

MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS

Seventy-Fifth Session
April 22, 2009

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 8:12 a.m. on Wednesday, April 22, 2009, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/75th2009/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Morse Arberry Jr., Chair
Assemblywoman Sheila Leslie, Vice Chair
Assemblywoman Barbara E. Buckley
Assemblyman Marcus Conklin
Assemblyman Mo Denis
Assemblywoman Heidi S. Gansert
Assemblyman Pete Goicoechea
Assemblyman Tom Grady
Assemblyman Joseph (Joe) P. Hardy
Assemblyman Joseph M. Hogan
Assemblywoman Ellen Koivisto
Assemblywoman Kathy McClain
Assemblyman John Ocegüera
Assemblywoman Debbie Smith

GUEST LEGISLATORS PRESENT:

Assemblyman Bernie Anderson, Washoe County Assembly
District No. 31
Assemblyman William C. Horne, Clark County Assembly
District No. 34
Assemblywoman Melissa Woodbury, Clark County Assembly
District No. 23

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Tracy Raxter, Principal Deputy Fiscal Analyst
Alex Haartz, Program Analyst
Jeffrey A. Ferguson, Program Analyst
Christine Bashaw, Committee Secretary
Carol Thomsen, Committee Assistant

Chair Arberry opened the hearing on Assembly Bill (A.B.) No. 359 (R2).

Assembly Bill 359 (2nd Reprint): Revises provisions governing certain personnel who work with children with autism. (BDR 34-1024)

Assemblywoman Melissa Woodbury, Clark County Assembly District No. 23, read the following statement into the record:

Good morning, Mister Chair and members of the Committee. Melissa Woodbury for the record representing District 23. I appreciate the opportunity to appear before you today in support of Assembly Bill (A.B.) 359 (R2).

In the way of background, A.B. No. 629 of the 2007 Legislative Session created the Nevada Autism Task Force and I'll quote from that legislation: "To study and make recommendations to the Governor and the Legislature regarding the growing incidence of autism and ways to improve the delivery and coordination of autism services in the state." I have seated with me a former member of that task force, Jan Crandy, who is also a current member of The Nevada Commission on Autism Spectrum Disorders.

The task force produced a document called The 2008 Report of the Nevada Autism Task Force ([Exhibit C](#)). In total, this report outlines 146 recommendations organized by the 7 categories listed that are listed by chapter on your CD (Compact Disc). From the 146 recommendations, the 11 most critical priorities were identified and are outlined in the executive summary which can be found beginning on page 9, under the title Recommendations for Immediate Action. A.B. 359 (R2) addresses portions of items 3, 4, 6, and 7 of those recommendations for immediate action.

Section 3 of this bill establishes a Grant Fund for Training of Educational Personnel in Autism to be administered by the Department of Education. While our intention in including the training of professionals and paraprofessionals in the bill was to make any training that takes place this biennium contingent on the provision of stimulus dollars, the additional establishment of a Grant Fund would allow gifts or grants to be accepted into the fund from any source at any time as well as have important legislation already in place for funding consideration in future sessions.

Section 4 addresses the training of licensed personnel employed by school districts or charter schools who work with children with autism.

Section 5 of the bill directs that certain personnel refer to The 2008 Report of the Nevada Autism Task Force when assisting parents of pupils with autism in decision-making process.

Section 6 was deleted by amendment.

Section 7 of this bill addresses the knowledge and skills needed by paraprofessionals who work with pupils with autism and states that training will be provided contingent on the availability of funding.

Section 8 deals with the knowledge and skills needed by those employed by the Health Division of the Department of Health and Human Services who work with, as well as those contracted to work with, pupils with autism or provide services to their families. The Department has stated they can conduct this training without additional funding. The Grant Fund will be set up specifically for the Department of Education and does not apply to the Division of Health.

Our intention is to provide districts and agencies with what they need without adding more of a financial hardship on them than what they are already facing. That is why each section includes the words "to the extent that Grant funds are available." Further, we left some of the language broad enough that each district could have autonomy in establishing their own programs using the report of the task force as a guide.

Section 9 specifies that if stimulus money is designated for the above purposes that it be transferred into the Grant Fund created in section 3.

Mr. Chair, I would be glad to take any questions. I also have seated with me Jan Crandy, former member of the task force, and she will also provide testimony today.

Jan Crandy, member on the Commission on Autism Spectrum Disorders, read the following statement into the record:

The task force felt strongly about improving the knowledge of those who work with and treat individuals with autism spectrum disorders. With an overall vision for treatment and education, which included provisions to ensure parents receive accurate information, students receive the necessary supports and staff receive appropriate training and teacher retention is improved.

There is no consistent, statewide standard of service or treatment in Nevada for children and adults with autism. That is, Nevada's agencies and school districts do not regularly support, recognize, or provide evidence-based services or education. Training is also inconsistent.

A.B. 359 (R2) lays out the foundation for consistent training, core knowledge, and accurate information dissemination within school districts and early intervention agencies. It does not dictate the type of treatment or services to be provided.

The Autism Task Force Education Subcommittee had members from all Nevada school districts. Training was a high priority. The sections of the bill addressing paraprofessional's skills came directly from the education section of the Autism Task Force document. A.B. 359 (R2) has the support of the Washoe and Clark County school districts.

The guiding principles within the Nevada Autism Task Force document indicate professionals endorsing a specific intervention for autism have an ethical responsibility to:

- Accurately describe the research support of the intervention, or lack of.
- Refrain from exaggerated claims of effectiveness when data supporting claims do not exist.
- Portray the method as experimental if it is not yet validated as effective.

Finally, it is important to note that there is data in some cases which repeatedly lead to conclusions a particular methodology is ineffective or may be harmful. In some cases, Autism Task Force believes continued utilization of resources on these approaches is at best ethically questionable and, at worst, a significant waste of time, energy, money, expertise, and a child's potential to live a fulfilling life in the least restrictive setting.

I believe these guiding principals are the core of A.B. 359 (R2).

There are parents who testified in front of the Health and Human Services Committee as to their experience with trusted, well meaning professionals, professionals who, while sharing their personal opinions, provided wrong information.

I believe these professionals have good hearts, but lack the knowledge and training to help parents become informed decision makers in their child's treatment plan and often lead parents in the wrong direction by discouraging them not to pursue certain types of evidence-based treatments.

Parents of children with autism need to be provided materials and information specific to autism and evidence-based treatment/educational approaches at the end of the assessment process. Allowing them to be valuable and knowledgeable participants in the I.E.P (individual education plan) and I.F.S.P. (individualized family service plan) process.

A.B. 359 (R2) will make a critical impact by requiring Nevada early intervention to screen every child that comes through their door for autism. This will allow parents to get their child treatment sooner and to have the information that their child is diagnosed with autism.

I have heard too many times that parents need time to adjust to the diagnosis of autism, as I've been told by the staff, so they delay informing a parent.

I understand that due to the budget crisis the appropriate amount of hours may not be possible. However, if parents had the accurate information, they could at least attempt to get evidence-based treatments and other services within their community outside of the state program.

If a child had cancer, you would be informed immediately so your child could start treatment as soon as humanly possible. That is what children with autism deserve. Their long-term outcome depends on it.

A.B. 359 (R2) addresses the issues of accurate information being shared with families, improves paraprofessional competencies, teacher retention, and will increase the likelihood of children starting treatment earlier.

Ms. Crandy continued and said there was a shortage of teachers with autism endorsements and that was a problem. The bill would address that issue also. Research indicated the lack of training as a contributing factor to high staff turnover. Clark County School District stated that it was able to retain approximately 70 percent of its autism teachers.

Scott Reynolds, Assistant Superintendent, Special Education and Student Support Services, Washoe County School District, testified that the Washoe County School District supported A.B. 359 (R2). This very timely professional development becomes important to the school district staff, and he appreciated the Committee's support on this bill.

Janelle Mulvenon, Chief, Bureau of Early Intervention Services, Health Division, Department of Health and Human Services (DHHS), read the following testimony into the record:

Good morning, Chairman Arberry and members of the Committee. For the record, my name is Janelle Mulvenon, Bureau Chief for Nevada Early Intervention Services with the state Health Division. I am here to speak on A.B. 359 (R2).

The Health Division is in agreement with this bill and the amendments put forward. As a result, the Health Division withdraws its fiscal note and is able to implement the requirements by utilizing internal and existing resources.

Ms. Mulvenon summarized that early intervention programs fully recognized the importance of professional development training and the early identification of children with autism. During the past nine months, early intervention programs had established procedures that all children from 18 months and above would be screened for autism. If there was a concern, the early intervention professional explained the results to the family and provided a listing of resources, including diagnostic and intervention services.

