

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

Seventy-Fifth Session  
May 2, 2009

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 8:16 a.m. on Saturday, May 2, 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/](http://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](mailto: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

**STAFF MEMBERS PRESENT:**

Mark Stevens, Assembly Fiscal Analyst  
Brian M. Burke, Principal Deputy Fiscal Analyst  
Tracy Raxter, Principal Deputy Fiscal Analyst  
Bob Atkinson, Senior Program Analyst  
Michael J. Chapman, Senior Program analyst  
Mark Krmpotic, Senior Program Analyst  
Sarah Coffman, Program Analyst  
Jeffrey A. Ferguson, Program Analyst  
Laura Freed, Program Analyst  
Alexander Haartz, Program Analyst  
Eric King, Program Analyst  
Heidi Sakelarios, Program Analyst  
Linda Blevins, Committee Secretary  
Vickie Kieffer, Committee Assistant

Chair Arberry called the meeting to order and recognized Assemblywoman McClain.

Assemblywoman Kathy McClain, Clark County Assembly District No. 15, Chair of the Joint Subcommittee on Public Safety, Natural Resources and

Transportation, read the budget closing report for the State Department of Conservation and Natural Resources into the record:

THE JOINT SUBCOMMITTEE FOR PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION DEVELOPED RECOMMENDATIONS FOR THE BUDGETS OF THE TAHOE REGIONAL PLANNING AGENCY (TRPA) AND DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES (DCNR) INCLUDING: THE DIRECTOR'S OFFICE (ADMINISTRATION), NATURAL HERITAGE, CONSERVATION DISTRICTS, HEIL WILD HORSE, STATE LANDS, NEVADA TAHOE REGIONAL PLANNING AGENCY, STATE PARKS, WATER RESOURCES, ENVIRONMENTAL PROTECTION, AND FORESTRY. THE SUBCOMMITTEE DOES NOT HAVE A RECOMMENDATION FOR THE FORESTRY CONSERVATION CAMPS BUDGET AT THIS TIME, BECAUSE IT WILL BE RECOMMENDED FOR CLOSING ALONG WITH THE DEPARTMENT OF CORRECTIONS BUDGETS.

THE RECOMMENDATIONS OF THE SUBCOMMITTEE FOR DCNR RESULT IN ADDITIONAL GENERAL FUNDS OF \$293,706 IN FY 2009-10 AND \$306,679 IN FY 2010-11. FOR TRPA, THE SUBCOMMITTEE'S RECOMMENDATIONS ARE NEUTRAL WITH RESPECT TO GENERAL FUNDS. A SUMMARY OF CLOSING ACTIONS IS INCLUDED IN THIS CLOSING PACKET.

**DCNR ADMINISTRATION (101-4150) DCNR-1:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE TWO VACANT POSITIONS—AN ACCOUNTING ASSISTANT AND AN EXECUTIVE ASSISTANT—HELD OPEN DURING THE 2007-09 BIENNIUM, PROVIDING GENERAL FUND SAVINGS OF \$251,998 OVER THE BIENNIUM. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION TO RECLASSIFY THE EXISTING ADMINISTRATIVE SERVICES OFFICER (ASO) 4 TO AN ASO 2, PROVIDING GENERAL FUND SAVINGS OF \$51,932 OVER THE BIENNIUM, AS WELL AS TO RECLASSIFY A MANAGEMENT ANALYST TO A PUBLIC INFORMATION OFFICER. THE SUBCOMMITTEE ALSO APPROVED BUDGET AMENDMENT #62, WHICH ADJUSTS INTERNAL COST ALLOCATION TRANSFERS WITH THE STATE ENVIRONMENTAL COMMISSION ACCOUNT.

**HEIL WILD HORSE BEQUEST (607-4156) DCNR-9:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ALLOW THE COMMISSION FOR THE PRESERVATION OF WILD HORSES TO SUNSET AT THE END OF FY 2009-10, BECAUSE FUNDS FROM THE HEIL WILD HORSE BEQUEST WILL EXPIRE AT THAT TIME. THE MUSTANG HERITAGE FOUNDATION, WHICH IS A NATIONAL MARKETING AND ADOPTION FOUNDATION CREATED WITH THE ASSISTANCE OF THE COMMISSION, WILL CONTINUE TO ADDRESS WILD HORSE ADOPTION ISSUES BEYOND FY 2009-10.

**TAHOE REGIONAL PLANNING AGENCY (101-4204) DCNR 15:** THE SUBCOMMITTEE APPROVED \$133,000 IN GENERAL FUND APPROPRIATIONS AND FUND TRANSFERS FROM THE DMV POLLUTION CONTROL ACCOUNT OF \$67,000 EACH YEAR TO CONTINUE SUPPORT FOR THE PATHWAY 2007 REGIONAL PLAN

AND THRESHOLD MONITORING. IN ADDITION, THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO INCLUDE THE \$200,000 CONTRIBUTION FOR THE PATHWAY 2007 REGIONAL PLAN IN THE AGENCY'S BASE BUDGET IN FUTURE BIENNIA, TO BE FUNDED WITH ANY COMBINATION OF GENERAL FUND APPROPRIATIONS AND OTHER REVENUE SOURCES AS RECOMMENDED BY THE GOVERNOR.

THE SUBCOMMITTEE ALSO RECOMMENDS INCREASING FUND TRANSFERS FROM THE DMV POLLUTION CONTROL ACCOUNT BY \$256,640 EACH YEAR IN SUPPORT OF ADDITIONAL AIR QUALITY THRESHOLD MONITORING. THE ADDITIONAL FUND TRANSFERS RECOMMENDED BY THE SUBCOMMITTEE INCREASE NEVADA'S APPORTIONED SHARE, RELATIVE TO CALIFORNIA'S APPORTIONED SHARE, FROM 25 PERCENT, AS RECOMMENDED BY THE GOVERNOR, TO 30 PERCENT, WHICH IS 3.3 PERCENT LESS THAN THE FULL ONE-THIRD SHARE HISTORICALLY PROVIDED TO THE TRPA BY NEVADA.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATIONS TO REDUCE GENERAL FUND APPROPRIATIONS BY \$233,514 EACH YEAR BY ELIMINATING A SENIOR PLANNER POSITION, A MANAGEMENT SUPPORT TECHNICIAN, TRAINING EXPENDITURES AND IT SYSTEM MAINTENANCE EXPENDITURES.

**FORESTRY (101-4195) DCNR-21:** THE ASSEMBLY MEMBERS OF THE SUBCOMMITTEE CLOSED THE FORESTRY BUDGET AS RECOMMENDED BY THE GOVERNOR, INCLUDING THE ELIMINATION OF THE FOLLOWING THREE POSITIONS: 1) THE SOUTHERN REGIONAL FORESTER; 2) THE EQUIPMENT MECHANIC 2 IN THE NORTHERN REGIONAL OFFICE; AND 3) THE CONSERVATION STAFF SPECIALIST 2 IN THE DIVISION'S CENTRAL REPORTING UNIT, PROVIDING GENERAL FUND SAVINGS OF \$134,458 IN FY 2009-10 AND \$133,369 IN FY 2010-11. THE CONSERVATION STAFF SPECIALIST 2 POSITION SERVED AS THE DIVISION'S MUTUAL AID COORDINATOR; HOWEVER, A NEW POSITION APPROVED BY THE INTERIM FINANCE COMMITTEE IN APRIL 2009 FOR THE DIVISION OF EMERGENCY MANAGEMENT WILL ASSUME THE MUTUAL AID COORDINATOR DUTIES STATEWIDE.

THE SUBCOMMITTEE APPROVED GENERAL FUNDS OF \$110,000 IN FY 2009-10 FOR HIGH-PRIORITY DEFERRED MAINTENANCE PROJECTS IDENTIFIED IN A FACILITY CONDITION ANALYSIS PERFORMED BY THE STATE PUBLIC WORKS BOARD. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION TO TRANSFER THREE SEASONAL HELITAK POSITIONS AND ASSOCIATED FUNDING FROM THE FORESTRY CONSERVATION CAMPS BUDGET TO THE FORESTRY BUDGET, THEREBY ALLOWING ALL HELITAK OPERATIONS TO BE HANDLED THROUGH THE FORESTRY BUDGET.

**STATE PARKS (101-4162) DCNR-43:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO REDUCE THE NUMBER OF PARK REGIONS FROM FOUR TO TWO; THE

WESTERN REGION WILL BE ABSORBED INTO THE NORTHERN REGION, AND THE EASTERN REGION WILL BE ABSORBED INTO THE SOUTHERN REGION.

THE SUBCOMMITTEE DID NOT APPROVE ELIMINATING 3 OF THE 13 POSITIONS RECOMMENDED FOR ELIMINATION BY THE GOVERNOR, REQUIRING ADDITIONAL GENERAL FUNDS OF \$193,190 IN FY 2009-10 AND \$194,685 IN FY 2010-11. THESE THREE POSITIONS ARE: 1) THE PARK INTERPRETER 2 AT THE REGIONAL VISITOR'S CENTER IN PANACA; 2) THE COMMISSIONED PARK SUPERVISOR 1 AT ECHO CANYON STATE PARK; AND 3) THE PARK RANGER TECHNICIAN 3 AT FORT CHURCHILL STATE HISTORIC PARK, BUCKLAND STATION. THE CONSENSUS OF THE SUBCOMMITTEE WAS THAT RESTORATION OF THESE THREE POSITIONS WOULD ALLOW THE DIVISION TO KEEP THESE PARK FACILITIES OPEN YEAR ROUND AND PROVIDE THE MINIMUM LEVEL OF STAFFING NEEDED TO CARRY OUT ITS DUTIES AND RESPONSIBILITIES TO THE PUBLIC, INCLUDING CUSTOMER SERVICE AND EMERGENCY RESPONSE.

THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE SEASONAL WORKFORCE AT OLD LAS VEGAS MORMON FORT, RESULTING IN A GENERAL FUND COST OF \$53,949 IN EACH YEAR OF THE BIENNIUM. THIS WILL ALLOW THE PARK TO BE OPEN SEVEN DAYS A WEEK FROM 8:00 A.M. TO 5:00 P.M., AND TO PROVIDE NECESSARY PARK MAINTENANCE AND THE ABILITY TO CONDUCT INTERPRETIVE TOURS. THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO PARTIALLY CLOSE SEVEN PARK FACILITIES – DAYTON, WARD CHARCOAL OVENS, BEAVER DAM, DANGBERG RANCH, LAHONTAN, SAND HARBOR BOAT RAMP, AND RYE PATCH – AT A TOTAL GENERAL FUND COST OF \$3,368 IN EACH YEAR OF THE BIENNIUM. THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO TEMPORARILY CLOSE THE ELGIN SCHOOLHOUSE, THE WALKER LAKE BOAT RAMP, AND PARTIAL CLOSURE OF A PORTION OF WASHOE LAKE DURING LOW-USAGE MONTHS.

THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THIRTEEN MONTHS OF SEASONAL SALARY COSTS FOR THREE STATE PARK FACILITIES—SIX MONTHS AT MORMON STATION, FIVE MONTHS AT KERSHAW RYAN, AND TWO MONTHS AT SAND HARBOR—AT A GENERAL FUND COST OF \$36,400 IN EACH YEAR OF THE BIENNIUM. RESTORATION OF THESE SEASONAL SALARY COSTS WILL PROVIDE NEEDED SUPPORT TO THE REMAINING PERMANENT STAFF FOR PARK OPERATIONS. THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE SEASONAL SALARY COSTS RELATED TO THE NOXIOUS WEED PROGRAM IN THE FORMER PANACA REGION, PROVIDING GENERAL FUND SAVINGS OF \$49,252 OVER THE BIENNIUM.

THE GENERAL GOVERNMENT AND ACCOUNTABILITY JOINT SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO CONVERT THE NEVADA STATE

TOURISM BUDGET FROM A NON-GENERAL FUND BUDGET TO A GENERAL FUND BUDGET. BASED ON THIS ACTION, THE GOVERNOR'S RECOMMENDATION TO REPLACE RECURRING TRANSFERS OF LODGING TAX FUNDS OF \$509,131 IN EACH YEAR OF THE BIENNIUM FROM THE NEVADA STATE TOURISM BUDGET WITH GENERAL FUNDS WAS NOT APPROVED BY THE PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION JOINT SUBCOMMITTEE. THE TRANSFERS OF TOURISM FUNDS TO THE DIVISION OF STATE PARKS WILL CONTINUE AS THEY HAVE HISTORICALLY.

THE SUBCOMMITTEE APPROVED BUDGET AMENDMENT NUMBER 21, WHICH CORRECTS AN ERROR IN THE EXECUTIVE BUDGET THAT DUPLICATES REDUCTION OF RENT COSTS ASSOCIATED WITH THE ELIMINATION OF THE DIVISION'S CARSON REGION HEADQUARTERS, RESULTING IN A GENERAL FUND COST OF \$27,037 IN EACH YEAR OF THE BIENNIUM. BECAUSE THE DIVISION WAS ABLE TO PURCHASE A NEW SNOW BLOWER FOR WILDHORSE IN THE CURRENT FISCAL YEAR, THE SUBCOMMITTEE REMOVED THIS PIECE OF EQUIPMENT FROM THE DIVISION'S BUDGET, PROVIDING GENERAL FUND SAVINGS OF \$9,000 IN FY 2009-10.

THE SUBCOMMITTEE RECOMMENDS REQUESTING A BDR TO ESTABLISH A COMMERCIAL WEDDING PROGRAM AT VALLEY OF FIRE STATE PARK. A COMMERCIAL WEDDING PROGRAM WAS APPROVED BY THE 2007 LEGISLATURE; HOWEVER, IT WAS NOT IMPLEMENTED BECAUSE IT REQUIRED A FEE INCREASE THAT WAS NOT SUPPORTED BY THE GOVERNOR TO FUND NECESSARY POSITIONS AND OPERATING COSTS.

**WATER RESOURCES (101-4171) DCNR-82:** THE SUBCOMMITTEE DID NOT APPROVE ELIMINATING 7 OF THE 11.4 POSITIONS RECOMMENDED FOR ELIMINATION BY THE GOVERNOR, REQUIRING ADDITIONAL GENERAL FUNDS OF \$434,652 IN FY 2009-10 AND \$437,972 IN FY 2010-11. THE SUBCOMMITTEE NOTED THAT THE 2005 LEGISLATURE ADDED 11 NEW POSITIONS FOR THE DIVISION IN ORDER TO REDUCE THE BACKLOG OF WATER RIGHTS APPLICATIONS AND REPORTS OF CONVEYANCE, TO CONDUCT FIELD INVESTIGATIONS, AND TO CREATE AN INTERNET WEBSITE. THE CONSENSUS OF THE SUBCOMMITTEE WAS THAT RESTORATION OF THE SEVEN POSITIONS IS NEEDED TO KEEP BACKLOGS AT REASONABLE LEVELS AND TO PROVIDE ESSENTIAL SERVICES RELATED TO WATER RESOURCES IN NEVADA. THE SEVEN POSITIONS RESTORED BY THE SUBCOMMITTEE INCLUDE THREE ENGINEERING TECHNICIAN 3s, TWO STAFF ASSOCIATE ENGINEERS, ONE PROFESSIONAL ENGINEER, AND ONE IT PROFESSIONAL. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION TO PROVIDE GENERAL FUNDS OF \$171,600 OVER THE BIENNIUM FOR MAINTENANCE AND REPAIR COSTS AT SOUTH FORK DAM.

**STATE LANDS (101-4173) DCNR-95:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE A LAND AGENT 2 AND A LAND USE PLANNER 2 POSITION FOR GENERAL FUND SAVINGS OF \$136,708 IN

FY 2009-10 AND \$137,674 IN FY 2010-11. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATIONS TO REDUCE TRAVEL AND TRAINING EXPENDITURES; PROVIDE FUNDING FOR REPLACEMENT EQUIPMENT; AND MODIFY THE FUNDING SOURCE OF A SEASONAL FORESTER POSITION FROM GENERAL FUND APPROPRIATIONS TO ENVIRONMENTAL IMPROVEMENT PROGRAM (EIP) BOND FUNDS.

**NEVADA NATURAL HERITAGE (101-4101) DCNR-115:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO FULLY FUND THE AGENCY'S BIOLOGIST 3 POSITION WITH TRANSFERS FROM THE NEVADA DEPARTMENT OF TRANSPORTATION (NDOT), AND TO TRANSFER ALL FEES GENERATED FROM DATABASE SALES TO NDOT AT THE END OF EACH FISCAL YEAR. CURRENTLY, THE BIOLOGIST 3 POSITION IS FUNDED WITH A COMBINATION OF TRANSFERS FROM NDOT AND DATABASE SALES FEES; HOWEVER, IF FEES COLLECTED ARE LESS THAN ANTICIPATED, FUNDING FOR THE POSITION WOULD BE INSUFFICIENT TO COVER ALL COSTS. NDOT HAS INDICATED IT SUPPORTS THIS RECOMMENDATION. THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT TO MEMORIALIZE THE FUNDING INTENT FOR THIS POSITION AND DIRECT THE AGENCY AND NDOT TO ENTER INTO A FORMAL AGREEMENT. THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE AN ENVIRONMENTAL SCIENTIST 3 POSITION, WHICH IS FUNDED EQUALLY WITH GENERAL FUNDS AND FEDERAL FUNDS, THUS PROVIDING GENERAL FUND SAVINGS OF \$42,593 IN FY 2009-10 AND \$42,843 IN FY 2010-11. THIS POSITION WAS RESPONSIBLE FOR CREATING A WETLANDS PLAN, WHICH HAS BEEN COMPLETED. THE FEDERAL FUNDS IN SUPPORT OF THIS POSITION EXPIRE DURING FY 2008-09.

**DEP AIR QUALITY (101-3185) DCNR-129:** DUE TO CONCERNS WITH THE RELATIVELY HIGH RESERVE LEVEL RECOMMENDED IN THE EXECUTIVE BUDGET, THE SUBCOMMITTEE APPROVED BALANCING THE GOVERNOR'S RECOMMENDED SALARY/FRINGE REDUCTIONS TO AIR POLLUTION CONTROL FEES RATHER THAN TO RESERVES. THIS ACTION REDUCES THE BUDGETED RESERVE LEVEL IN THE AIR POLLUTION CONTROL ACCOUNT FROM \$1.15 MILLION TO \$751,508 IN FY 2009-10, AND FROM \$1.66 MILLION TO \$744,488 IN FY 2010-11.

**DEP WATER POLLUTION CONTROL (101-3186) DCNR-136:** THE SUBCOMMITTEE APPROVED BUDGET AMENDMENT NUMBER 63 TO ADDRESS THE NEGATIVE BASE BUDGET RESERVE, AND THE OVERALL LOW RESERVE LEVELS, RECOMMENDED IN THE EXECUTIVE BUDGET. THIS BUDGET AMENDMENT REDUCES BASE BUDGET PERSONNEL COSTS EQUIVALENT TO VACANCY SAVINGS AVERAGED OVER THE PAST THREE YEARS, REDUCES INDIRECT COST ALLOCATION TRANSFERS, AND ELIMINATES THE PURCHASE OF A REPLACEMENT VEHICLE.

**DEP MINING REGULATION/RECLAMATION (101-3188) DCNR-152:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S

RECOMMENDATION TO ADD ONE NEW STAFF ENGINEER 3 POSITION, FUNDED WITH RESERVE REDUCTIONS. THIS POSITION IS NEEDED TO ADDRESS THE INCREASED CASELOAD DUE TO THE CURRENT HIGH METALS AND COMMODITIES PRICES. IN ADDITION, THIS NEW POSITION WILL ALLOW THE AGENCY TO INCREASE THE NUMBER OF MINES THAT ARE INSPECTED FOR RECLAMATION.

