision unit E-806 is for information only. The Unclassified Pay Subcommittee handles the compensation of unclassified positions. These decisions are not made during the budget hearing process. Page 7 of the Closing List indicates three positions proposed for unclassified service.

CHAIR RAGGIO:

Was the change from classified to unclassified service approved by the Department of Personnel?

MS. FREED:

Yes, the reclassification was approved by Personnel.

CHAIR RAGGIO:

Will this be taken care of in the unclassified salary bill?

MR. GHIGGERI:

If the positions are transferred to unclassified, they will be reviewed by the Unclassified Pay Subcommittee. There were a number of issues reviewed by the 2005 Legislature when the Governor recommended certain positions be reclassified from classified service to unclassified service. The Unclassified Pay Subcommittee accepted some of those recommendations and rejected others. This will be a similar situation. Those that the Unclassified Pay Subcommittee does not accept will remain in classified service.

CHAIR RAGGIO:

Some of the positions in decision unit E-806 are recommended for reclassification and others are not. The Secretary of State has requested revision of unclassified pay.

MR. GHIGGERI:

I recommend you close decision unit E-806 subject to review and adjustment by the Unclassified Pay Subcommittee.

CHAIR RAGGIO:

Are there any technical adjustments?

MS. FREED:

There are two technical adjustments. Continuing education and professional dues are not funded by the State. In the Base Budget, the Office of the Secretary of State continues the cost of bar association dues for the former chief deputy.

CHAIR RAGGIO:

We need to be consistent; does the *Administrative Manual* state that dues are not reimbursed?

MS. FREED:

That is correct, subject to limited circumstances.

SENATOR COFFIN:

Office expense for color printers is high.

MS. FREED:

Many of the pieces of equipment are designed for typical office applications. The Office of the Secretary of State produces brochures and guides for the public. They may need to purchase a document production center or outsource rather than support such a large number of printers.

CHAIR RAGGIO:

Is it staff's recommendation to close B/A 101-1050, excluding decision units E-710 and E-720, including decision unit E-806 subject to the decisions by the Unclassified Pay Committee and with adjustments as indicated by staff?

MR. GHIGGERI:

That is correct. The information concerning unclassified salaries will be forwarded to the fiscal analysts. The Office of the Lieutenant Governor has a similar situation where he has requested pay raises for his staff or to place them in nonclassified service.

CHAIR RAGGIO:

Staff's recommendation, consistent with other practice, is continuing education and professional association dues will not be included in the budget.

SENATOR BEERS MOVED TO CLOSE B/A 101-1050 WITH ADJUSTMENTS AS RECOMMENDED BY STAFF TO ELIMINATE BAR ASSOCIATION DUES; REDUCE THE COST OF SCANNER MAINTENANCE; ADJUST THE OVERTIME FUNDING; EXCLUDING DECISION UNITS E-710 AND E-720; INCLUDE DECISION UNIT E-806 SUBJECT TO DECISIONS BY THE UNCLASSIFIED PAY COMMITTEE; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR PRICE CHANGES, COST ALLOCATIONS, ASSESSMENTS, BUILDING RENT, FRINGE BENEFITS AND SALARIES; AND SUBJECT TO ADJUSTMENTS THAT MAY ARISE DUE TO THE GOVERNOR'S REDUCTIONS TO ENHANCEMENT UNITS.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The Committee will hear B/A 101-1051.

MS. FREED:

There are no major closing issues in B/A 101-1051. Decision unit E-325 recommends \$25,000 in HAVA Title II funding to support poll worker training. Staff recommends placing the funds in a separate category. The amount appears reasonable to staff. Reflected on pages 9 and 10 of [Exhibit G](#) are technical adjustments including one to correct reserve balance levels for FY 2007-2008 and FY 2008-2009. The Secretary of State concurs with these adjustments.