Ms. Mulvenon indicated that the Nevada Early Intervention Program in Reno had qualified and trained staff to diagnose children with autism. The southern Early Intervention Program was underway to implement autism diagnostic teams by July 2009.

Ms. Mulvenon said that when a child had a suspected or confirmed autism diagnosis, the early intervention professionals designed individualized programs utilizing a variety of methodologies along with a parent-training component.

Ms. Mulvenon concluded that training was important for early identification.

Chair Arberry closed the hearing on A.B. 359 (R2) and opened the hearing on A.B. 529.

Assembly Bill 529: Revises provisions governing certain accounts administered by the State Department of Agriculture. (BDR 50-1181)

Edward Foster, Regional Manager, State Department of Agriculture, said that Assembly Bill (A.B.) 529 affected six accounts in the Department of Agriculture. Five of the six accounts were assessments, head taxes, or monies collected by producers in Nevada. The accounts were linked to certain committees and councils and used for research and promotion of commodities where the assessment occurred.

Mr. Foster said the exception was in section 2, the registration and enforcement account with the Department of Agriculture.

Mr. Foster explained that after an evaluation by the Budget Division, the decision was made to collect and keep the interest and continue to have the fund build.

Chair Arberry closed the hearing on A.B. 529 and opened the hearing on A.B. 531.

Assembly Bill 531: Revises provisions governing the distribution of the proceeds of certain administrative assessments. (BDR 14-1192)

Jodi Stephens, Legislative Director, Office of the Governor, said there were different components to Assembly Bill (A.B.) 531, and she would be presenting the administrative section. The flexibility requested on page 5, section 6 would allow programs within the Office of the Attorney General (AG), related to victims of domestic violence, to be opened. Ms. Stephens asked Stephanie Day, Deputy Director, Budget Division, Department of Administration, to help explain.

Ms. Day explained that the change added one budget account, the AG, to the accounts able to receive administrative assessment revenue. The other change for the Department of Administration was in subsection 9. Any amounts over and above those budgeted in the accounts in The Executive Budget would be placed into the General Fund.

Ben Graham, Graham Solutions, representing the Administrative Office of the Courts (AOC), referred to pages 4 and 5 and said the distribution had not been reviewed for 16 years. Mr. Graham referred to a proposed amendment (Exhibit D) and explained the distribution of funds was being changed to group the distributions together to give the AOC flexibility in utilization.

Mr. Graham advised that the other proposed amendment to A.B. 531 on page 5, line 14 of the bill also included in Exhibit D said that in place of any money deposited, the wording would be changed to limit the monies to be transferred to the uncommitted balance of the State General Fund to those not distributed or used pursuant to paragraph (b) of subsection 8 of section 1 (those monies not earmarked for the courts system.) Mr. Graham said there was a clarification amendment to show the intent of the Budget Division. This clarification was reviewed with the Legislative Counsel Bureau (LCB).

Mr. Graham introduced Ron Titus, Director, AOC, who would give the history of administrative assessment, if necessary.

Mr. Graham summarized the amendment request again.

Mr. Titus said he had nothing to add to Mr. Graham's statement.

Catherine Cortez Masto, Attorney General (AG), Office of the Attorney General, was in support of A.B. 531, specifically paragraph (b) of subsection 8 of section 1, which pertained to the domestic violence program in the AG's Office. Ms. Cortez Masto said she was concerned, however, because instead of adding additional funds for domestic violence issues, A.B. 531 was asking the various agencies she worked with on domestic violence to divide the existing funds.

Ms. Cortez Masto was concerned about the existence of a domestic violence ombudsman and the rest of the domestic violence programs, so she was supporting A.B. 531.

Ms. Cortez Masto recalled that the AG's original budget account (BA) 1042 asked for the domestic violence ombudsman in the AG's Office, but it was not approved. That position had been historically funded by grant funds and assessments.

Ms. Cortez Masto introduced Kareen Prentice, Domestic Violence Ombudsman for the Attorney General's Office and praised her work. Ms. Cortez Masto provided statements showing the importance of the ombudsman ([Exhibit E](#)). Nevada led the nation in the number of women per capita that were murdered as a result of domestic violence.

Ms. Cortez Masto concluded that she was supporting A.B. 531 to retain the ombudsman position in the AG's Office. The Governor asked that the remaining balance be reverted to the State General Fund, which was money that was leaving the victims of crimes funds. She said that money should not revert to the General Fund.

Susan Meuschke, Executive Director, Nevada Network Against Domestic Violence, read her prepared statement:

I am the Executive Director of the Nevada Network Against Domestic Violence (NNADV). I am here to speak in support of the section of A.B. 531, which authorized administrative assessment funds to be used to support programs within the Office of the Attorney General related to victims of domestic violence—The Domestic Violence Ombudsman, the Committee on Domestic Violence, and the Nevada Council for the Prevention of Domestic Violence.

In 1995, Attorney General Frankie Sue Del Papa was appointed by Governor Miller to Chair a statewide multidisciplinary council to look at the diversity of issues impacting domestic violence in Nevada. The Nevada Council for the Prevention of Domestic Violence was composed of judges, prosecutors, advocates, healthcare providers, educators, therapists, and even legislators. They joined the arduous process of trying to understand and address all the various barriers of ending domestic violence in Nevada's homes. Through this multidisciplinary process and the council, differing strategies were presented, analyzed, and implemented.

In 1997, they developed and supported an omnibus bill that addressed a number of critical issues. The bill, among many things, created the Committee on Domestic Violence, which certified and oversaw Batterers Intervention Programs to which courts order perpetrators as part of their sentencing in domestic violence cases. It also created the Domestic Violence Ombudsman position to provide, for the first time, a specific venue in state government to attend to domestic violence issues.

All three, the Council, the Committee, and the Ombudsman were initially supported by a small assessment of each domestic battery conviction, grant funds, and the volunteer time and energy of Council and Committee members. Over the intervening 12 years each of the entities have made an impact in this state and yet much remains to be done. A.B. 531 would provide needed funding to continue that domestic violence issues were addressed on a state level and that we have accountability of Batterer Intervention Programs and that a statewide multidisciplinary perspective is brought to bear on this important issue.

I urge you to pass A.B. 531 and thank you for your time and attention.

Michael C. Sprinkle, Vice Chairman, Nevada Council for the Prevention of Domestic Violence, testified in support of A. B. 531.

Andrea Sundberg, Executive Director, Nevada Coalition Against Sexual Violence, testified in support of A.B. 531.

Christina Conti, Chairwoman, Alliance for Victims' Rights, testified in support of A.B. 531.

Russell Smith, District Attorney, Humboldt County, stated he had served on the committee and worked closely with the ombudsman. These services were greatly needed in the communities. Mr. Smith strongly urged the Committee to pass A.B. 531.

Frank Adams, Executive Director of the Nevada Sheriffs' and Chiefs' Association, said that it was with great trepidation that he signed in opposing A.B. 531. The Association was not opposed to the domestic violence programs and law enforcement was a very integral part of the domestic violence programs.

Mr. Adams said the court assessment fees were established to pay for the administration of the courts and education and training of peace officers; later funding for the Criminal History Repository and Victims of Crimes Fund was added.

Mr. Adams stated that this year, the Governor's Office took \$4 million from the reserves of the Repository which was set aside to increase the ability of the Repository to respond to law enforcement needs. This would set the upgrades to this system back four to six years. The Governor also took \$1.2 million from the Peace Officers' Standards and Training (POST) account, which was set aside for the creation of an Emergency Vehicle Operations Course.

Mr. Adams said that the Association understood the budget crisis, but POST and the Repository had been routinely underfunded over the years. The access funds had been diverted to the General Fund to support programs that were not connected to the purpose of court assessment fees.

Mr. Adams explained that POST spent less than \$200 per year per officer on training and administration of the program. On a national level, Nevada was among the lowest in spending for this purpose. The officers on the street were the ones that "fueled the engine" for court assessments. Every year Nevada law enforcement agencies were given more laws to enforce but were given less money to train these officers.

Mr. Adams said that last session there was a bill to fund emergency medical technicians through court assessment fees. The bill died because the information provided indicated that there was not enough connection between the collection of the court funds and the purpose of the expenditure. He believed that this was a similar situation.

Concluding his testimony, Mr. Adams said that if the Committee considered funding the program out of court assessment funds, it should allow agencies that received funding to retain the funds that were collected through the court assessment fees.

Chair Arberry closed the hearing on A.B. 531 and opened the hearing on A.B. 532.

Assembly Bill 532: Requires the Nevada System of Higher Education to provide administrative support to the Nevada State Commissioners of the Western Interstate Commission for Higher Education. (BDR 34-1217)

Jodi Stephens, Legislative Director, Office of the Governor, said that Assembly Bill (A.B.) 532 was the consolidation of the Western Interstate Commission for Higher Education (WICHE) into the Nevada System of Higher Education (NSHE). The Governor's Office had been working with Dr. Jane Nichols, Vice Chancellor, Academic and Student Affairs, NSHE. Dr. Nichols had proposed amendments ([Exhibit F](#)) with which the Governor's Office agreed.