THE SUBCOMMITTEE RECOMMENDS CLOSING THE FOLLOWING DCNR BUDGET ACCOUNTS AS RECOMMENDED BY THE GOVERNOR WITH MINOR OR TECHNICAL ADJUSTMENTS:

- DEP STATE ENVIRONMENTAL COMMISSION (101-4149) DCNR-13
- FOREST FIRE SUPPRESSION (101-4196) DCNR-35
- FORESTRY INTER-GOVERNMENTAL AGREEMENTS (101-4227) DCNR-50
- FORESTRY NURSERIES (101-4235) DCNR-58
- NEVADA TAHOE REGIONAL PLANNING AGENCY (101-4166) DCNR-105
- DIVISION OF CONSERVATION DISTRICTS (101-4151) DCNR-107
- DEP ADMINISTRATION (101-3173) DCNR-123
- DEP WASTE MANAGEMENT AND FEDERAL FACILITIES (101-3187) DCNR-142
- DEP STATE REVOLVING LOAN PROGRAM (101-3189) DCNR-158
- DEP WATER QUALITY PLANNING (101-3193) DCNR-164
- DEP SAFE DRINKING WATER REGULATORY PROGRAM (101-3197) DCNR-171
- DEP WATER PLANNING CAPITAL IMPROVEMENT (101-4155) DCNR-178

Assemblyman Goicoechea commented that the Subcommittee had reviewed Assembly Bill (A.B.) 480, and it did not create an enterprise fund but would be industry-funded. The largest expenditure in this budget account was approximately \$900,000 to the Division of Water Resources. About \$400,000 of that amount would be backfilled by A.B. 480.

Assemblywoman Buckley asked whether the budget could be closed with the fees included or whether it had to be done through the passage of A.B. 480.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, assumed that it was General Fund revenue in A.B. 480, and the better choice would be to put the appropriation for the positions in the bill. If the bill was vetoed, the positions would also be vetoed. If it was General Fund revenue, the fees could not be built into the budget. The positions would need to be built into the bill.

Assemblywoman Buckley inquired whether fees built into the budget in the past were non-General Fund.

Mark Stevens explained that if it was a fee, it could be built into the budget but not if it was General Fund revenue.

Assemblywoman Leslie noted that A.B. 480 was just passed by the Assembly and was recently heard in the Senate Natural Resources Committee. She

believed the positions were needed whether or not the bill was passed. The Division of Water Resources could not be dismantled, and she preferred to keep the positions in the budget.

There being no further discussion, Chair Arberry requested a motion from the Committee.

ASSEMBLYMAN OCEGUERA MOVED FOR APPROVAL OF THE CLOSING REPORT FOR THE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION

THE MOTION CARRIED. (Assemblyman Denis was not present for the vote.)

\* \* \* \* \*

Assemblywoman Kathy McClain, Clark County Assembly District No. 15, Chair of the Joint Subcommittee on Public Safety, Natural Resources and Transportation, read the following closing report for the Department of Wildlife:

THE JOINT SUBCOMMITTEE FOR PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION HAS COMPLETED ITS REVIEW OF THE DEPARTMENT OF WILDLIFE'S BUDGET ACCOUNTS AND HAS MADE THE FOLLOWING RECOMMENDATIONS FOR THE DEPARTMENT'S 2009-11 BIENNIUM BUDGET.

**WILDLIFE ADMINISTRATION (101-4452) WILDLIFE-1:** THE SUBCOMMITTEE APPROVED THE ISSUANCE OF A LETTER OF INTENT THAT INSTRUCTS THE AGENCY TO WORK WITH FISCAL STAFF TO PREPARE WORK PROGRAMS FOR REVIEW BY THE INTERIM FINANCE COMMITTEE TO BECOME EFFECTIVE AT THE BEGINNING OF FY 2011 TO SEPARATE THE ADMINISTRATION ACCOUNT INTO MULTIPLE ACCOUNTS TO FACILITATE FINANCIAL TRACKING, REPORTING, ACCOUNTABILITY, AND PLANNING. THE SUBCOMMITTEE ALSO RECOMMENDED INCLUDING PROVISIONS IN THE APPROPRIATIONS AND AUTHORIZATIONS ACT TO ALLOW FOR THE ESTABLISHMENT OF MULTIPLE ACCOUNTS.

THE SUBCOMMITTEE ALSO APPROVED \$798,044 IN FEDERAL FUNDS, LICENSE AND FEE REVENUE, AND TRANSFERS FROM THE WILDLIFE OBLIGATED RESERVE ACCOUNT DURING THE 2009-11 BIENNIUM FOR REPLACEMENT EQUIPMENT THAT WAS NOT INCLUDED IN THE GOVERNOR'S RECOMMENDED BUDGET. THE SUBCOMMITTEE APPROVED THE REPLACEMENT EQUIPMENT BASED UPON THE AGENCY INDICATING THAT WORK PROGRAM REVISIONS WOULD BE PROCESSED DURING THE INTERIM TO PURCHASE REPLACEMENT EQUIPMENT.

IN ADDITION, THE SUBCOMMITTEE APPROVED \$133,038 IN FY 2010 AND \$129,392 IN FY 2011 FOR THE ESTABLISHMENT OF AN UNCLASSIFIED DEPUTY DIRECTOR POSITION AS RECOMMENDED BY THE GOVERNOR. THE POSITION WOULD BE ASSIGNED OVERSIGHT RESPONSIBILITIES FOR THE DEPARTMENT'S FINANCIAL OPERATIONS AND FUNDED FROM INDIRECT COST RECOVERIES FROM ALL OF THE AGENCY'S PROGRAMS.



THE SUBCOMMITTEE CLOSED THE REMAINDER OF THE WILDLIFE ADMINISTRATION ACCOUNT AS RECOMMENDED BY THE GOVERNOR WITH THE APPROVAL OF A DECISION UNIT THAT WOULD ADD LICENSE AND FEE REVENUE CONTINGENT ON THE PASSAGE OF SENATE BILL 411, WHICH CLARIFIES QUALIFICATIONS FOR PURCHASE OF RESIDENT LICENSES AND TAGS. THIS LEGISLATION WAS HEARD BY THE SENATE COMMITTEE ON FINANCE ON APRIL 29, 2009.

**WILDLIFE BOATING PROGRAM (101-4456) WILDLIFE-18:** THE SUBCOMMITTEE APPROVED \$750,000 IN FEDERAL FUNDS IN EACH YEAR OF THE BIENNIUM AS RECOMMENDED BY THE GOVERNOR FOR BOATING ACCESS IMPROVEMENTS AT BISHOP CREEK DAM AND SAND HARBOR. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION TO PROVIDE \$852,067 IN FEDERAL FUNDS AND FUNDING FROM RESERVES FOR NEW AND REPLACEMENT EQUIPMENT DURING THE 2009-11 BIENNIUM. THE SUBCOMMITTEE ADDED \$451 DURING EACH FISCAL YEAR OF THE BIENNIUM FOR THE COST TO EQUIP THE NEW BOATS RECOMMENDED BY THE GOVERNOR.

**WILDLIFE TROUT MANAGEMENT (101-4454) WILDLIFE-24:** THE SUBCOMMITTEE APPROVED \$122,740 FROM RESERVES DURING THE 2009-11 BIENNIUM FOR MAINTENANCE PROJECTS AT THE MASON VALLEY, GALLAGHER, AND LAKE MEAD HATCHERIES.

**WILDLIFE OBLIGATED RESERVE (101-4458) WILDLIFE-27:** THE SUBCOMMITTEE APPROVED THE TRANSFER OF \$459,235 IN FEDERAL FUNDS IN EACH YEAR OF THE 2009-11 BIENNIUM TO THE ADMINISTRATION ACCOUNT TO SEPARATE THE FUNDING FOR THE WATER DEVELOPMENT PROGRAM FROM THE RESTRICTED FUNDS INCLUDED IN THIS ACCOUNT. THE SUBCOMMITTEE ALSO APPROVED RETAINING THE TRANSFERRED WATER DEVELOPMENT FUNDS IN A SPECIAL USE CATEGORY IN THE ADMINISTRATION ACCOUNT IN ORDER TO ISOLATE THE WATER DEVELOPMENT FUNDING FROM OTHER FUNDING INCLUDED IN THAT ACCOUNT.

There being no comments or questions, Chair Arberry requested a motion from the Committee.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF THE CLOSING REPORT FOR THE DEPARTMENT OF WILDLIFE.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

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

\* \* \* \* \*

Assemblywoman Sheila Leslie, Washoe County Assembly District No. 27, Chair of the Joint Subcommittee on Human Services-CIPS read the following closing report for the Aging Services Division into the record:

THE JOINT SUBCOMMITTEE REVIEWED FIVE BUDGETS OF THE STATE'S DIVISION FOR AGING SERVICES. THE SUBCOMMITTEE

RECOMMENDATIONS RESULT IN A TOTAL GENERAL FUND SAVINGS OF \$107,271 IN FY 2010 AND \$22,711 IN FY 2011. THE FOLLOWING COMMENTS DESCRIBE THE MORE SIGNIFICANT CLOSING RECOMMENDATIONS OF THE SUBCOMMITTEE.

**SENIOR CITIZENS' PROPERTY TAX ASSISTANCE (101-2363)**

**AGING-1:** THE SUBCOMMITTEE MODIFIED THE GOVERNOR'S RECOMMENDATIONS FOR GENERAL FUND APPROPRIATIONS FOR PROPERTY TAX REFUNDS. THE SUBCOMMITTEE APPROVED \$851,450 IN FY 2010 AND \$1.1 MILLION IN FY 2011 TO PROVIDE PROPERTY TAX REBATES TO SENIORS, IN COMPARISON WITH THE GOVERNOR'S RECOMMENDATION OF \$1.0 MILLION IN FY 2010 AND \$1.4 MILLION IN FY 2011. THIS WAS DONE BASED UPON A RE-PROJECTION OF THE NUMBER OF APPLICANTS AND THE AVERAGE REFUND, SHOWING LESS NEED FOR ADDITIONAL FUNDING. TOGETHER WITH THE BASE BUDGET FUNDING, THE SUBCOMMITTEE RECOMMENDS A TOTAL OF \$5.5 MILLION IN GENERAL FUND FOR PROPERTY TAX REFUNDS IN FY 2010 AND \$5.8 MILLION IN GENERAL FUND FOR REFUNDS IN FY 2011.