E-325 Services at Level Closest to People – Page ELECTED-117

SENATOR CEGAVSKE MOVED TO CLOSE B/A 101-1051 WITH ADJUSTMENTS AS RECOMMENDED BY STAFF AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR PRICE CHANGES, COST ALLOCATIONS, ASSESSMENTS, BUILDING RENT, FRINGE BENEFITS AND SALARIES; AND SUBJECT TO ADJUSTMENTS THAT MAY ARISE DUE TO THE GOVERNOR'S REDUCTIONS TO ENHANCEMENT UNITS.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

Budget Account 101-1051 will be closed as recommended by staff with adjustments as indicated. The Committee will hear B/A 101-1053.

SOS - Investigations and Enforcements – Budget Page ELECTED-119 (Volume I)  
Budget Account 101-1053

MS. FREED:

The closing items for this budget are detailed on pages 11 and 12 of [Exhibit G](#). Decision unit E-327 recommends the addition of one monthly rental vehicle from the State Motor Pool. Staff has no issue with this item.

E-327 Services at Level Closest to People – Page ELECTED-120

Decision units E-710 and E-720 request replacement equipment. Staff recommends holding these decision units open until additional supporting justification is provided.

E-710 Replacement Equipment – Page ELECTED-120

E-720 New Equipment – Page ELECTED-121

There are 25 full-time equivalents (FTE) in the Securities Division. This is the first time this budget has been a part of the *Executive Budget*. The employees were included in the budget listing for B/A 101-1050. Staff recommends the positions and any remaining associated operating costs for the Securities Division be moved to B/A 101-1053.

SENATOR BEERS MOVED TO CLOSE B/A 101-1053 AS RECOMMENDED BY THE GOVERNOR WITH ADJUSTMENTS AS RECOMMENDED BY

STAFF; HOLD DECISION UNITS E-710 AND E-720; TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR PRICE CHANGES, COST ALLOCATIONS, ASSESSMENTS, BUILDING RENT, FRINGE BENEFITS AND SALARIES; AND SUBJECT TO ADJUSTMENTS THAT MAY ARISE DUE TO THE GOVERNOR'S REDUCTIONS TO ENHANCEMENT UNITS.

SENATOR COFFIN SECONDED THE MOTION.

SENATOR TITUS:

Are there any fee increases in any of these budgets? If there are, will you point them out to us? We need to know if we are closing budgets with or without fees.

MS. FREED:

There are no fee increases in the Secretary of State's budgets.

SENATOR COFFIN:

I can see a need, with respect to decision unit E-710, for instantaneous communications in the Securities Division with people across the country. The fax machines and scanners make sense, but I do not know if there is an immediate need.

CHAIR RAGGIO:

The issue is what quantity is appropriate; we have not received adequate information. After an analysis by staff of decision units E-710 and E-720, we will discuss these budgets again.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR RAGGIO:

This budget will be closed in accordance with staff's recommendations and exceptions as indicated. We will hear B/A 101-1343.

Ethics Commission – Budget Page ELECTED-166 (Volume I)  
Budget Account 101-1343

JOI DAVIS (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Pages 13 and 14 of the Closing List, [Exhibit G](#), describe staff's report on this budget. During the current biennium, this budget has been funded with 35-percent State support and 65-percent local government support.

CHAIR RAGGIO:

Is that consistent with utilization?

MS. DAVIS:

Yes, it is based on actual use. The Governor recommends the funding split for the upcoming biennium be changed to 40-percent State support and 60-percent local government support, based upon actual usage for calendar years 2005 and 2006. Staff recommends a technical adjustment to correctly represent the 40/60 split as indicated in [Exhibit G](#).

The supplemental appropriation approved by the IFC, and included in the *Executive Budget*, of approximately \$10,000 has been withdrawn and will revert at the end of FY 2006-2007. For the Committee's information, Assembly Bill 142 will require the Commission on Ethics to teach a course on ethics to elected officials and lobbyists. If that bill is approved in its current form, staff recommends the funding necessary to implement the legislation be included in the legislation and the Commission on Ethics approach the IFC to augment the budget with the required county portion. The fiscal note suggests a training officer would be hired by the Commission to develop the curriculum and teach the courses.