Dr. Nichols said the Governor had proposed A.B. 532 to codify the budget change. The budget of WICHE would be under the NSHE for administrative purposes. Dr. Nichols thought this would result in very positive outcomes for both WICHE and the NSHE.

Dr. Nichols said she was also one of the three commissioners of WICHE and there was some concern on the language in A.B. 532, because it appeared to be broad. The NSHE did not want to encroach on the statutory power given to three commissioners who were appointed by the Governor. Chapter 397 of the *Nevada Revised Statutes* (NRS) stated in great detail their responsibilities to run the WICHE program. Dr. Nichols stated all that was needed to effect the budget change was the language proposed in the amendments in [Exhibit F](#).

Ms. Stephens acknowledged that the Governor's Office approved of the amendments.

Assemblywoman Koivisto asked whether the funds were moving with the programs.

Dr. Nichols responded that the funds were moving but would remain in a separate account and that it was the Legislature's responsibility to fund the WICHE activities, which was clearly stated in current statute. The NSHE would not be able to access the funds nor have responsibility for the funding.

Chair Arberry asked about the WICHE staff. Dr. Nichols said that the Legislature was charged with providing money for administrative support of the WICHE program. There were 3.51 positions in the current budget, but the Governor recommended the positions be cut to 1.51. The NSHE had returned to the Legislature and asked that the budget allocation be increased to include two full-time positions.

Chair Arberry closed the hearing on A.B. 532 and opened the hearing on A.B. 213 (R1).

Assembly Bill 213 (1st Reprint): Requires the establishment of the Cancer Drug Donation Program. (BDR 40-39)

Assemblyman Bernie Anderson, Washoe County Assembly District No. 31, read the following statement regarding Assembly Bill (A.B.) 213 (R1) into the record:

Good morning. I am Assemblyman Bernie Anderson of Assembly District 31 in Sparks and the primary sponsor of A.B. 213 (R1). This bill requires the State Board of Pharmacy to establish the Cancer Drug Donation Program which will provide certain donated cancer medications to patients who need them. The program would eliminate a huge amount of waste that occurs when prescribed medications are no longer needed by the cancer patients for one reason or another.

There are several safeguards built into the bill, including a requirement that the donated cancer drug must be in its "original, unopened, sealed and tamper-evident unit dose package." It also must not be adulterated or altered and bear an expiration date later than 30 days after its donation. And obviously the program cannot resell the medications donated to it.

In addition to these safeguards, a patient or family member who donates a cancer drug to the program for distribution is not liable for any civil damages, not amounting to gross negligence that arise from donating the cancer drug.

Thank you, Mr. Chair.

Assemblyman Anderson said he considered this bill an important piece of legislation. There was nothing more tragic than losing a family member to cancer then recognizing the huge expense your family had gone through, only to see the medication thrown out when there were others who might be able to sustain life for a while longer.

Assemblyman Anderson said there were several levels of compromises on the bill and utilization of the services of the state pharmaceutical board.

In response to Assemblywoman Koivisto, who asked whether there were a network of pharmacies or providers in mind, Assemblyman Anderson said that was awaiting passage of the bill. Additionally, he said that the early steps should include a cautious approach with all necessary safeguards.

Fred Hillerby, representing the State Board of Pharmacy, testified in support of A.B. 213 (R1). He was part of the group that worked to get amendments for the bill that allowed the fiscal note to be removed.

Assemblywoman Buckley asked why a fiscal note was submitted.

Mr. Hillerby said that the first bill draft included a much larger group of drugs that would have required additional pharmacists.

In response to a question from Chair Arberry, Mr. Hillerby restated there was no longer a fiscal note.

Assemblyman Hogan said that the bill would disqualify any cancer drugs that were within 30 days of their expiration date. The practice was that an arbitrary expiration date of one year was applied to virtually all prescriptions in Nevada. In many cases, the manufacturer's actual expiration date was much longer. Assemblyman Hogan was concerned there were an appreciable number of situations in which valid drugs might not be accepted into this process because the arbitrary date would rule them out. He asked whether consideration was given to the drugs to be disqualified if they were within 30 days of the manufacturer's expiration date.

Mr. Hillerby said to his knowledge that particular date was not discussed. To start the program, it was decided to err on the side of caution and avoid distributing drugs that no longer had efficacy.

Assemblyman Denis asked whether there was concern that because people were donating drugs, the prices on cancer drugs would increase because less were being sold.

Mr. Hillerby responded that he had not heard that concern. He said the website would promote the drug donation program and the necessary hearings to accomplish the regulations.

Chair Arberry closed the hearing on A.B. 213 (R1) and opened the hearing on A.B. 386.

Assembly Bill 386: Proposes to exempt sales to senior citizens of hearing aids, hearing aid accessories and ophthalmic or ocular devices or appliances from sales and use taxes and analogous taxes. (BDR 32-525)

Assemblyman William Horne, Clark County Assembly District No. 34, read the following statement in support of Assembly Bill (A.B.) 386 into the record:

Assembly Bill 386 proposed to help our state's senior citizens, those persons 62 years-of-age or older, by exempting them from state and local sales taxes when they purchase hearing aids, and corrective eyeglasses or contact lenses.

In order for this bill to be effective, the voters must first approve such an exemption from the state's 2 percent sales tax at the upcoming general election in 2010.

If the voters approve the sales tax exemption, then the bill provides for a parallel exemption to the local sales taxes to take effect.

The bill is set up this way to ensure that Nevada remains in compliance with the Streamlined Sales and Use Tax Agreement.

The Streamlined Sales and Use Tax Agreement (SSUTA) requires member states to have a single sales tax rate on items.

Although the SSUTA permits exemptions, the exemption must be the same for both the state and local sales tax rates, so that online and mail-order vendors have (an) easier time calculating and collecting sales tax.

Nevada already exempts prosthetic devices, orthotic appliances, ambulatory casts, medicines, and hemodialysis products from state and local sales taxes so there is ample precedent for this.

Also, the SSUTA includes hearing aids and corrective eyeglasses and contact lenses within its definition of prosthetic devices, although Nevada specifically excludes hearing aids and glasses from the definition of "medicine."

The most recent attempt at a sales tax exemption for hearing aids and eyeglasses was a bill introduced in 2005 by Assemblyman Joe Hardy and Assemblyman Scott Sibley.

Their bill (A.B. No. 430 of the 73rd Session) would have exempted hearing aids and eyeglasses, as well as durable medical equipment and mobility-enhancing equipment such as wheelchairs, canes, or crutches.

Some of you may recall the unsuccessful bills last session proposing to exempt durable medical equipment or mobility-enhancing equipment that was introduced by Assemblymen Bob Beers, Joe Hardy, and Garn Mabey, and Senator Joyce Woodhouse.

In any event, you can see that A.B. 386 has a bipartisan pedigree.

However, the bill is much narrower in its scope than the 2005 or 2007 measures, because A.B. 386 is limited to senior citizens purchasing hearing aids and corrective eyeglasses or contact lenses.

I should also point out that the bill makes the findings required by A.J.R. 16 from the 2005 Session (Assembly Joint Resolution No. 16 of the 73rd Session) that was passed by the voters in statewide question No. 3.

I believe that the benefit to our seniors in reducing the costs of hearing aids and eyeglasses outweighs any impact to our sales tax revenue and that the loss of this revenue will not affect the repayment of any bonds.

In closing, I urge you to let the voters decide if our senior citizens deserve an exemption from sales tax for these most basic devices that we will all need eventually to maintain our vision and hearing and to continue to live independent and productive lives as we age.

This concludes my presentation.

Assemblyman Horne understood the current fiscal constraints and appreciated the Committee's consideration of A.B. 386.

Dino DiCianno, Executive Director, Department of Taxation, said that Assemblyman Horne depicted the fiscal effect appropriately. The Department was neutral with respect to A.B. 386. Mr. DiCianno realized that if the bill moved forward and the voters decided in its favor, there would be a loss to sales tax collections, but that was part of the process. Based on the narrow scope, affecting senior citizens 62 years-of-age and older, the fiscal effect would be an approximate \$2 million loss to both the General Fund and the local portions of the sales tax.

Mr. DiCianno said that under the SSUTA, if Nevada maintained its full membership, any tangible personal property that was subject to sales tax either had to be fully taxable or fully exempt. This was why this had to go back to the vote of the people.

In answer to a question from Chair Arberry, Mr. DiCianno said that this would have to go to a vote of the people in 2010; there would be a 6-month impact in 2011. If approved, it would have a full effect in future bienniums.