**TOBACCO SETTLEMENT PROGRAM (262-3140) AGING-7:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO TRANSFER THE SENIOR RX AND DISABILITY RX PROGRAMS FROM THE HHS DIRECTOR'S OFFICE TO THE DIVISION FOR AGING SERVICES, BUT DISAPPROVED THE GOVERNOR'S RECOMMENDATION TO PLACE THOSE PROGRAMS INTO THIS BUDGET ACCOUNT. INSTEAD, A NEW BUDGET ACCOUNT (SENIOR RX AND DISABILITY RX, 101-3156) WAS CREATED, AND THE DECISION UNITS TRANSFERRING THE TWO PROGRAMS FROM THE DIRECTOR'S OFFICE WERE MOVED INTO THE NEW BUDGET ACCOUNT. THEREFORE, THE TOBACCO SETTLEMENT PROGRAM BUDGET WILL CONTINUE TO BE SUPPORTED WITH TOBACCO SETTLEMENT PROCEEDS AND WILL NOT HAVE ANY GENERAL FUND APPROPRIATIONS. THE OTHER DECISION UNITS WERE APPROVED LARGELY AS RECOMMENDED BY THE GOVERNOR, BUT WITH STAFF TECHNICAL ADJUSTMENTS.

**HOME AND COMMUNITY BASED PROGRAMS (101-3146)**

**AGING-15:** THE SUBCOMMITTEE APPROVED THE FOLLOWING ADDITIONAL WAIVER SLOTS OVER AND ABOVE THE GOVERNOR'S RECOMMENDATION: 239 FOR THE COMMUNITY HOME-BASED INITIATIVES PROGRAM (CHIP); 146 FOR THE WAIVER FOR ELDERLY IN ADULT RESIDENTIAL CARE (WEARC); AND 9 FOR ASSISTED LIVING (AL). THE SUBCOMMITTEE'S RECOMMENDED ADD-BACK RESULTS IN A TOTAL OF 2,006 MEDICAID WAIVER SLOTS OVER THE COURSE OF THE 2009-11 BIENNIUM. THE WAIVER SLOTS RECOMMENDED BY THE SUBCOMMITTEE WILL RESTORE THE DIVISION TO THE TOTAL LEGISLATIVELY APPROVED NUMBER OF CASELOAD SLOTS FOR FY 2008, BEFORE BUDGET REDUCTIONS WERE MADE. THE COST TO THE GENERAL FUND OF ADDING BACK 394 CASELOAD SLOTS IN THIS BUDGET IS \$89,942 IN FY 2010 AND \$185,701 IN FY 2011. THE MAJORITY OF THE GENERAL FUND ADD-BACK WILL OCCUR IN THE MEDICAID BUDGET (BA 3243), AND THE GENERAL FUND COST ASSOCIATED WITH THE ADDITIONAL

WAIVER SLOTS IN THE MEDICAID BUDGET IS \$3 MILLION OVER THE 2009-11 BIENNIUM.

THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION FOR A GENERAL FUND ENHANCEMENT OF \$40,585 IN FY 2010 AND \$110,340 TO ADD 6 CASELOAD SLOTS TO THE NRS 426 (OLMSTEAD) PORTION OF THE COMMUNITY OPTIONS FOR THE ELDERLY (COPE) PROGRAM IN EACH FISCAL YEAR. THIS WOULD BRING THE TOTAL COPE SLOTS TO 187 AT THE END OF FY 2010 AND 193 AT THE END OF FY 2011. AS THE COMMITTEE IS AWARE, THE NRS 426 PROGRAM WITHIN COPE ASSISTS FRAIL SENIORS WITH BATHING, TOILETING AND FEEDING.

THE SUBCOMMITTEE RECOMMENDED A SMALLER REDUCTION TO THE REIMBURSEMENT RATE FOR PERSONAL CARE ATTENDANT (PCA) SERVICES THAN THE GOVERNOR RECOMMENDED. THE GOVERNOR RECOMMENDED AN HOURLY RATE OF \$15.52 FOR PCA SERVICES, AND THE SUBCOMMITTEE APPROVED AN HOURLY RATE OF \$17. THIS IS A REDUCTION FROM THE CURRENT RATE OF \$18.52. THE SUBCOMMITTEE'S RECOMMENDATION REPRESENTS A GENERAL FUND SAVINGS OF \$54,910 IN EACH YEAR OF THE 2009-11 BIENNIUM IN THIS BUDGET, RATHER THAN THE \$109,088 IN SAVINGS RECOMMENDED BY THE GOVERNOR.

**AGING FEDERAL PROGRAMS AND ADMINISTRATION (101-3151)**

**AGING-24:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO TRANSFER THE OFFICE OF DISABILITY SERVICES FROM THE HHS DIRECTOR'S OFFICE TO THE DIVISION FOR AGING SERVICES, AND CREATE A NEW DIVISION FOR AGING AND DISABILITY SERVICES. THE DEVELOPMENTAL DISABILITIES (BA 3154), COMMUNITY BASED SERVICES (BA 3266) AND IDEA PART C COMPLIANCE (BA 3276) BUDGETS ARE RECOMMENDED TO BECOME AGING BUDGET ACCOUNTS. IN ADDITION, AS PREVIOUSLY NOTED, THE SENIOR RX AND DISABILITY RX PROGRAMS WERE APPROVED TO MOVE INTO AGING.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATIONS TO UTILIZE GENERAL FUND APPROPRIATIONS TO PAY FOR TWO PROGRAM EFFORTS NO LONGER SUPPORTABLE WITH FEDERAL FUNDS. THE SUBCOMMITTEE APPROVED THE USE OF \$28,328 OVER THE BIENNIUM IN GENERAL FUND IN ORDER TO PARTIALLY SUPPORT ONE SOCIAL SERVICES PROGRAM SPECIALIST TO OVERSEE THE AGING AND DISABILITY RESOURCE CENTER (ADRC) EFFORT THROUGHOUT THE STATE. IN ADDITION, \$209,135 WAS APPROVED TO PARTIALLY SUPPORT 17 POSITIONS WITHIN THE OMBUDSMAN PROGRAM OVER THE 2009-11 BIENNIUM. FINALLY, THE SUBCOMMITTEE ACCEPTED BUDGET AMENDMENT NUMBER 155, WHICH OFFSETS \$83,900 IN GENERAL FUND IN FY 2010 DUE TO THE RECEIPT OF FEDERAL STIMULUS FUNDS FOR AGING PROGRAMS.

**EPS/HOMEMAKER PROGRAMS (101-3252) AGING-44:** THE SUBCOMMITTEE APPROVED THIS BUDGET ACCORDING TO THE GOVERNOR'S RECOMMENDATIONS WITH STAFF TECHNICAL ADJUSTMENTS. THE SUBCOMMITTEE APPROVED THE ISSUANCE OF A LETTER OF INTENT INSTRUCTING THE DIVISION FOR AGING AND DISABILITY SERVICES TO EXPEND ITS FEDERAL TITLE XX FUNDS AND TOBACCO SETTLEMENT FUNDS PRIOR TO EXPENDING ANY OF THE GENERAL FUND APPROPRIATIONS THAT MIGHT BE MADE AVAILABLE FOR THIS BUDGET ACCOUNT.

There being no comments or questions, Chair Arberry requested a motion from the Committee.

ASSEMBLYWOMAN MCCLAIN MOVED APPROVAL OF THE CLOSING REPORT FOR THE AGING SERVICES DIVISION.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

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

\* \* \* \* \*

Assemblywoman Debbie Smith, Washoe County Assembly District No. 30, Chair of the Joint Subcommittee on K-12/Higher Education, read the following closing report for the Department of Education into the record:

THE JOINT SUBCOMMITTEE ON K-12/HIGHER EDUCATION COMPLETED ITS REVIEW OF THE BUDGET ACCOUNTS FOR THE DEPARTMENT OF EDUCATION, EXCEPT THE DISTRIBUTIVE SCHOOL ACCOUNT, OTHER STATE EDUCATION PROGRAMS, THE SCHOOL REMEDIATION TRUST FUND, AND THE INCENTIVES FOR LICENSED EDUCATIONAL PERSONNEL BUDGETS, WHICH WILL BE PRESENTED AT A LATER DATE. THE CLOSING ACTIONS OF THE SUBCOMMITTEE RESULTED IN A DECREASE IN GENERAL FUND SUPPORT FOR THESE BUDGETS OF APPROXIMATELY \$1.1 MILLION FOR FY 2010 AND \$745,000 FOR FY 2011. THE FOLLOWING HIGHLIGHTS THE MORE SIGNIFICANT CLOSING RECOMMENDATIONS OF THE SUBCOMMITTEE.

**EDUCATION SUPPORT SERVICES (101-2720) K-12 ED-49:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION FOR A NEW BUDGET ANALYST AND A NEW AUDITOR IN THIS ACCOUNT TO ASSIST WITH INCREASED WORKLOAD, GROWING STUDENT ENROLLMENT AND AN INCREASE IN THE NUMBER OF FEDERAL GRANTS. THE BUDGET ANALYST AND ONE-HALF OF THE AUDITOR POSITION WILL BE FUNDED THROUGH INDIRECT COSTS, WITH THE OTHER ONE-HALF OF THE AUDITOR FUNDED BY THE FEDERAL CHILD NUTRITION PROGRAMS.

**PROFICIENCY TESTING (101-2697) K-12 ED-59:** THE SUBCOMMITTEE RECOMMENDED APPROVAL OF BUDGET AMENDMENT NUMBER 24 WHICH REDIRECTS A PORTION OF THE CONTRACT COSTS FOR THE HIGH SCHOOL PROFICIENCY

EXAMINATION (HSPE) AND THE CRITERION-REFERENCED TEST (CRT) TO THE INDIVIDUALS WITH DISABILITIES (IDEA) BUDGET. THE AMENDMENT ALSO CONVERTS TWO CONTRACT POSITIONS TO DEPARTMENT STAFF POSITIONS, ADDS A NEW BUSINESS PROCESS ANALYST POSITION TO PROVIDE "HELP DESK" FUNCTIONS FOR THE AUTOMATED DATA SYSTEMS, AND PROVIDES FOR ANNUAL SOFTWARE MAINTENANCE AND LICENSING FEES FOR THE SYSTEM OF ACCOUNTABILITY INFORMATION IN NEVADA (SAIN).

THE SUBCOMMITTEE ELIMINATED THE GOVERNOR'S RECOMMENDED INFLATIONARY ADJUSTMENT IN THE HSPE/CRT CONTRACT COSTS IN FY 2011, FOR A GENERAL FUND SAVINGS OF \$145,367. IN ADDITION, THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE NORM-REFERENCED TEST FROM THE PROFICIENCY TESTING PROGRAM.