**ASSEMBLY BILL 142**: Makes various changes concerning ethics in government.  
(BDR 23-169)

SENATOR COFFIN:

Is the change in funding based upon the number of complaints or is it the actual time expended by the staff of the Commission?

Ms. DAVIS:

The funding is based upon the number of opinions and complaints brought to the Commission. The Commission issues written opinions and investigates.

SENATOR COFFIN:

Based upon what I read, the vast majority of the Ethics Commission time has been spent on local government officials.

Ms. DAVIS:

When this budget was heard February 6, 2007, the Committee received a breakdown of time spent and how the 40/60 split was calculated based upon calendar years.

Staff recommends adjustment to decision unit E-813 to reflect amounts approved in the unclassified pay bill. Staff recommends this budget be closed with adjustments recommended in Exhibit G.

E-813 Unclassified Step Adjustments – Page ELECTED-168

SENATOR CEGAVSKE MOVED TO CLOSE B/A 101-1343 WITH ADJUSTMENTS AS INDICATED BY STAFF AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR PRICE CHANGES, COST ALLOCATIONS, ASSESSMENTS, BUILDING RENT, FRINGE BENEFITS AND SALARIES; AND SUBJECT TO ADJUSTMENTS THAT MAY ARISE DUE TO THE GOVERNOR'S REDUCTIONS TO ENHANCEMENT UNITS.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR RAGGIO:

This budget will be closed as recommended by staff with the adjustments indicated. We will open the hearing on B/A 101-1003.



Governor's Office of Consumer Health Assistance – Budget Page ELECTED-23  
(Volume I)  
Budget Account 101-1003

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

Staff's issues, adjustments and recommendations are indicated on pages 15 through 17 of the Closing List ([Exhibit G](#)). There are two major closing issues in B/A 101-1003. The first is the agency request for a new FTE bilingual administrative assistant I to become the primary intake position. During the previous hearing for this budget account, the Committee requested staff work with the agency to determine the need for this position. The agency submitted to the Department of Administration an item for special consideration for this position. The Governor did not recommend the position. The agency has indicated the case volume has increased 58 percent over the past year due to Legislative mandates as well as the Office's outreach efforts. The number of Hispanic cases has increased from 187 in FY 2004-2005 to 354 in FY 2005-2006, an 89.3-percent increase. These cases represent about 10 percent of the agency's caseload. The agency currently has an administrative assistant III position which assists the director and manages the agency's databases and an administrative assistant II who provides clerical assistance to the quality assurance specialists and performs as an intake specialist. The new position would relieve the problem of miscommunication, expedite the intake process and relieve the administrative assistant II of intake duties. The General Fund requirement would be \$21,927 in FY 2007-2008 and \$27,523 in FY 2008-2009. This information is provided on page 16 of [Exhibit G](#).

The second major issue in this account is the enhancement of services to rural counties, in-state travel. The 2005 Legislature approved an increase in in-state travel above the Governor's recommendation. For the upcoming biennium, the agency is again projecting additional rural travel. The *Executive Budget* did not increase this item. The agency is requesting increases in FY 2007-2008 of \$2,177 and in FY 2008-2009 of \$1,520 above the Governor's recommendation. The General Fund portion of this request is \$1,353 in FY 2007-2008 and \$945 in FY 2008-2009.

There are several adjustments required as outlined on page 17 of [Exhibit G](#): Medicaid services require additional General Funds in the amount of \$26,154 in FY 2007-2008 and \$27,414 in FY 2008-2009; the Budget Division concurred with the reduction of reserves by \$115,755 in FY 2007-2008 related to workers' compensation assistance; adjustments to correct revenue allocations based on workload; an adjustment to hospital assessments and the reserve; and an adjustment to the amounts and revenue allocations for the Statewide Cost Allocation Plan and Attorney General Cost Allocation Plan across the three non-General Fund revenue sources.

CHAIR RAGGIO:

Mr. Clinger, you have heard the recommendations regarding the Statewide Cost Allocation Plan and the Attorney General Cost Allocation Plan. Do you agree with the recommendations from staff?