Bill Birkmann, Vice President, Nevada Alliance for Retired Americans, asked the Committee to support A.B. 386.

Chair Arberry closed the hearing on A.B. 386 and opened the hearing on A.B. 123 (R1).

Assembly Bill 123 (1st Reprint): Revises provisions governing certain offices of physicians and related facilities and surgical centers for ambulatory patients. (BDR 40-215)

Assemblywoman Sheila Leslie, Washoe County Assembly District No. 27, said that Assembly Bill (A.B.) 123 (R1) was a bill that came from the Legislative Committee on Health Care during the interim. Assemblyman Hardy served on that Committee also. There was a first reprint from the Committee on Health and Human Services. Assemblywoman Leslie said the bill addressed the Hepatitis C crisis issues by requiring more adequate annual inspections and requiring offices of physicians and related facilities to obtain a permit and national accreditation before providing services involving anesthesia and sedation. Assemblywoman Leslie pointed out that the Las Vegas facility where the problem occurred was accredited, so that was not enough.

Marla McDade Williams, Chief, Bureau of Health Care Quality and Compliance (BHCQC), Health Division said that in the past, inspections had been funded through fees and that it was Assemblywoman Leslie's intention that the start-up cost be funded by the reserve and not the General Fund.

Assemblywoman Gansert said there were concerns from physician's offices that needed national accreditation. She said section 8 was added and asked Assemblywoman Leslie to discuss that section.

Assemblywoman Leslie said section 8 identified who was covered under the bill based on the level of medication given. In terms of the accreditation, there were three national accreditation agencies and one specialized in accreditation of doctor offices.

Ms. McDade Williams said the fiscal note was based on the Bureau charging the applicable fees to cover costs. It did not request General Fund monies for any of the operating expenses that would be incurred as a result of acquiring the new function to inspect physician offices. The fiscal note identified that there were 261 physician offices that were reporting to the Board of Medical Examiners, and those offices would be providing a level of sedation which would fall under the provisions of the bill.

Ms. McDade Williams said that if the bill moved forward, it was estimated that 10 percent of those offices would choose not to provide procedures in their offices. The estimate was based on 235 facilities of physician offices for regular inspections. Ms. McDade Williams anticipated that a focused inspection would be an 8-hour process, and a full inspection would be a 24-hour process. Based on the workload, it was projected that 3 full-time equivalents (FTEs) were needed to inspect the physician offices and 1.5 FTEs to provide reviews on an annual base for the ambulatory surgery centers (ASCs).

Ms. McDade Williams said that the Bureau was a fee-based agency and that the State Board of Health approved the fees that were eventually charged to the providers that were regulated. The cost-per-physician-office was estimated at \$3,570 for the permit process. There were additional fees for accreditation of physician offices from the private accrediting bodies, and they ranged from \$2,200 to \$6,900. The fees would depend of the types of procedures being performed by each office.

Ms. McDade Williams said the ASCs rates were approximately \$2,500, but that was based on an every six-year inspection period. For inspections on an annual basis, the fee would have to be increased.

Assemblyman Hardy stated that the ASCs rate was \$2,500 per clinic based on a 6-year inspection cycle, so for one year it would cost 6 times as much.

Ms. McDade Williams said that the six-year rates were based on a full inspection. If the facilities were inspected more often, there would not always be a full inspection, but rather a focus inspection. The fees would be based on how much time was spent for the inspections.

Assemblyman Hardy asked if he were to amortize costs over a six-year period based on the focus inspection, what the fee basis would be, knowing a return inspection could be required.

Ms. McDade Williams answered that the fees were all estimates since the time required was not known. The ASCs would probably be around \$3,500 to \$4,500. That amount was for a new facility, and the fees for renewal each year would be half the amount.

Assemblywoman Smith said the costs would be paid for by fees, but since there were no General Funds used, she asked how the program would get started.

Ms. McDade Williams said the Bureau would go to the State Board of Health to enact regulations so there would be a cost which was absorbed into the regulations cost. The positions for this project would not be brought on all at once, but as they were needed.

Assemblywoman Smith thought there had to be some money to get the project started.

Mary Keating, Administrative Services Officer, Health Division, Department of Health and Human Services, said there were start-up costs, and the Bureau would be using existing revenues and reserves for start-up. It would start with regulatory and recruitment costs, and by the time the State Board of Health set the fees, there would be a time delay. Ms. Keating said that by the end of the biennium, the fees would catch up with the costs.

Assemblywoman Leslie asked whether Ms. Keating and Ms. McDade Williams were comfortable with the time frame that was listed in A.B. 123 (R1).

Ms. McDade Williams said they were comfortable with the January 1, 2010, start date, and the regulation would be in place. If there was authorization for positions to begin on October 1, 2009, some transitions could be made, and the bureau would be prepared to inspect the facilities by January 1.

Ms. McDade Williams stated that it was not realistic that by January 1 265 physician offices were going to come forward to be licensed. It would take from 6 to 18 months before all facilities were licensed.

Ms. Keating reiterated there would be a period of delay while there was recruitment and rules established, but the fees would catch up over the biennium. There were sufficient reserves in the agency budget if the budget was closed as requested. There was a possibility of appearing at an Interim Finance Committee (IFC) meeting requesting to move funds out of reserve to start this program.

Assemblywoman Gansert asked how many physician offices there were and how the Bureau was able to decide who would be affected by the program.

Ms. McDade Williams said the current law required physician offices that provide certain levels of sedation in their offices to report to the Board of Medical Examiners. The Bureau's number of 265 was based on the reports made to the Board of Medical Examiners, and it was then estimated that 235 would be licensed.

Assemblywoman Gansert asked how many other physician offices there were or whether Ms. McDade Williams did not know because those offices did not turn in reports.

Ms. McDade Williams said that she was not aware of the number of offices but thought it would be thousands. Not all physician offices were required to be accredited.

Assemblywoman Gansert said she was trying to get reassured since the fees seemed very high. She thought \$3,570 was a lot of money on top of the national accreditation, which was \$2,200 to \$6,900 per year. Assemblywoman Gansert said it was important to select the correct offices that used high levels of sedation, so access to care was not significantly decreased.

Assemblyman Hardy asked how the implementation would work and whether some physician offices would lose their ability to perform services while waiting for accreditation or whether the regulations would be gradually implemented.

Ms. McDade Williams answered that section 26 of the bill required all physician offices to be permitted by October 1, 2010, and she thought that date was reasonable. The Bureau would enact the regulations one year prior to that date and offices should have sufficient notice of the requirement for permitting.

Once the regulations were adopted, the offices would have the obligation to become accredited. Ms. McDade Williams said the process would take some time.

Assemblyman Hardy said that he had heard 18 months, so this would have to be gradually implemented and not rushed.

Ms. McDade Williams said the timelines in the bill were sufficient. It was facilities which did not follow through with all of the required paperwork that caused the process to take longer.

Assemblyman Hardy referred to section 8 of the bill and asked whether there were 261 physician offices that used intravenous (IV) sedation.

Ms. McDade Williams said that the offices were already required by state law to report and those fell within the definition. The bill brought in the definition from existing law.

Assemblyman Hardy said if those offices were already identified, whether there was a list of the type of offices they were, such as plastic surgery, dermatology, or surgery, for example.

Ms. McDade Williams said she had not seen a list broken down by specialty type but presumed the Board of Medical Examiners was able to provide one.

Assemblywoman Leslie said this had been a good discussion to remind the Committee why the policy committee came up with section 8. There was a trend of moving serious surgical procedures to doctor's offices, and that was what the Committee was concerned about. Assemblywoman Leslie said there needed to be a balance in patient protection and the correct safety standards. The safety standards should be the same whether the procedure was done in a doctor's office, a hospital, or an ambulatory surgical center.

Chair Arberry closed the hearing on A.B. 123 (R1) and opened the hearing on A.B. 3 (R1).

Assembly Bill 3 (1st Reprint): Requires each plot in each veterans' cemetery in this State to be landscaped with natural turf grass. (BDR 37-197)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said that Assembly Bill (A.B.) 3 (R1) was heard on April 13, 2009, and was brought to the Committee because of the potential fiscal effect in the bill. There was testimony that this was the current practice at the veterans' cemetery both in Boulder City and Fernley. The potential fiscal effect was addressed at that meeting. If the Committee felt this was a good policy measure, this bill could go forward.

ASSEMBLYMAN HARDY MOVED TO DO PASS AS AMENDED
A.B. 3 (R1).

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

Assemblywoman McClain said natural turf cost too much money and eventually artificial turf was going to be more cost effective and would be as beautiful as natural turf. The cost for water in Boulder City was high.