THE GOVERNOR RECOMMENDED THE TRANSFER OF TWO FEDERALLY-FUNDED POSITIONS TO THE PROFICIENCY TESTING BUDGET TO BE FUNDED WITH STATE GENERAL FUNDS; HOWEVER, BASED ON THE DUTIES OF THOSE POSITIONS, THE SUBCOMMITTEE RECOMMENDED MODIFYING THE TRANSFER AND CONTINUING TO PROVIDE 25 PERCENT OF THE COST OF ONE OF THE POSITIONS FROM FEDERAL FUNDS.

THE NET GENERAL FUND SAVINGS OF THE SUBCOMMITTEE'S RECOMMENDATIONS IN THIS ACCOUNT ARE APPROXIMATELY \$1.1 MILLION IN FY 2010 AND \$745,000 IN FY 2011.

**TEACHER EDUCATION AND LICENSING (101-2705) K-12 ED-66:**

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION FOR ENHANCEMENTS TO THE TEACHER LICENSING SYSTEM IN THE AMOUNT OF \$344,083 OVER THE BIENNIUM, AND INCREASED THE GOVERNOR'S RECOMMENDATION FOR A NEW TELEPHONE SYSTEM FOR THE LAS VEGAS OFFICE BY \$23,421 IN FY 2010 TO ENSURE THE SYSTEM WILL BE COMPATIBLE WITH THE STATE TELEPHONE SYSTEM.

**DISCRETIONARY GRANTS – RESTRICTED (101-2709) K-12 ED-94:**

THE SUBCOMMITTEE AUTHORIZED FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) FUNDS FOR THE HOMELESS CHILDREN AND YOUTH GRANT IN THE AMOUNT OF \$523,263 IN FY 2010. THE FUNDS WILL BE DISTRIBUTED TO SCHOOL DISTRICTS TO ENSURE THAT HOMELESS YOUTH HAVE EQUAL ACCESS TO THE SAME PUBLIC EDUCATION AVAILABLE TO OTHER CHILDREN.

THE FEDERAL CHARTER SCHOOL GRANT THAT HAS HISTORICALLY BEEN INCLUDED IN THIS ACCOUNT EXPIRED IN SEPTEMBER 2008 AND WAS NOT RENEWED. THE SUBCOMMITTEE RECOMMENDED A LETTER OF INTENT BE DIRECTED TO THE DEPARTMENT OF EDUCATION TO PROVIDE A REPORT TO THE INTERIM FINANCE COMMITTEE FOR THE NOVEMBER 2009 MEETING THAT IDENTIFIES THE WEAKNESSES IN THE CHARTER SCHOOL GRANT APPLICATION THAT LEAD TO THE LOSS OF THE GRANT AND A PLAN OF IMPROVEMENT FOR FUTURE GRANT APPLICATIONS. THE LETTER OF INTENT WOULD ALSO DIRECT THE DEPARTMENT TO PROVIDE A REPORT FOR THE JUNE 2010 IFC MEETING INDICATING THE

NUMBER OF CHARTER SCHOOLS THAT APPLIED FOR THE CHARTER SCHOOL GRANT AND WERE AWARDED THE GRANT AND THE NUMBER OF CHARTER SCHOOLS DENIED THE GRANT.

**ELEMENTARY AND SECONDARY EDUCATION – TITLE I (101-2712) K-12 ED-102:** THE SUBCOMMITTEE APPROVED THE AUTHORITY TO RECEIVE ARRA TITLE I FUNDS OF APPROXIMATELY \$35 MILLION IN FY 2010. THIS REPRESENTS ONE-HALF OF THE TOTAL AWARD, WHICH WILL BE DISTRIBUTED TO SCHOOL DISTRICTS TO PROVIDE ASSISTANCE TO AT-RISK STUDENTS. THE OTHER HALF OF THE ARRA TITLE I FUNDS WILL BE AWARDED BY OCTOBER 1, 2009, IF THE DEPARTMENT MEETS CERTAIN RECORD-KEEPING AND REPORTING REQUIREMENTS AS PRESCRIBED BY ARRA.

**ELEMENTARY AND SECONDARY EDUCATION – TITLES II, V, AND VI (101-2713) K-12 ED 112:** THE SUBCOMMITTEE APPROVED THE AUTHORITY TO RECEIVE ARRA EDUCATIONAL TECHNOLOGY GRANT FUNDS OF APPROXIMATELY \$4.3 MILLION IN FY 2010. THE FUNDS ARE ANTICIPATED BY OCTOBER 1, 2009, AND WILL BE DISTRIBUTED TO SCHOOL DISTRICTS TO ASSIST IN IMPROVING STUDENT ACHIEVEMENT THROUGH THE USE OF TECHNOLOGY IN THE CLASSROOM.

**CAREER AND TECHNICAL EDUCATION (101-2676) K-12 ED 124:** DUE TO ANTICIPATED DECREASES IN THE CARL D. PERKINS FEDERAL GRANT, THE EXECUTIVE BUDGET RECOMMENDED THE ELIMINATION OF TWO POSITIONS IN THIS ACCOUNT; HOWEVER, RECENT INFORMATION INDICATES THE GRANT HAS NOT BEEN REDUCED AS MUCH AS ANTICIPATED AND SUFFICIENT FUNDS ARE AVAILABLE TO CONTINUE THESE POSITIONS. THE SUBCOMMITTEE RECOMMENDS RESTORATION OF THESE TWO POSITIONS.

**INDIVIDUALS WITH DISABILITIES EDUCATION (IDEA) (101-2715) K-12 ED-145:** THE SUBCOMMITTEE APPROVED THE AUTHORITY TO RECEIVE ARRA FUNDS FOR THE INDIVIDUALS WITH DISABILITIES ACT (IDEA) OF APPROXIMATELY \$34.8 MILLION. THIS REPRESENTS ONE-HALF OF THE TOTAL AWARD, WHICH WILL BE DISTRIBUTED TO SCHOOL DISTRICTS TO ASSIST IN THE INCREASED COST OF PROVIDING SPECIAL EDUCATION SERVICES TO STUDENTS WITH DISABILITIES. AS WITH THE TITLE I FUNDS MENTIONED EARLIER, THE OTHER HALF OF THE ARRA FUNDS WILL BE AWARDED BY OCTOBER 1, 2009, IF THE DEPARTMENT MEETS CERTAIN RECORD-KEEPING AND REPORTING REQUIREMENTS AS PRESCRIBED BY ARRA.

**OTHER ACCOUNTS WITH NO MAJOR CLOSING ISSUES:** THE SUBCOMMITTEE ALSO REVIEWED THE FOLLOWING BUDGETS: EDUCATION STATE PROGRAMS, EDUCATION STAFFING SERVICES, DRUG ABUSE EDUCATION, SCHOOL HEALTH EDUCATION-AIDS, GEAR-UP, OTHER UNRESTRICTED ACCOUNTS, STUDENT INCENTIVE GRANTS, CONTINUING EDUCATION, NUTRITION EDUCATION PROGRAMS, AND THE COMMISSION ON POST-SECONDARY EDUCATION. THE SUBCOMMITTEE RECOMMENDED THAT THESE ACCOUNTS BE CLOSED AS RECOMMENDED BY THE GOVERNOR, WITH TECHNICAL ADJUSTMENTS.

There being no comments or questions, Chair Arberry requested a motion from the Committee.

ASSEMBLYMAN DENIS MOVED APPROVAL OF THE CLOSING REPORT FOR THE DEPARTMENT OF EDUCATION.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Assemblyman Mo Denis, Clark County Assembly District No. 28, Chair of the Joint Subcommittee on General Government and Accountability read the following closing report for the Department of Employment, Training and Rehabilitation (DETR) into the record:

THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT AND ACCOUNTABILITY HAS COMPLETED ITS REVIEW OF THE BUDGETS FOR THE DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION (DETR) AND HAS MADE THE FOLLOWING RECOMMENDATIONS FOR THE DEPARTMENT'S 2009-11 BIENNIAL BUDGET.

THREE ISSUES IMPACT A NUMBER OF ACCOUNTS AND WILL NOT BE DISCUSSED IN EACH ACCOUNT BUT WILL BE INCLUDED IN THE BUDGETS WHERE APPLICABLE. FIRST, THE EXECUTIVE BUDGET INCLUDED UTILITY INFLATION OF 6.8 PERCENT AND 3 PERCENT FOR ELECTRICITY; AND 9 PERCENT AND 3 PERCENT FOR NATURAL GAS; HOWEVER, THIS INFLATIONARY ADJUSTMENT WAS NOT INCLUDED IN THE DETR BUDGET ACCOUNTS. THE SUBCOMMITTEE APPROVED THE INCLUSION OF THIS UTILITY INFLATION IN ALL DETR BUDGET ACCOUNTS WITH FUNDING TO BE PROVIDED BY NON-GENERAL FUND SOURCES.

NEXT, AS A RESULT OF THE CURRENT UNEMPLOYMENT SITUATION, A NUMBER OF NEW, PERMANENT POSITIONS HAVE BEEN REQUESTED BY DETR IN VARIOUS ACCOUNTS AND APPROVED BY THE INTERIM FINANCE COMMITTEE. THESE POSITIONS HAVE BEEN INCLUDED IN THE BUDGETS FOR THE 2009-11 BIENNIUM.

FINALLY, A NUMBER OF THE DETR ACCOUNTS ARE RECIPIENTS OF FUNDING THROUGH THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA). WHERE APPROPRIATE, THESE FUNDS HAVE BEEN INCORPORATED INTO THE 2009-11 BUDGETS.

**INFORMATION DEVELOPMENT AND PROCESSING (101-3274)**

**DETR-6:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION FOR TWO NEW INFORMATION TECHNOLOGY POSITIONS TO MANAGE THE INCREASED WORKLOAD FOR THE OVERSIGHT OF THE JOBCONNECT OFFICES THAT ARE NO LONGER SUPPORTED BY NEVADAWORKS. IN ADDITION, THE SUBCOMMITTEE APPROVED TWO ADDITIONAL INFORMATION TECHNOLOGY

PROFESSIONALS THAT WERE NOT INCLUDED IN THE EXECUTIVE BUDGET TO PROVIDE SUPPORT AND MAINTENANCE OF THE EXISTING CONTRIBUTION AND BENEFITS SYSTEMS AND TO ADDRESS THE INCREASED DEMANDS RESULTING FROM THE HIGH LEVEL OF UNEMPLOYMENT CLAIMS.