MR. CLINGER:

I have no objection.

CHAIR RAGGIO:

Do you agree with the incorrect calculation of the hospital assessment?

MR. CLINGER:

I concur.

CHAIR RAGGIO:

Do you agree with the incorrect revenue allocation adjustments?

MR. CLINGER:

I concur.

CHAIR RAGGIO:

Do you agree with the workers' compensation assistance adjustment?

MR. CLINGER:

I have agreed with that adjustment.

CHAIR RAGGIO:

Do you agree that the Medicaid services are reimbursable at 50 percent rather than 75 percent?

MR. CLINGER:

I concur.

CHAIR RAGGIO:

Do you concur with the recommendation for in-state travel for the services in rural counties in the amount of \$1,353 in FY 2007-2008 and \$945 in FY 2008-2009?

MR. CLINGER:

The Budget Office did not recommend increases to in-state travel.

CHAIR RAGGIO:

The Office for Consumer Health Assistance apparently submitted a revised budget.

MR. CLINGER:

That is correct.

CHAIR RAGGIO:

They are going to visit all the rural areas. Are we talking about a significant amount of money?

MR. CLINGER:

No, we are not talking about a significant amount of money.

CHAIR RAGGIO:

The Office has requested a bilingual administrative assistant. What is your position on that request?

MR. CLINGER:

The bilingual administrative assistant was not recommended by the Governor. Our recommendation to the agency is to fill a vacancy with a bilingual individual who would receive an additional 5 percent in compensation.

CHAIR RAGGIO:

Will the budget accommodate that possibility without making an addition at this time?

MR. CLINGER:

It would be a small addition which could be accommodated without adding funds at this time.

SENATOR COFFIN:

The idea of a bilingual position is good. All individuals would be served by this position. What is the justification for turning down the request?

MR. CLINGER:

We do not deny there is a need for a bilingual person; we do not believe there is a need for a new position. I am not sure if they have a bilingual employee at this time.

CHAIR RAGGIO:

Is there a vacancy now?

VALERIE M. ROSALIN, R.N. (Director, Office for Consumer Health Assistance, Office of the Governor):

At present, we have a workers' compensation position open. The Department of Personnel is handling the applications. We have not requested the position be bilingual. There is a benefit and a problem with having a specialist as the bilingual person. The specialist would constantly be taken from work duties to serve as a translator. Because of the programs put into place during the 2005 Legislature, which require all hospitals to have our information available along with all workers' compensation forms containing our information, we are contacted more frequently. We are sometimes unable to communicate.

CHAIR RAGGIO:

Does this agency have any enhancements?

MR. CLINGER:

I do not recall if this budget has enhancements. The budget cuts requested are based upon enhancements.

CHAIR RAGGIO:

This is an agency in the Office of the Governor. Is the agency able to accommodate the Governor's suggestion to fill a vacancy with a bilingual person?

Ms. ROSALIN:

To have a specialist taken away from their duties to translate for every intake is impossible. We have tried to do that.

CHAIR RAGGIO:

Where would the position be located?

Ms. ROSALIN:

We are in Las Vegas. We receive calls from all over the State. The specialists are required to do outreach activities. During the time they are away from the office or working on their own cases and we have intake, we are unable to translate.

CHAIR RAGGIO:

You presently have eight positions. Would you be filling the vacant position and adding a position?

Ms. ROSALIN:

That is true.

CHAIR RAGGIO:

Is the cost of the additional position to the General Fund \$21,927 in FY 2007-2008 and \$27,523 in FY 2008-2009?

Ms. MARTINI:

That is correct.

SENATOR COFFIN:

An employee sometimes must leave their workers' compensation duties to translate. The agency wants the workers' compensation specialist to only perform that duty instead of doing translation. Many of the people coming in with injuries are employed by contractors and home builders. They do not speak English. This is a touchy area. We have injured people who cannot speak English. It seems to me we need to add the additional position. I am not for adding a position in every agency, but this is an exception.