Chair Arberry said he would hold the bill and closed the hearing on A.B. 3 (R1) and opened the hearing on A.B. 107 (R1).

* * * * *

Assembly Bill 107 (1st Reprint): Creates the Advisory Committee for the Prevention and Treatment of Stroke and Heart Disease within the Health Division of the Department of Health and Human Services. (BDR 40-208)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said Assembly Bill (A.B.) 107 (R1) was heard on April 13, 2009, and created an advisory committee within the Health Division relating to the prevention and treatment of stroke and heart disease. The Health Division testified that the bill would not create a fiscal hardship. There were provisions that the members of the Committee would serve at no cost, and if grant funds became available, the Committee would be entitled to per diem expenses.

ASSEMBLYWOMAN SMITH MOVED TO DO PASS AS AMENDED
A.B. 107 (R1).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTIONED PASSED. (Assemblyman Conklin was not present for the vote.)

* * * * *

Chair Arberry opened the hearing on A.B. 139.

Assembly Bill 139: Requires the compilation, analysis and reporting of information concerning low-income housing and housing suitable for use by persons with disabilities. (BDR 25-225)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said Assembly Bill (A.B.) 139 required the reporting and analysis of information concerning low-income housing suitable for persons with disabilities. There was a fiscal impact on this bill. The Housing Division supported the bill and indicated that the fiscal effect was something that the Division could absorb. The bill was heard on April 13, 2009.

Assemblyman Goicoechea said that A.B. 139 had some local government fiscal effect also and asked whether the database was in place.

Mr. Stevens said that each of the local governments was not contacted, but there were fiscal notes from them. There was a small effect on some, for example there was a \$10,000 fiscal note in Churchill County for the biennium. Most of the counties said there was no fiscal effect, but Washoe County had the largest effect at \$25,000 per year.

Assemblyman Goicoechea asked whether there was any opposition from local governments.

Mr. Stevens said that he was not aware of any.

ASSEMBLYWOMAN LESLIE MOVED TO DO PASS A.B. 139.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Arberry opened the hearing on A.B. 141.

Assembly Bill 141: Establishes a recovery fund for persons defrauded by mortgage brokers, mortgage agents or mortgage bankers. (BDR 54-229)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said Assembly Bill (A.B.) 141 was heard on April 3, 2009. Assemblyman Conklin had discussed this bill with the Committee and could provide additional information. This bill would create a recovery fund for the Mortgage Lending Division similar to that setup in the Real Estate Division. There would be an assessment on licensees, and the fund would be included in The Executive Budget just as the one in the Real Estate Division.

Assemblywoman Buckley stated that she supported the recovery fund and considered it more cost-effective than bonding. As long as the Committee was comfortable with the funding and it appeared sufficient, she was in favor of A.B. 141, and the Committee should move forward with it.

Assemblywoman Gansert asked what the fee would be. She also thought there was an original \$300,000 setup fee and asked what would be charged to the different mortgage lenders.

Assemblyman Conklin said there was not an additional fee, this would be funded from the reserve. The reserve had a substantial surplus. Once funded, funding only needed to be replenished if there were claims. Assemblyman Conklin did not remember a specific discussion that there would be an actual fee assessed. He also wanted to make the Committee aware that under the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2009 (S.A.F.E.), to be in compliance, there needed to be a bond or a recovery fund.

Mr. Stevens said there was a very large reserve in the Mortgage Lending Division for start-up, and then funding would depend on the recoveries. There was a mechanism in the bill that could be an assessment against licensees to replenish the fund if the reserve was not sufficient.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS A.B. 141.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Arberry opened the hearing on A.B. 446.

Assembly Bill 446: Revises certain requirements for the proposed budget of the Executive Department of the State Government. (BDR 31-581)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said that Assembly Bill (A.B.) 446 was heard on March 23, 2009 and Assemblywoman Buckley had testified. The bill put an emphasis on performance indicators that were included in the performance goals in The Executive Budget. The bill also provided that the information on performance indicators was placed on the website of the Department of Administration. Mr. Stevens said there was also an amendment that was introduced when the bill was heard, and he had given a copy of that amendment to the Committee.

ASSEMBLYWOMAN GANSERT MOVED TO AMEND AND DO PASS
AS AMENDED A. B. 446.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Arberry opened the hearing on A.B. 510.

Assembly Bill 510: Revises various provisions governing the Public Utilities Commission of Nevada. (BDR 58-1140)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said that Assembly Bill (A.B.) 510 was heard on April 10, 2009. This was a bill that involved the Public Utilities Commission (PUC) and would involve the addition of an executive director position, which would avoid conflicts of interest between staff and the commissioners. Mr. Stevens said there was a fiscal effect with this bill, but the agency indicated it could be funded out of reserve funds. There would not be an immediate fiscal effect on the mill assessment that was charged by the PUC.

ASSEMBLYMAN HARDY MOVED TO DO PASS A.B. 510.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

Assemblyman Denis disclosed under Rule No. 23 that he worked for the PUC and would not be voting.

Assemblywoman Buckley questioned the reason for the bill.

Assemblyman Conklin said this was the bill that provided for an executive director position at the PUC. It was a bill from the Committee on Commerce and Labor and that Committee was of the opinion that the public and the consumers would be served by having a position between the commissioners and the staff of the PUC.

Assemblywoman Buckley remembered that this discussion had occurred for several sessions.

THE MOTION PASSED. (Assemblyman Denis abstained from voting.)

* * * * *

Chair Arberry opened the hearing on A.B. 213 (R1).

Assembly Bill 213 (1st Reprint): Requires the establishment of the Cancer Drug Donation Program. (BDR 40-39)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said Assembly Bill (A.B.) 213 (R1) was heard earlier in the morning and was sponsored by Assemblyman Bernie Anderson from Washoe County Assembly District No. 31. With the amended version of this bill, there was no longer a fiscal note.

ASSEMBLYWOMAN LESLIE MOVED TO DO PASS A.B. 213 (R1) AS AMENDED.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Chair Arberry said the Committee would continue with budget closings. Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said that both the Senate Committee on Finance and the Assembly Committee on Ways and Means were reviewing each of the following budgets today. The Treasurer's Office was in Senate Finance, so the Committee would first review the Controller's Office, budget account (BA) 1130 and the Ethics Commission, BA 1343.

ELECTED OFFICIALS
CONTROLLER'S OFFICE (101-1130)
ELECTED BUDGET PAGE - 120

Jeffrey Ferguson, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said there were no major closing issues in budget account (BA) 1130. Other closing items were decision unit Maintenance (M) 160 which recommended continuing the elimination of one administrative assistant 1 position, which would provide General Fund savings of \$36,923 in fiscal year (FY) 2010 and \$37,443 in FY 2011. Mr. Ferguson said this position had been vacant since March 2008. The duties of this position had been absorbed by other staff. This appeared reasonable to staff.

Mr. Ferguson said decision unit Enhancement (E) 710 recommended General Funds of \$98,437 over the biennium for replacement computer hardware and software. These were in accordance with the Department of Information Technology (DoIT) replacement schedule. This appeared reasonable to staff.

Mr. Ferguson said E674 recommended deferring the salary increase for the Controller, which was approved by the 2005 Legislature resulting in General Fund savings of \$3,132 in FY 2011. The Committee should note that legislation would be required to reduce the salary of the Controller. There had been a bill draft request (BDR) introduced, BDR 18-1195. Any action taken by

the Legislature on this issue would result in adjustments that would be necessary for this account, and staff requested the authority to make those adjustments.

Mr. Ferguson said that E252 recommended General Funds of \$960 in each year of the biennium for cell phone service for the Controller. During the budget hearing, the Controller indicated she was using her personal cell phone and would be willing to forego the cell phone service paid by the state if the General Fund for her phone was used for a revenue-generating item, such as LexisNexis subscriptions, which Mr. Ferguson said he would discuss briefly.

Mr. Ferguson said the LexisNexis subscription would be \$1,560 in each year of the biennium.

Mr. Ferguson asked whether the Committee wished to close the previously mentioned items as recommended by the Governor with the exception of E252, which would be to eliminate the decision unit as suggested by the Controller.

Assemblyman Denis asked whether the LexisNexis subscription was considered on a state level rather than independently.

Mr. Ferguson stated that he was unaware of any study. He did know there were a number of state agencies that utilized these subscriptions, but he did not know the legal subscription requirements.

Assemblyman Denis said some other software programs were licensed at the state level.

Kim Wallin, State Controller, Office of the State Controller, said that when the office had checked into LexisNexis, the license was based on a per user cost, and she was not aware that there was a state license available. The subscription that the State Controller's Office requested provided information on a person's last known location and contained highly sensitive information. The Division of State Library and Archives had a subscription also, but the information they were provided was not the same.