**EQUAL RIGHTS COMMISSION (101-2580) DETR-20:** THE GOVERNOR RECOMMENDED, AND THE SUBCOMMITTEE APPROVED, THE ESTABLISHMENT OF A SELF-SUPPORTING, FEDERALLY-FUNDED PROGRAM TO INVESTIGATE AND RESOLVE HOUSING DISCRIMINATIONS COMPLAINTS. THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WILL PROVIDE CAPACITY BUILDING FUNDS FOR FY 2010 AND PART OF FY 2011 AND WILL REIMBURSE THE EQUAL RIGHTS COMMISSION ON A PER-CASE BASIS. THE PROVISIONS INCLUDED IN BDR 1169 WILL REQUIRE ENACTMENT IN ORDER TO ALIGN THE STATE FAIR HOUSING STATUTES WITH THE FEDERAL PROVISIONS. THE SUBCOMMITTEE RECOMMENDED A LETTER OF INTENT ADVISING THE COMMISSION THAT THE PROGRAM SHOULD BE RECOMMENDED FOR ELIMINATION IF IT IS NOT SELF-SUPPORTING BY THE END OF THE 2009-11 BIENNIUM.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE AN ADMINISTRATIVE ASSISTANT AND A COMPLIANCE INVESTIGATOR AS A CONTINUATION OF THE BUDGET REDUCTIONS FOR THE 2007-2009 BIENNIUM. HOWEVER, THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE A SECOND COMPLIANCE INVESTIGATOR IN FY 2011 SINCE IT NOW APPEARS THAT SUFFICIENT FEDERAL FUNDING WILL BE AVAILABLE TO SUPPORT THAT POSITION.

**VOCATIONAL REHABILITATION (101-3265) DETR-44 AND SERVICES TO THE BLIND AND VISUALLY IMPAIRED (101-3254) DETR 54:** IN BOTH OF THESE ACCOUNTS, A SIGNIFICANT PORTION OF THE POSITIONS ARE SUPPORTED WITH FEDERAL SECTION 110 REVENUE AND A 21.3 PERCENT GENERAL FUND MATCH. AS A GENERAL FUND REDUCTION MEASURE, THE EXECUTIVE BUDGET RECOMMENDED THE ELIMINATION OF THREE POSITIONS IN VOCATIONAL REHABILITATION AND TWO POSITIONS IN SERVICES TO THE BLIND; HOWEVER, DETR WAS ABLE TO IDENTIFY AN ALTERNATIVE SOURCE OF MATCH THROUGH THE BLIND BUSINESS ENTERPRISE PROGRAM IN ORDER TO RESTORE THE POSITIONS WITHOUT THE ADDITION OF GENERAL FUNDS. THEREFORE, THE SUBCOMMITTEE APPROVED BUDGET AMENDMENTS FOR THE RESTORATION OF THESE POSITIONS.

IN THE SERVICES FOR THE BLIND ACCOUNT, THE AMENDMENT ALSO RECOMMENDED, AND THE SUBCOMMITTEE APPROVED, THE PURCHASE OF TWO BRAILLE MACHINES THAT HAD BEEN REQUESTED BY THE AGENCY BUT WERE NOT INCLUDED IN THE GOVERNOR'S ORIGINAL RECOMMENDATIONS. THE NEW SOURCE OF MATCH FUNDING ALLOWS FOR THE PURCHASE OF THESE MACHINES WITHOUT ANY ADDITIONAL GENERAL FUNDS.



**BLIND BUSINESS ENTERPRISE PROGRAM (101-3253) DETR-63:**

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDED BUDGET FOR THIS ACCOUNT, WHICH INCLUDED RENOVATION OF THE THREE BLIND VENDOR FACILITIES AT HOOVER DAM AND THE CONSTRUCTION OF NEW FACILITIES AT THE RED ROCK CONSERVATION AREA AND AT THE CLARK COUNTY SHOOTING PARK. BECAUSE AN AGREEMENT HAS NOT BEEN FINALIZED ON THE RED ROCK FACILITY, THE SUBCOMMITTEE RECOMMENDED A LETTER OF INTENT REQUIRING THE DEPARTMENT TO SUBMIT AN INFORMATIONAL ITEM TO THE INTERIM FINANCE COMMITTEE IF AN AGREEMENT IS NOT REACHED WITH THE RED ROCK FACILITY AND A NEW LOCATION IS CHOSEN INSTEAD.

**EMPLOYMENT SECURITY (205-4770) DETR-77:**

THE SUBCOMMITTEE APPROVED BUDGET AMENDMENT NUMBER 73 WHICH PROVIDES PERSONNEL AND PROGRAMMING COSTS NEEDED TO IMPLEMENT THE ALTERNATE BASE PERIOD FOR UNEMPLOYMENT BENEFITS THAT WAS ENACTED IN ASSEMBLY BILL 469. THE SUBCOMMITTEE'S APPROVAL INCLUDED A MODIFICATION OF THE AMENDMENT TO ALLOW THE POSITIONS REQUIRED FOR IMPLEMENTATION TO BEGIN ON JULY 1, 2009, RATHER THAN JULY 1, 2010.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATIONS FOR THE CREATION OF A WORKFORCE TRANSFORMATION UNIT, THE CONVERSION OF A CONTRACT ATTORNEY AND A LEGAL SECRETARY TO STATE POSITIONS, AND THREE POSITIONS TO ADDRESS NATIONAL TRENDS IN THE MISCLASSIFICATION OF WORKERS FOR TAX-RATE MANIPULATION. THE SUBCOMMITTEE DID NOT APPROVE PROGRAMMER CHARGES THAT WERE RECOMMENDED FOR A RATE METHODOLOGY CHANGE FOR BUSINESSES WITH COMMON OWNERSHIP SINCE THE LEGISLATION ALLOWING FOR THAT CHANGE WAS NOT APPROVED.

FINALLY, THE SUBCOMMITTEE APPROVED BUDGET AMENDMENT NUMBER 40 TO INCREASE THE BUDGETED AMOUNT FOR INTERMITTENT POSITIONS THAT WERE APPROVED TO MEET THE CURRENT HIGH LEVEL OF UNEMPLOYMENT FILINGS FROM THE ORIGINAL RECOMMENDATION OF \$3.8 MILLION EACH YEAR TO \$5.0 MILLION EACH YEAR.

**CAREER ENHANCEMENT PROGRAM (205-4767) DETR-89:**

DUE TO THE CURRENT ECONOMIC SITUATION, THE SUBCOMMITTEE APPROVED THE DEPARTMENT'S REVISIONS OF THE WAGE ASSESSMENT REVENUES THAT FUND THIS ACCOUNT TO \$12.5 MILLION EACH YEAR OF THE UPCOMING BIENNIUM. THIS IS A REDUCTION OF \$590,000 IN FY 2010 AND \$1.2 MILLION IN FY 2011.

THE SUBCOMMITTEE APPROVED THE REEMPLOYMENT SERVICES PROGRAM RECOMMENDED BY THE GOVERNOR, AS WELL AS FIVE NEW PERMANENT AND TEN INTERMITTENT WORKFORCE SERVICE REPRESENTATIVES TO EXPAND

EMPLOYMENT AND TRAINING ASSISTANCE. BOTH OF THESE ENHANCEMENTS ARE INTENDED TO RETURN INDIVIDUALS TO WORK MORE QUICKLY. THE SUBCOMMITTEE APPROVED THE DEPARTMENT’S REQUEST TO REVISE THE FUNDING SOURCE FOR THESE ENHANCEMENTS FOR FY 2010 AND THE FIRST THREE MONTHS OF FY 2011 IN ORDER TO UTILIZE WAGNER-PEYSER FUNDING MADE AVAILABLE THROUGH THE AMERICAN RECOVERY AND REINVESTMENT ACT.

**EMPLOYMENT SECURITY – SPECIAL FUND (235-4771) DETR 98:** THE SUBCOMMITTEE APPROVED THE GOVERNOR’S RECOMMENDATION TO CONTINUE INTO PHASE II OF THE UI MODERNIZATION PROJECT TO REPLACE THE 30-YEAR OLD UNEMPLOYMENT TAX AND BENEFIT SYSTEMS. THE RECOMMENDATION PROVIDES \$11.7 MILLION IN FY 2010 AND \$10.5 MILLION IN FY 2011 TO IMPLEMENT THE BUSINESS AND TECHNOLOGY SOLUTION IDENTIFIED DURING PHASE I OF THE PROJECT WHICH WAS CONDUCTED DURING THE CURRENT BIENNIUM. THE PROJECT IS FUNDED WITH FEDERAL REED ACT FUNDS.

THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR’S RECOMMENDATION OF APPROXIMATELY \$2.1 MILLION OVER THE BIENNIUM TO SUPPORT THE MAINTENANCE AND REPAIR OF DETR-OWNED BUILDINGS. THE SUBCOMMITTEE DID MODIFY THE RECOMMENDATION SLIGHTLY TO REMOVE THE SLURRY SEAL OF THREE RELATIVELY NEW PARKING LOTS FROM THE CIP PROGRAM. THIS RECOMMENDATION REDUCES THE COST OF THE PROJECT BY APPROXIMATELY 30 PERCENT, OR \$58,768, THAT WAS INCLUDED FOR PUBLIC WORKS BOARD DESIGN, PLAN CHECK, PROJECT MANAGEMENT AND INSPECTION.

**OTHER ACCOUNTS WITH NO MAJOR CLOSING ISSUES:** THE SUBCOMMITTEE ALSO REVIEWED THE FOLLOWING BUDGETS: DETR ADMINISTRATION, RESEARCH AND ANALYSIS, REHABILITATION ADMINISTRATION, DISABILITY ADJUDICATION AND THE CLIENT ASSISTANCE PROGRAM. THE SUBCOMMITTEE RECOMMENDED THAT THESE ACCOUNTS BE CLOSED AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS AND WITH THE INCORPORATION OF UTILITY INFLATION, ADDITIONAL POSITIONS APPROVED BY IFC AND ARRA FUNDS AS MENTIONED EARLIER.

THE FOLLOWING TABLE SUMMARIZES THE ARRA FUNDS THAT HAVE BEEN INCORPORATED INTO THE BUDGETS FOR THE DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION.