SENATOR TITUS:

It has been my experience in working with this agency they do an incredible amount of work with a limited number of employees. Last Session, I had the bill to require their information be given to patients in hospitals because so many people did not know the agency existed. It is one of those programs that does great things, but if people do not know about it, they cannot take advantage of it. How many cases do you see in a year? How many hospital patients are out there? Give us some of those statistics that put into perspective what kind of a job you do. I agree with Senator Coffin. To save this small amount of money from a budget of \$7 billion is penny-wise and pound-foolish.

Ms. ROSALIN:

We have increased our contacts from 2,000 to 5,000 during the calendar year. Last year, our caseload was just under 4,000; 500 were hospital patients. The hospital billing increased approximately 15 to 18 percent. The workers' compensation increase was around 100 percent.

CHAIR RAGGIO:

According to your performance indicators for FY 2005-2006, actual caseload volume, consumer cases, was 3,564; caseload volume, consumer contacts, internet, provider and research inquiries were 1,335. Are those accurate numbers?

Ms. ROSALIN:

I do not have that information with me.

CHAIR RAGGIO:

That is the information provided in the *Executive Budget*. Is there a reduction in the General Fund that might accommodate this request?

MR. GHIGGERI:

On page 15 of the Closing List, [Exhibit G](#), there is a reduction in General Fund revenue of \$92,379 in FY 2007-2008 and an addition of \$21,866 in FY 2008-2009. In addition, in decision unit M-100, staff has recommended a reduction of approximately \$2,000 each year. The total reductions over the biennium are about \$70,000. The request you are discussing would require an addition of approximately \$49,000 for the position and about \$2,300 for the rural travel. Staff has no recommendation on this issue.

M-100 Inflation - Statewide – Page ELECTED-24

CHAIR RAGGIO:

It appears we could accommodate the request without great injustice to the budget.

SENATOR BEERS MOVED TO CLOSE B/A 101-1003 INCLUDING THE RURAL TRAVEL BUT WITHOUT THE ADDITIONAL STAFF POSITION; WITH ADJUSTMENTS AS RECOMMENDED BY STAFF; TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR PRICE CHANGES, COST ALLOCATIONS, ASSESSMENTS, BUILDING RENT, FRINGE BENEFITS AND SALARIES; AND SUBJECT TO ADJUSTMENTS THAT MAY ARISE DUE TO THE GOVERNOR'S REDUCTIONS TO ENHANCEMENT UNITS.

SENATOR CEGAVSKE SECONDED THE MOTION.

SENATOR RHOADS:

Does the motion include rural travel?

SENATOR BEERS:

Yes, it does.

SENATOR COFFIN:

The motion is to not hire the additional person?

CHAIR RAGGIO:

That is correct.

THE MOTION FAILED. (SENATORS COFFIN, TITUS, MATHEWS AND RAGGIO VOTED NO.)

\* \* \* \* \*

SENATOR TITUS MOVED TO CLOSE B/A 101-1003 INCLUDING THE RURAL TRAVEL AND THE ADDITIONAL STAFF; WITH ADJUSTMENTS AS RECOMMENDED BY STAFF; TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR PRICE CHANGES, COST ALLOCATIONS, ASSESSMENTS, BUILDING RENT, FRINGE BENEFITS AND SALARIES; AND SUBJECT TO ADJUSTMENTS THAT MAY ARISE DUE TO THE GOVERNOR'S REDUCTIONS TO ENHANCEMENT UNITS.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS BEERS, CEGAVSKE AND RHOADS VOTED NO.)

\* \* \* \* \*

CHAIR RAGGIO:

Budget account 101-1003 will be closed as recommended by staff, including the new bilingual administrative assistant, the rural county in-state travel and other adjustments as recommended by staff. We will hear B/A 101-1497.

LEGISLATIVE JUDICIAL

JUDICIAL BRANCH

Judicial Discipline – Budget Page COURTS-75 (Volume I)  
Budget Account 101-1497

MS. MARTINI:

Staff recommends \$379 each year of the biennium for out-of-state travel, category 02, be transferred to nonemployee out-of-state travel, category 04. Staff recommends approval of the replacement equipment requested. The closing action detail is on page 18 of [Exhibit G](#).