Assemblyman Denis said this was his point, noting there were a lot of agencies doing the same job as the State Controller's Office, and if the subscription was based on the number of users, with 500 users at the state level, he felt LexisNexis could provide a better price.

Assemblywoman Smith said that the LexisNexis discussion was heard in several other budgets and thought it was a necessary program. But Assemblywoman Smith thought Ms. Wallin should not be paying for her own cell phone.

Chair Arberry said the Committee should consider M160, E710, E252, and E674.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said the E674 would be decided globally once unclassified salaries were considered. Fiscal staff requested the authority to make adjustments to E674.

ASSEMBLYMAN HARDY MOVED TO APPROVE M160, E710, AND E252.

Mr. Stevens said that E252 would fund the cell phone.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Ferguson said there were some items that were not included in The Executive Budget or recommended by the Governor but were requested by the Office. The Controller requested the Committee consider appropriating General Funds of \$293,105 in FY 2010 and \$24,278 in FY 2011 to implement a Technology Investment Request (TIR) for an eXtensible Business Reporting Language (XBRL) system to manage information collection, collation, and the workflow process related to the state's debt collection efforts. The FY 2010 costs included \$277,300 for a contract to design and implement the XBRL system, as well as \$9,278 for the required communication lines and \$6,527 for computer hardware. The FY 2011 costs, which were anticipated to continue into future biennia, included \$15,000 for annual software license fees and \$9,278 for communications lines.

In response to the Committee's questions, Mr. Ferguson stated that the Office provided information to staff regarding additional revenue the system was anticipated to generate through debt collections. The Committee should note that the answers that were provided by the Office of the Attorney General assumed the passage of Assembly Bill (A.B.) 87 (R1), which would require state agencies to turn over debt collection cases to the Controller's Office after 60 days. Assembly Bill 87 (R1) was passed out of the Assembly yesterday.

Mr. Ferguson said a fiscal note was created with A.B. 87 (R1) that required General Funds of \$53,148 in each year of the biennium to pay for increased postage costs.

Mr. Ferguson said the responses from the Controller's Office to the Subcommittee's questions were as follows:

- Currently, state agencies turned over approximately \$7 million in debt per year. The Office collected approximately \$630,000 in bad debts per year. The collection rate for Scope I debt, under \$25,000, was 11 percent and the rate for Scope II debt, over \$25,000, was 4 percent. If debt was turned over to the Office within 60 days with the help of the XBRL system, the anticipated rates would be 45 percent for Scope I and 15 percent Scope II.
- The Office estimated it would collect an additional \$1.92 million in debt in FY 2010 with the assistance of the XBRL system and the implementation of A.B. 87 (R1) and an additional \$2.62 million in FY 2011. The total would be \$4.54 million over the biennium. This was in addition to the amounts to be collected without the XBRL system and the passage of A.B. 87 (R1).
- The Office indicated that debt collection had increased. Since November 2008, both the number of accounts received for collection and the amount of money collected had increased by 50 percent. Three existing positions had taken on an increased workload to assist in debt collection: the assistant controller, an administrative assistant, and the Controller's executive assistant. Without the XBRL system, the office would need to hire three new staff members at a cost of \$360,000 over the biennium to handle the workload.

Mr. Ferguson said that in response to questions asked by staff, the Office indicated that based on historic data, \$1.12 million of the additional \$4.54 million in debt collections would be reverted to the General Fund. Currently, all debt collected was returned to the originating agency, and if the originating agency's budget included General Funds, the collections would revert to the General Fund.

Mr. Ferguson said that based on the information provided by the Office, the appropriation of General Funds of \$317,838 for XBRL system and General Funds of \$106,296 for the implementation of A.B. 87 (R1) for postage, was estimated to result in net additional statewide General Fund revenues of \$699,866 over the biennium. This was the \$1.2 million minus the cost of the XBRL system and A.B. 87 (R1).

Mr. Ferguson said the options for consideration were to:

1. Not approve the requested General Funds of \$317,838 over the biennium for the purchase and maintenance of the XBRL system. This was not recommended by the Governor in The Executive Budget, so there would not be an effect to the General Fund if this request was not approved.
2. Approve the Controller's Office request to purchase, implement, and maintain an XBRL system, which was not recommended by the Governor, at a General Fund cost of \$317,838 over the biennium. The office indicated this solution, along with the approval of A.B. 87 (R1), was estimated to generate additional debt revenue of \$4.54 million over the biennium, with approximately \$1.12 million of that amount reverting to the General Fund.

Assemblywoman Leslie said she liked the idea, but she asked whether there was a way to be paid for the up-front costs through an assessment to the agency for which the collections were made.

Ms. Wallin said that her office had never considered that option. The Controller's Office did not collect assessment fees. The Department of Personnel collected a fee when a debt to the state was collected from an individual's payroll. Ms. Wallin said that idea could be considered.

Mr. Stevens said the basic General Fund costs for the Controller's Office were recovered in the statewide cost allocations. He said that since the XBRL system was directly related to debt collection and asked whether agencies for which the Controller's Office collected debts could be assessed a fee to pay for the cost of the new system and potentially for positions in the Controller's Office that related to the functioning of the system.

Mr. Stevens said that currently the General Fund was paying for the system, and there were non-General Fund agencies that were receiving the benefit of the system. Mr. Stevens pointed out that the implementation of a mechanism to assess fees, each agency that benefited from the system would share in the cost.

Ms. Wallin said that Western Nevada College and Great Basin College had already contracted with the Controller's Office to help in debt collection.

Assemblywoman Leslie asked Ms. Wallin to work with the Fiscal staff and return with an assessment plan. Ms. Wallin said that she would.

Mr. Stevens said the Fiscal Division would work with the Controller's Office and return later with a plan for consideration by the Committee.

Mr. Ferguson said the last item in BA 1130 was the LexisNexis subscription, which was not included in The Executive Budget. The request was for \$1,560 in General Fund in each year of the biennium for a subscription. The Office indicated they had a 30-day free trial subscription to LexisNexis and found it to be very helpful in finding debtors' last known addresses, while using fewer staff resources and reducing associated mailing costs.

Mr. Ferguson asked whether the Committee wished to approve the Controller's request for a LexisNexis subscription that was not contained in The Executive Budget at a General Fund cost of \$1,560 in each year of the biennium.

Assemblyman Denis asked whether the Committee could review all the agencies that were requesting LexisNexis and try to get an agreement for one license and reduce the cost.

Mr. Ferguson said he believed that would be possible, but it would take time for Fiscal staff to research which other agencies were requesting a subscription and to contact the vendor.

Assemblyman Denis said he believed the cost could be reduced if enough agencies requested the subscription. The first call should be to LexisNexis to see whether they would reduce the price if there were enough users.

Assemblywoman Smith asked whether the item could be closed approving the \$1,560 and ask the Fiscal staff to explore options for saving money.

Mr. Stevens said there would be other opportunities to review LexisNexis subscriptions and staff could report back when this item was reviewed in another budget.

ASSEMBLYWOMAN SMITH MOVED TO APPROVE THE \$1,560
FOR THE LEXISNEXIS SUBSCRIPTION AND ASK STAFF TO
REVIEW OPTIONS TO SAVE MONEY.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Ferguson said Fiscal staff requested authority to make adjustments to BA 1130 based on decisions made on salary and fringe benefits and other assessment costs.

Chair Arberry closed the hearing on BA 1130 and opened the hearing on BA 1343.

ELECTED OFFICIALS
ETHICS COMMISSION (101-1343)
BUDGET PAGE ELECTED – 199

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said the Governor recommended the funding split between state and county resources be changed from 40 percent state support

and 60 percent local government support to a 35 percent state and 65 percent local government split. Mr. Stevens said that staff recommended that the funding be approved at the 35 percent state support and 65 percent local government percent split.

Mr. Stevens said the first budget closing issue was decision unit Enhancement (E) 606. In The Executive Budget the Governor recommended staffing and operating reductions of \$19,614 in each year of the biennium in the Ethics Commission. This reduction was to meet budget targets for this agency. Salary costs were reduced by \$9,549 in both fiscal years 2010 and 2011. At the agency's budget hearing, testimony indicated the Executive Director took leave without pay during this biennium to meet the budget reduction targets that were mandated by the agency. The Executive Budget maintained the reduced salary for the Executive Director, and in addition recommended a 6 percent salary reduction for all employees. The agency requested that the Executive Director's salary be returned to the previously authorized amount so there would only be a 6 percent salary reduction.

Mr. Stevens said the Budget Division had submitted budget amendment number 22 to address this issue. The \$9,549 was added back based on the Budget Division's recommendation for additional salary funds. This amount would be funded 65 percent local government and 35 percent state.