PAGE	BUDGET	TITLE	FY 2010
44	101-3265	Vocational Rehabilitation - Section 110 Funds	\$ 2,846,814 *
44	101-3265	Vocational Rehabilitation - Independent Living Funds	\$ 242,913
54	101-3254	Services To The Blind - Section 110 Funds	\$ 316,312 *
54	101-3254	Services To The Blind - Older American Funds	\$ 210,304 *
77	101-4770	Employment Security - Workforce Investment Funds	\$18,955,593 *
			\$22,571,936
* This amount represents 75 percent of the total allocation; 25 percent was booked in FY 2009 through work program revisions approved by the Interim Finance Committee.			

Assemblywoman Smith noted that in the past there had been problems with the Blind Business Enterprise Program (101-3253), such as money that was not being spent. She wondered whether the issues had been resolved.

Bob Atkinson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB) responded that the Subcommittee had not received any testimony on problems of the type described by Assemblywoman Smith. The money in the reserve account had been spent to renovate and build new facilities.

ASSEMBLYWOMAN SMITH MOVED APPROVAL OF THE CLOSING  
REPORT FOR THE DEPARTMENT OF EMPLOYMENT, TRAINING  
AND REHABILITATION.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

Assemblyman Hardy pointed out that in previous budget closing reports there was a caveat at the beginning to show where the budget stood as compared to the Governor's recommendation. It appeared to him that the American Recovery and Reinvestment Act of 2009 (ARRA) filled a \$22 million hole; however, in the closing report Assemblyman Denis stated that, "The new source of match funding allows for the purchase of these machines with any additional General Funds." He asked whether it should read "without any additional General Funds."

Assemblyman Denis confirmed that it should read "without any additional General Funds."

Assemblyman Hardy asked whether this was a net \$22 million reduction from the Governor's recommended budget.

Mr. Atkinson responded that for the most part the General Fund in DETR was match for the Federal Section 110 Program, and most of the remaining money in that account was removed by the Governor. The additional revenues supplemented the federal funds in the account, but there was no General Fund to reduce in the account, and no General Fund savings in all of the DETR budgets. In the budgets that were matched, the General Fund was a 21.3 percent match to federal funds. For every dollar taken out of that program, the state would lose four dollars in federal funds. Some of the positions were restored without any additional General Funds because additional match was found, but there were no General Fund reductions.

THE MOTION CARRIED. (Chair Arberry abstained.)

\*\*\*\*\*

Assemblyman Mo Denis, Clark County Assembly District No. 28, Chair of the Joint Subcommittee on General Government and Accountability, read the following closing report for the Department of Taxation into the record:

**DEPARTMENT OF TAXATION (101-2361) TAXATION-1:** THE JOINT  
SUBCOMMITTEE ON GENERAL GOVERNMENT AND  
ACCOUNTABILITY HAS COMPLETED ITS REVIEW OF THE  
DEPARTMENT OF TAXATION'S BUDGET FOR THE 2009-11  
BIENNIUM. THE SUBCOMMITTEE'S RECOMMENDATIONS  
RESULT IN NET GENERAL FUND SAVINGS OF \$61,536 IN FY 2010

WHEN COMPARED TO THE GOVERNOR'S RECOMMENDED BUDGET.

THE SUBCOMMITTEE RECOMMENDS APPROVING THREE INTERRELATED ACTIONS INCLUDED IN THE GOVERNOR'S BUDGET TO PARTIALLY RESTORE, RECLASSIFY AND RE-DEPLOY 29.51 POSITIONS HELD VACANT BY THE DEPARTMENT DURING THE CURRENT BIENNIUM FOR BUDGET REDUCTION PURPOSES. FIRST, THE SUBCOMMITTEE RECOMMENDS RESTORING 23.0 OF THE POSITIONS WHILE ELIMINATING THE OTHER 6.51 VACANT ADMINISTRATIVE POSITIONS. SECONDLY, THE SUBCOMMITTEE RECOMMENDS THE RECLASSIFICATION OF 15.0 OF THE RESTORED POSITIONS TO LOWER LEVEL CLASSIFICATIONS. FINALLY, THE SUBCOMMITTEE RECOMMENDS THAT 10.0 OF THE RECLASSIFIED POSITIONS BE ASSIGNED TO WORK IN A NEW, TAXPAYER ASSISTANCE TELEPHONE CALL CENTER TO BE OPERATED BY THE DEPARTMENT IN CARSON CITY.

THE SUBCOMMITTEE'S RECOMMENDATIONS TO RESTORE AND RECLASSIFY POSITIONS WILL PROVIDE THE DEPARTMENT WITH NEEDED RESOURCES FOR AUDITING, PROPERTY APPRAISALS, REVENUE COLLECTIONS AND PROVIDING MORE TIMELY ASSISTANCE TO NEVADA TAXPAYERS.

THE TAXPAYER ASSISTANCE TELEPHONE CALL CENTER IS INTENDED TO IMPROVE THE DEPARTMENT'S RESPONSIVENESS TO NEVADA TAXPAYERS. IN FY 2008, THE DEPARTMENT RETURNED ONLY 55.0 PERCENT OF TAXPAYERS TELEPHONE CALLS WITHIN FIVE DAYS. THE SUBCOMMITTEE HEARD TESTIMONY FROM THE DEPARTMENT THAT THE CALL CENTER WILL BE LOCATED IN ITS CARSON CITY OFFICE AND OPERATE MONDAY THROUGH FRIDAY, 8:00 A.M.-5:00 P.M. THROUGH THE CALL CENTER, THE DEPARTMENT EXPECTS THAT IT WILL IMPROVE ITS PERFORMANCE TO 91.0 PERCENT OF ALL TAXPAYER'S TELEPHONE CALLS RETURNED WITHIN FIVE DAYS. THE DEPARTMENT ALSO TESTIFIED THAT AN EXPECTED, ADDITIONAL BENEFIT OF THE CALL CENTER IS THAT BY PROVIDING BETTER "FRONT END" ASSISTANCE, MORE COMPLETE AND ACCURATE RETURNS AND MORE TIMELY PAYMENTS SHOULD OCCUR.

ADDITIONALLY, THE SUBCOMMITTEE RECOMMENDS THE FOLLOWING ACTIONS:

- Ø CONCURRENCE WITH THE GOVERNOR'S RECOMMENDATION TO NOT INCLUDE \$3.16 MILLION IN GENERAL FUND SUPPORT FOR THE DEPARTMENT'S TECHNOLOGY INVESTMENT REQUEST (TIR) TO CREATE AN ELECTRONIC INTERFACE WITH THE DEPARTMENT'S UNIFIED TAX SYSTEM (UTS) FOR THE STREAMLINED SALES TAX PROJECT. HOWEVER, THE SUBCOMMITTEE DID RECOMMEND THAT A LETTER OF INTENT BE ISSUED DIRECTING THE DEPARTMENT TO REPORT SEMI-ANNUALLY TO THE INTERIM FINANCE COMMITTEE ANY CHANGES IN FEDERAL LEGISLATION, WHICH WOULD ALLOW THE STATE TO REQUIRE SALES AND USE TAXES BE COLLECTED ON SALES MADE BY OUT-OF-STATE SELLERS TO NEVADA RESIDENTS.

- Ø OVERALL APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO MIGRATE THE DEPARTMENT TO THE DEPARTMENT OF INFORMATION TECHNOLOGY'S (DOIT'S) STORAGE ARRAY NETWORK (SAN) RATHER THAN REPLACING ITS STAND ALONE SAN. HOWEVER, SINCE THE DEPARTMENT HAD RECENTLY PURCHASED A ONE-YEAR EXTENSION TO ITS EXISTING SAN'S WARRANTY, THE SUBCOMMITTEE DELAYED THE MIGRATION FROM JULY 1, 2009, TO JANUARY 1, 2010, CREATING A NET IN GENERAL FUND SAVINGS OF \$61,536 IN FY 2010.
- Ø APPROVAL OF THE EXECUTIVE BUDGET'S RECOMMENDATION OF \$145,728 IN FY 2010 AND \$134,896 IN FY 2011 GENERAL FUND SUPPORT TO RESTORE A FULL-TIME DATABASE ADMINISTRATOR ASSIGNED TO THE DEPARTMENT BUT LOCATED WITHIN DOIT'S BUDGET. THE 2007 LEGISLATURE APPROVED SIMILAR FUNDING, WHICH THE DEPARTMENT REVERTED AS PART OF CURRENT BIENNIUM BUDGET REDUCTION REQUIREMENTS. THE SUBCOMMITTEE ALSO APPROVED THE RECOMMENDATION OF \$229,680 IN FY 2010 GENERAL FUND SUPPORT FOR A ONE-YEAR CONTRACT EXTENSION TO ENSURE DEPARTMENT AND DOIT STAFF ARE TRAINED AND CAPABLE OF MAINTAINING THE DEPARTMENT'S UNIFIED TAX SYSTEM.
- Ø APPROVAL OF THE GOVERNOR'S RECOMMENDATION OF GENERAL FUND SUPPORT OF \$159,712 IN FY 2010 AND \$110,704 IN FY 2011 FOR COMPUTER EQUIPMENT REPLACEMENT.
- Ø THE SUBCOMMITTEE ALSO APPROVED A COST-NEUTRAL REVISION TO THE EXECUTIVE BUDGET TO ADDRESS A PROJECTED INCREASE IN THE DEPARTMENT'S LOCKBOX CONTRACT COSTS IN THE 2009-11 BIENNIUM. THE SUBCOMMITTEE APPROVED REDUCING OVERTIME EXPENDITURES BY \$130,000 IN EACH FISCAL YEAR AND INCREASING LOCKBOX EXPENDITURE AUTHORITY BY \$130,000 IN EACH YEAR.

FINALLY, THE SUBCOMMITTEE RECOMMENDS CLOSING THE REMAINDER OF THE DEPARTMENT OF TAXATION'S BUDGET AS RECOMMENDED BY THE GOVERNOR, WITH TECHNICAL ADJUSTMENT BY STAFF.