SENATOR TITUS MOVED TO CLOSE B/A 101-1497 WITH ADJUSTMENTS AS RECOMMENDED BY STAFF AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

This budget will be closed as recommended by staff, with adjustments as indicated on [Exhibit G](#). The next budget is B/A 224-3920.

COMMERCE AND INDUSTRY

PUBLIC UTILITIES COMMISSION

Public Utilities Commission – Budget Page PUBLIC UTILITIES COM-1 (Volume I)  
Budget Account 224-3920

MICHAEL J. CHAPMAN (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The *Executive Budget* left a minimal reserve balance of \$161,183 in this account at the end of FY 2008-2009. The closing issues for this budget are detailed on pages 19 and 20 of the Closing List, [Exhibit G](#). The Governor's recommendations for the various salary and fringe benefits eroded the reserves in this account. The agency has requested replacement equipment in decision unit E-710 which appears reasonable to staff. The Budget Office submitted a

budget amendment to increase the FY 2006-2007 work program reserve by \$600,000 reflecting savings from the Electronic Filing and Records Management System and to increase the agency's mill assessment from 2.0 mills in FY 2006-2007 to 2.1 mills in FY 2007-2008 and increasing to 2.15 mills in FY 2008-2009. This would generate additional revenues of \$427,606 in the first year and \$661,202 in the second year. These two actions, increasing the reserve and increasing the mill assessment, would increase the agency's reserve by approximately \$1.7 million which provides an adequate reserve at the end of the 2007-2009 biennium.

E-710 Replacement Equipment – Page PUBLIC UTILITIES COM-3

There are two pieces of Legislation pending: S.B. 68 and S.B. 393 which abolish the Transportation Services Authority and transfer those duties back to the Public Utilities Commission.

SENATE BILL 68: Makes various changes concerning transportation.  
(BDR 43-25)

SENATE BILL 393: Makes various changes concerning transportation.  
(BDR 43-109)

CHAIR RAGGIO:

There is a mill increase in this budget. We will want the Budget Office to concur.

MR. CLINGER:

The mill increase is from 2 to 2.1 in FY 2007-2008 and to 2.15 mills in FY 2008-2009. The increase is below the statutory limit.

CHAIR RAGGIO:

How will that increase affect the reserve?

MR. CHAPMAN:

If the amendment is approved, the agency's ending reserve in FY 2008-2009 would increase from \$161,000 to \$1.85 million.

CHAIR RAGGIO:

What is the status of the Transportation Services Authority bills?

MR. CHAPMAN:

Senate Bill 68 and Senate Bill 393 are both referred to the Senate Committee on Transportation and Homeland Security. Senate Bill 393 is scheduled for hearing tomorrow afternoon.

SENATOR TITUS:

How does the mill assessment work? What does it do to customer utility bills?

MR. CHAPMAN:

The mill assessment is a small amount, 0.1 of 1 percent, which is applied to the gross operating revenues of all the utilities in the State. The State's utilities generate approximately \$4.3 billion. The requested adjustment amounts to about \$430,000 to the agency. Given the billions of kilowatt hours that are paid for by ratepayers, it has minimal effect on the power bill.

Senate Committee on Finance  
April 4, 2007  
Page 24

SENATOR TITUS:

The consumer would not notice this increase on a power bill?

MR. CHAPMAN:

It is part of the power bill, but it is built into the cost of service.

SENATOR RHOADS MOVED TO CLOSE B/A 224-3920 WITH  
ADJUSTMENTS AS RECOMMENDED BY STAFF INCLUDING THE  
INCREASED MILL ASSESSMENT AND ENHANCEMENT E-710 AND TO  
AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR RAGGIO:

This budget will be closed as recommended by staff. There being no further  
testimony to come before this Committee, the hearing is adjourned at  
10:08 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: \_\_\_\_\_