Mr. Stevens asked whether the Committee wished to approve the change in the funding split and whether to approve budget amendment number 22 which restored the salary reductions.

Assemblywoman Buckley said she had not agreed with every Ethics Commission decision in the past year, but there was no way any agency should be treated this way. It seemed a 35 percent/65 percent split was reasonable.

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE THE
35 PERCENT/65 PERCENT SPLIT AND BUDGET AMENDMENT
NUMBER 22 TO RESTORE THE SALARY FOR THE EXECUTIVE
DIRECTOR.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Stevens said the next item was the budget reductions recommended in E606 that were non-salary related. There were a number of areas that the agency requested the Budget Division to review. As a result, the Budget Division submitted budget amendment number 161. There was \$10,065 that had been eliminated in non-salary expenses in E606. The budget amendment would return \$13,786 to the account in FY 2010.

Some of that money was in the information services category, which had computers that needed to be replaced based on the Department of Information Technology (DoIT) replacement schedule.

Mr. Stevens stated that there were a number of other areas that the Ethics Commission requested the Budget Division to approve. Over the weekend, the Ethics Commission provided information ([Exhibit G](#)) on areas that were not included by the Budget Division in budget amendment number 161,

but the agency felt there was a need for additional funding. Mr. Stevens said that [Exhibit G](#) listed the following additional funding:

- \$11,526 for in-state travel each year
- \$949.05 for equipment purchases
- \$336 for non-state printing services
- \$2,110 for court-reporting services each year

Mr. Stevens said the total would be \$14,921.05 in fiscal year (FY) 2010 and \$13,972 in FY 2011. If the Committee chose to approve these requests, this funding would be in addition to budget amendment number 161, which added \$13,786 in FY 2010 and \$9,133 in FY 2011.

Vice Chair Leslie asked Mr. Stevens to break down the options.

Mr. Stevens summarized that in non-salary expenses The Executive Budget reduced out-of-state travel, in-state travel, operating, investigations and information services by \$10,065 per year. The agency requested a review by the Budget Division. The Budget Division suggested that a number of items be added back to the Ethics Commission budget. The Ethics Commission felt the amount in budget amendment number 161 was not sufficient and that additional money needed to be added. That was the information in the email ([Exhibit G](#)).

Mr. Stevens said the Budget Division added back \$13,786 in FY 2010 and \$9,133 in FY 2011. In addition, the Ethics Commission requested that above those amounts, \$14,921 be added in FY 2010 and \$13,972 be added in FY 2011 based on the four categories included in the email ([Exhibit G](#)).

Vice Chair Leslie said that it was important to make sure the Ethics Commission had the necessities to function.

Patricia Cafferata, Executive Director, Commission on Ethics, said there were two general areas that were important, first was the in-state travel increase. Most of the meetings had been by video conference, but when there were complaints filed, Commissioners needed to be transported to the hearing. If all of the in-state travel was deleted, the Commissioners would not personally be at those hearings. It was hard to judge expressions and see peoples faces if they were not in the same room as the Commissioners. Therefore, Ms. Cafferata felt it was important to restore in-state travel.

Ms. Cafferata said the second area was the court-reporting fees. The fees were expensive and every hearing cost approximately \$1,500. The Commission was experiencing more complex cases.

Vice Chair Leslie asked what the percent of increase was over the current amount. It appeared to be over 100 percent.

Ms. Cafferata said that the Commission was asking for an additional \$2,000 on the court-reporting fees.

Vice Chair Leslie said she was asking about in-state travel.

Ms. Cafferata said the amount was based on past expenses. But she did not know whether the increase was over 100 percent.

Mr. Stevens said the agency was budgeted \$9,994 this fiscal year. With the budget amendment, there would be approximately \$7,000 in in-state travel. The budget was for \$2,412, the Budget Division in the amendment added \$4,568, and the agency requested an additional \$11,526. The total would be \$16,094.

Vice Chair Leslie said it was hard for the Committee to redo this budget without taking lengthy testimony. Most agencies were being cut, but the Committee realized that the Ethics Commission had been cut too much. The Commission needed to have the basics to function.

Assemblyman Hardy asked the amount if the Committee funded the request.

Mr. Stevens explained that the original amounts requested were not covered by budget amendment number 161, but then the email included other changes, so he did not have a schedule with all the amounts listed but would be glad to provide one.

Assemblyman Hardy said that was what he would like to have.

Mr. Stevens apologized for not having the information, but he said he did not have the Ethics Commission's request when he put all the information together.

Assemblyman Hardy said it would be wise to have the amount before the Committee took a vote.

Vice Chair Leslie said she hated to hold the budget, and the Committee needed the information.

Ms. Cafferata asked what her agency could do.

Vice Chair Leslie said the rest of the Ethics Commission budget would have to be held.

ELECTED OFFICIALS
STATE TREASURER (101-1080)
BUDGET PAGE ELECTED – 156

Alexander Haartz, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said budget account (BA) 1080 had two major closing issues.

The first major closing issue was The Executive Budget proposed revision to the Treasurer's cost allocation. This proposal reallocated the cost of seven positions from General Funds to non-General Funds. The seven positions were being reallocated to the funding sources where the workload was being performed. The proposed changes appeared reasonable to staff.

Mr. Haartz asked whether the Committee wished to approve the revision to the Treasurer's existing cost allocation as recommended by the Governor.

Vice Chair Leslie said the staff recommendation appeared reasonable.

ASSEMBLYMAN GOICOECHEA MOVED TO APPROVE THE
REVISION TO THE TREASURER'S EXISTING COST ALLOCATION
AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION CARRIED. (Chair Arberry, Assemblywomen Buckley, Gansert, and Smith, and Assemblyman Ocegüera were not present for the vote.)

Mr. Haartz said the second major closing issue was decision unit Enhancement (E) 806. The Treasurer's Office proposed to increase the salary for one unclassified position, the Deputy Treasurer Investments position. This item was provided for informational purposes since it would be decided later during the unclassified salaries process.

Mr. Haartz said the first minor closing item was the office copier allocation. Decision unit E255 recommended a net decrease of \$1,915 in each year of the biennium, which appeared reasonable to staff.

Mr. Haartz said the second minor closing item was decision unit E674, where The Executive Budget proposed to defer the proposed salary increase. This was informational only.

Mr. Haartz said another closing issue was E710 and E711, which provided for replacement equipment. The Executive Budget recommended replacing two desktop personal computers (PCs), a laptop PC, and a couple of servers in the first year. In the second year, the budget recommended two desktop PCs and a laptop which met the Department of Information Technology (DoIT) replacement schedule. This appeared reasonable to staff.

Mr. Haartz said there were nominal changes to the information technology (IT) cost allocations that the Treasurer's Office used. This account included the IT positions and paid the network and server charges, then cost allocated those costs to the other budget accounts.

Mr. Haartz said that the centralized cost allocation methodology was appropriate and appeared reasonable; staff recommended authority for technical adjustments.

ASSEMBLYWOMAN MCCLAIN MOVED TO APPROVE E255, E710, AND E711 AS RECOMMENDED BY THE GOVERNOR AND TO PROVIDE FISCAL STAFF THE AUTHORITY TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywomen Buckley, Gansert, and Smith, and Assemblyman Ocegüera were not present for the vote.)

* * * * *

ELECTED OFFICIALS

TREASURER HIGHER EDUCATION TUITION ADMINISTRATION (603-1081) BUDGET PAGE ELECTED – 165

Alexander Haartz, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said budget account (BA) 1081 was commonly known as the Prepaid Tuition Program. There were no major closing issues in this budget. The General Fund loan had been repaid.

Mr. Haartz said information was presented regarding the Committee's questions during the budget hearings about how individuals were informed about the risk and financial viability of the prepaid tuition contracts.

Mr. Haartz said decision unit Enhancement (E) 250 implemented a proposed joint marketing outreach program for Prepaid Tuition, the Millennium Scholarship, and the College Savings program. The Governor recommended \$3,820 in each year of the biennium for the cost of adding six, two-day trips between Carson City and Las Vegas. Mr. Haartz noted that there were seven in-state trips in 2008 for marketing of this program. The marketing approach and the in-state travel appeared reasonable to staff.

Mr. Haartz said that E255 was recommended by the Governor for the reduction of \$723 in each year of the biennium for office copier allocation changes. Lastly, E710 was for three replacement desktop personal computers (PCs) without monitors at a cost of \$4,062 in the second year of the biennium that fit the Department of Information Technology (DoIT) replacement schedule. The request appeared reasonable to staff.

Mr. Haartz asked that staff receive approval to make technical adjustments.

Chair Arberry stated that companies sometimes threw in the monitors free or for a reduced price when computers were purchased.

Assemblyman Denis interjected that DoIT updated their replacement schedule, and if the monitor was an LCD (liquid crystal display) screen, then there was no replacement. If they were the old CRT (cathode ray tube) monitors, then they were to be replaced.

ASSEMBLYWOMAN MCCLAIN MOVED TO APPROVE BA 1081 AS
THE GOVERNOR RECOMMENDED AND TO PROVIDE STAFF THE
AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywomen Buckley and Gansert,
and Assemblyman Ocegüera were not present for the vote.)

BUDGET CLOSED.

* * * * *

ELECTED OFFICIALS

MILLENNIUM SCHOLARSHIP ADMINISTRATION (261-1088)

BUDGET PAGE ELECTED – 171

Alexander Haartz, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said budget account (BA) 1088 had one major closing issue. The Governor recommended changing the funding source for the Treasurer's Office administration of the Millennium Scholarship. Tobacco settlement payments received annually funded the administrative costs for budget account 261-1088. The Executive Budget recommended no longer charging the Millennium Scholarship the approximately \$400,000 per year, but moving this cost to the Nevada College Savings Endowment Account, BA 1094.

Mr. Haartz noted that the Legal Division had reviewed the proposed change and determined it was not prohibited. The Legal Division recommended that if the intent was to utilize the Endowment Account to fund the Millennium Scholarship program administrative costs, the statute should be amended to specifically allow for this practice.

Mr. Haartz said the Senate Committee on Finance indicated during its closing of the account that it would introduce a bill draft request (BDR) as recommended by the Legal Division. The change in funding sources appeared reasonable to staff.

Mr. Haartz asked whether the Committee wished to approve the change as recommended by the Governor.

ASSEMBLYWOMAN LESLIE MOVED TO APPROVE THE CHANGE IN FUNDING FOR ADMINISTRATIVE COSTS INCURRED BY THE TREASURER'S OFFICE IN MANAGING THE MILLENNIUM SCHOLARSHIP.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywomen Buckley and Gansert, and Assemblyman Ocegüera were not present for the vote.)

Mr. Haartz said there were other closing items. The Governor recommended \$3,820 for six in-state trips for joint marketing and promotion, which was in decision unit Enhancement (E) 250. Next were E255 for photocopier charges and E710 for replacement computer equipment. Staff requested approval to make technical adjustments as necessary.

Mr. Haartz said an informational item was the projection of the Trust Fund viability, including the Treasurer's revised projections.

ASSEMBLYWOMAN MCCLAIN MOVED TO APPROVE E250, E255, AND E710 AS RECOMMENDED BY THE GOVERNOR AND TO PROVIDE STAFF THE AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywomen Buckley and Gansert, and Assemblyman Ocegüera were not present for the vote.)

ELECTED OFFICIALS
UNCLAIMED PROPERTY (101-3815)
BUDGET PAGE ELECTED – 178

Alexander Haartz, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said that budget account (BA) 3815 had no major closing issues.

Mr. Haartz said one issue was decision unit Enhancement (E) 250, which The Executive Budget recommended for annual additional amounts of \$3,246 in operating expenses for printing postcards and postage to inform individuals holding unclaimed property.

Mr. Haartz said the second issue was E251 proposed to increase the amount of cost allocation funding transferred from BA 3815 to BA 1080. Fiscal staff made technical adjustments to reduce the amount of the transfer.

Mr. Haartz said E254 proposed to align the workload for the Senior Deputy Treasurer, Las Vegas position. This position oversaw the unclaimed property program in Las Vegas. Fiscal staff had reviewed the backup information, and the request appeared reasonable. Fiscal staff had made technical adjustments for closing purposes.

Mr. Haartz said E255 was the office copier allocation and E710 was replacement computer equipment. Fiscal staff reviewed the replacement schedule, and the request appeared reasonable.

Mr. Haartz stated that staff requested approval to make technical adjustments as the closing occurred.

ASSEMBLYWOMAN MCCLAIN MOVED TO APPROVE E250, E251, E254, E255, AND E710 AS RECOMMENDED BY THE GOVERNOR AND TO GIVE STAFF THE AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywomen Buckley and Gansert, and Assemblyman Ocegueda were not present for the vote.)

ELECTED OFFICIALS

NEVADA COLLEGE SAVINGS TRUST (605-1092)

BUDGET PAGE ELECTED – 185

Alexander Haartz, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said that budget account (BA) 1092 was the Nevada College Savings Trust also known as the 529 plans, which were not prepaid tuition but college savings accounts. There were no major closing issues in this budget.

Mr. Haartz said decision unit Enhancement (E) 251 increased the amount of cost allocation funding transferred from this account to BA 1080. Fiscal staff made technical adjustments for closing purposes.

Mr. Haartz said that E252 proposed \$3,820 in each year of the biennium for new outreach programs, which was the same recommendation as proposed in the Millennium Scholarship Administration and the Prepaid Tuition accounts. This would also fund six two-day, in-state trips. This appeared reasonable to Fiscal staff.

Mr. Haartz stated that E253 was for out-of-state travel. He noted that earlier in the morning, the Senate Committee on Finance heard discussion on E253 and closed the decision unit at 50 percent of the request, not at the Governor's recommended \$2,629 in each year of the biennium.

Mr. Haartz concluded with E255, which was the office copier allocation. Fiscal staff requested permission to make technical adjustments.

ASSEMBLYWOMAN MCCLAIN MOVED TO CLOSE E251, E252, E253, AND E255 AS RECOMMENDED BY THE GOVERNOR AND TO PROVIDE STAFF THE AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywomen Buckley and Gansert, and Assemblyman Ocegüera were not present for the vote.)

* * * * *

ELECTED OFFICIALS
ENDOWMENT ACCOUNT (605-1094)

Alexander Haartz, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said that budget account (BA) 1094 was not included in The Executive Budget. Mr. Haartz said a bill was not necessary if the Committee approved the recommendation. The state received program fees in each year from the four 529 plan providers. This was an issue from the LCB audit in 2007. The projections were \$2.888 million in fee revenue in fiscal year (FY) 2010 and just over \$3 million in FY 2011.

Mr. Haartz noted that BA 1094 would now be the payer account for the Millennium Scholarship's administrative costs. The Audit Division recommended that BA 1094 be part of The Executive Budget, and Fiscal staff concurred with that recommendation.

ASSEMBLYWOMAN MCCLAIN MOVED TO CLOSE BA 1094 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywomen Buckley and Gansert, and Assemblyman Ocegüera were not present for the vote.)

BUDGET CLOSED.

* * * * *

ELECTED OFFICIALS
MUNICIPAL BOND BANK REVENUE (745-1086)
BUDGET PAGE ELECTED – 195

Alexander Haartz, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said that budget account (BA) 1086 was the account that received the payment from the local entities for the Municipal Bond Bank. There were no major closing issues, and staff recommended that the budget be closed as recommended by the Governor.

ASSEMBLYWOMAN SMITH MOVED TO CLOSE BA 1086 AS THE GOVERNOR RECOMMENDED.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywomen Buckley and Gansert, and Assemblyman Oceguela were not present for the vote.)

BUDGET CLOSED.

ELECTED OFFICIALS
MUNICIPAL BOND BANK DEBT SERVICE (395-1087)
BUDGET PAGE ELECTED – 197

Alexander Haartz, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said budget account (BA) 1087 was the account where local funds were transferred to pay the interest and principal payments to the state bond holders. There were no major closing issues, and Fiscal staff recommended BA 1087 be closed as recommended by the Governor.

ASSEMBLYMAN GOICOECHEA MOVED TO CLOSE BA 1087 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywomen Buckley and Gansert, and Assemblyman Oceguela were not present for the vote.)

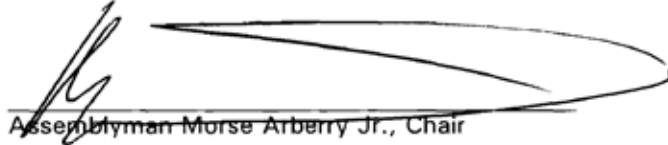
BUDGET CLOSED.

Chair Arberry adjourned the meeting at 11:06 am.

RESPECTFULLY SUBMITTED:

Christine Bashaw
Committee Secretary

APPROVED BY:



Assemblyman Morse Arberry Jr., Chair

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>April 22, 2009</u>		Time of Meeting: <u>8:12 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 359(R2)	C	Assemblywoman Melissa Woodbury, Assembly District No. 23	CD version of Nevada Autism Task Force 2008 Report
A.B. 531	D	Ben Graham, Graham Solutions	Proposed amendment
A.B. 531	E	Catherine Cortez Masto, Attorney General	Information on Ombudsman in the AG's Office
A.B. 532	F	Dr. Jane Nichols, NSHE	Proposed amendments
	G	Mark Stevens, LCB	Email of additional budget requests