ASSEMBLYMAN CONKLIN MOVED TO ACCEPT THE DEPARTMENT OF TAXATION CLOSING REPORT.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Assemblywoman Kathy McClain, Clark County Assembly District No. 15, Chair of the Joint Subcommittee on Public Safety, Natural Resources and Transportation, read the following closing report for the Colorado River Commission into the record:

THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION HAS COMPLETED ITS

REVIEW OF THE BUDGETS FOR THE COLORADO RIVER COMMISSION (CRC) AND RECOMMENDS THE FOLLOWING CLOSING ACTIONS.

**COLORADO RIVER COMMISSION (296-4490) COLORADO RIVER COMMISSION-1:**

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE A NATURAL RESOURCE TECHNICIAN AND AN ENERGY SUPPLY MANAGER AS THESE POSITIONS WILL NOT BE NEEDED IN THE 2009-11 BIENNIUM. IN ADDITION, THE SUBCOMMITTEE ACCEPTED FISCAL STAFF'S RECOMMENDATION TO ELIMINATE AN ADDITIONAL FIVE POSITIONS: A SENIOR ENERGY ACCOUNTANT, A HALF-TIME ADMINISTRATIVE AID, A POWER FACILITIES ENGINEER, THE REGULATORY AFFAIRS MANAGER AND AN ENERGY SUPPLY MANAGER. THE RECOMMENDATION IS BASED UPON LONG-TERM VACANCIES AND A DETERMINATION THESE POSITIONS WILL NOT BE NEEDED IN THE 2009-11 BIENNIUM. BY ELIMINATING THESE SEVEN POSITIONS, COST SAVINGS AND THE ASSOCIATED INCREASE IN THE RESERVES IN THIS ACCOUNT TOTAL \$627,734 IN FY 2010 AND \$630,506 IN FY 2011.

THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION TO INCREASE OUT-OF-STATE TRAVEL BY \$12,028 IN FY 2010 AND \$14,200 IN FY 2011 BASED UPON ANTICIPATED ATTENDANCE AT MEETINGS ADDRESSING ALLOCATION ISSUES ALONG THE COLORADO RIVER AS WELL AS THE IMPACTS OF RENEWABLE ENERGY ISSUES ON TRANSMISSION FACILITIES IN THE WESTERN UNITED STATES.

**CRC RESEARCH AND DEVELOPMENT (296-4497) COLORADO RIVER COMMISSION-11:** THE SUBCOMMITTEE APPROVED THE RESEARCH AND DEVELOPMENT ACCOUNT AS RECOMMENDED BY THE GOVERNOR THAT INCLUDES FUNDING OF \$718,816 IN FY 2010 AND \$814,418 IN FY 2011 TO SUPPORT NEVADA'S SHARE OF THE COSTS OF THE LOWER COLORADO RIVER MULTI-SPECIES CONSERVATION PROGRAM, A REGIONAL ENVIRONMENTAL PROJECT TO PRESERVE WILDLIFE AND PROTECT ENDANGERED SPECIES ALONG THE RIVER CORRIDOR.

THE SUBCOMMITTEE CLOSED THE **CRC POWER DELIVERY SYSTEM (502-4501; COLORADO RIVER COMM-10)** AND THE **CRC POWER MARKETING FUND (505-4502; COLORADO RIVER COMM-14)** AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN CONKLIN MOVED TO ACCEPT THE COLORADO RIVER COMMISSION CLOSING REPORT.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Assemblywoman Kathy McClain, Clark County Assembly District No. 15, Chair of the Joint Subcommittee on Public Safety, Natural Resources and Transportation, read the following closing report for the Peace Officers' Standards and Training (POST) Commission into the record:

THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION COMPLETED ITS REVIEW OF THE BUDGETS FOR THE PEACE OFFICERS STANDARDS AND TRAINING COMMISSION AND DEVELOPED THE FOLLOWING CLOSING RECOMMENDATIONS.

**PEACE OFFICERS STANDARDS AND TRAINING COMMISSION (101-3774) POST-1:** THE PEACE OFFICERS' STANDARDS AND TRAINING (POST) COMMISSION WAS ESTABLISHED BY THE 1999 LEGISLATURE AS A SEPARATE STAND ALONE ENTITY REPORTING DIRECTLY TO THE GOVERNOR. PRIOR TO THE 1999 SESSION, THE PEACE OFFICERS' STANDARDS AND TRAINING COMMISSION WAS ORGANIZED UNDER THE DEPARTMENT OF PUBLIC SAFETY. THE ACTION TAKEN BY THE 1999 LEGISLATURE WAS BASED ON A RECOMMENDATION MADE THROUGH AN INTERIM STUDY CONDUCTED PRIOR TO THE 1999 SESSION, WHICH INCORPORATED INPUT FROM ALL LAW ENFORCEMENT AGENCIES AND THE INTERNATIONAL ASSOCIATION OF DIRECTORS OF LAW ENFORCEMENT STANDARDS AND TRAINING.

FOR THE 2009-11 BIENNIUM, THE GOVERNOR HAS RECOMMENDED THE CONSOLIDATION OF THE PEACE OFFICERS' STANDARDS AND TRAINING COMMISSION WITH THE DEPARTMENT OF PUBLIC SAFETY TRAINING DIVISION TO REESTABLISH THE CONSOLIDATED TRAINING FUNCTION UNDER THE DEPARTMENT OF PUBLIC SAFETY. THE GOVERNOR'S RECOMMENDATION INCLUDED THE ELIMINATION OF FOUR POSITIONS FROM THE PEACE OFFICERS' STANDARDS AND TRAINING COMMISSION BASED ON DUPLICATE POSITIONS RESULTING FROM THE CONSOLIDATION. THE SUBCOMMITTEE WAS CONCERNED OVER THE ABILITY OF THE DEPARTMENT OF PUBLIC SAFETY TO MEET THE BASIC ACADEMY TRAINING NEEDS OF RURAL LAW ENFORCEMENT AGENCIES, WHICH THE PEACE OFFICERS' STANDARDS AND TRAINING COMMISSION SERVES. THE SUBCOMMITTEE WAS ALSO CONCERNED ABOUT THE AGENCY'S ABILITY TO EVALUATE AND AWARD OFFICER CERTIFICATIONS, CERTIFY BASIC ACADEMY PROGRAMS AND MONITOR AND AUDIT PEACE OFFICER 24 HOUR CONTINUING EDUCATION REQUIREMENTS IF COMBINED UNDER THE DEPARTMENT OF PUBLIC SAFETY. BASED ON THESE CONCERNS, THE SUBCOMMITTEE DID NOT SUPPORT THE GOVERNOR'S RECOMMENDATION TO CONSOLIDATE THE PEACE OFFICER STANDARDS AND TRAINING COMMISSION WITH THE DEPARTMENT OF PUBLIC SAFETY TRAINING DIVISION. THE RECOMMENDATION BY THE SUBCOMMITTEE RESULTED IN THE RESTORATION OF FOUR POSITIONS AND THE ADDITION OF COURT ASSESSMENTS TOTALING \$693,128 IN FY 2010 AND \$755,838 IN FY 2011 WHICH WERE RECOMMENDED BY THE GOVERNOR AS REVENUE TO THE GENERAL FUND. ADDITIONAL COURT ASSESSMENTS MAY BE REQUIRED DEPENDING ON FINAL DECISIONS BY THE MONEY COMMITTEES WITH RESPECT TO THE 6 PERCENT SALARY REDUCTION, SUSPENSION OF MERIT INCREASES, SUSPENSION OF LONGEVITY PAY AND REDUCTIONS TO ACTIVE AND RETIRED EMPLOYEE GROUP INSURANCE SUBSIDIES.

Assemblywoman Leslie commented that, as a member of the Subcommittee on Public Safety, Natural Resources and Transportation, she believed this was the right thing to do. During the deliberations, sheriffs and police chiefs from around the state pleaded with the Subcommittee to not consolidate the POST and Training Division.

ASSEMBLYWOMAN LESLIE MOVED TO ACCEPT THE PEACE OFFICERS' STANDARDS AND TRAINING COMMISSION CLOSING REPORT.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\*\*\*\*\*

Assemblywoman Kathy McClain, Clark County Assembly District No. 15, Chair of the Joint Subcommittee on Public Safety, Natural Resources and Transportation read the following closing report for the Office of the Military into the record:

THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION COMPLETED ITS REVIEW OF THE OFFICE OF THE MILITARY. THE SUBCOMMITTEE'S CLOSING RECOMMENDATIONS RESULT IN GENERAL FUND SAVINGS OF \$335,517 IN FY 2010 AND \$593,873 IN FY 2011.

**OFFICE OF THE MILITARY (BA 3650) MILITARY-1:** THE SUBCOMMITTEE SUPPORTS PROJECT CHALLENGE WHICH IS A NATIONAL GUARD PROGRAM DESIGNED TO PROVIDE HIGH SCHOOL DROP-OUTS WITH THE OPPORTUNITY TO RECEIVE A HIGH-SCHOOL DIPLOMA OR GED BY IMMERSING THEM IN A STRUCTURED, MILITARY-STYLE EDUCATION ENVIRONMENT. THE SUBCOMMITTEE SUPPORTS THE OFFICE'S PLANS TO SEND STUDENTS TO THE CALIFORNIA ACADEMY; HOWEVER, THE SUBCOMMITTEE VOICED RESERVATIONS ABOUT THE LARGE CLASS SIZES REFLECTED IN THE GOVERNOR'S BUDGET. THE SUBCOMMITTEE REDUCED THE CLASS SIZE FROM 50 PER CLASS TO 12 PER CLASS WHICH IS CONSISTENT WITH THE SIZE OF THE PREVIOUS PROGRAM OPERATED BY THE OFFICE OF THE MILITARY THROUGH THE STATE OF ARIZONA. THIS MODIFICATION RESULTS IN GENERAL FUND SAVINGS OF \$258,400 IN FY 2010 AND \$516,800 IN FY 2011.

THE SUBCOMMITTEE APPROVED THE CONTINUATION OF BUDGET REDUCTIONS THAT ELIMINATED FOUR POSITIONS. THE SUBCOMMITTEE CORRECTED FUND MAPPING ERRORS SAVING GENERAL FUND APPROPRIATIONS OF \$77,117 IN FY 2010 AND \$77,073 IN FY 2011.

**MILITARY CARLIN ARMORY (BA 3651) MILITARY-11:** THE CARLIN ARMORY WAS A NEW ACCOUNT PROPOSED IN THE EXECUTIVE BUDGET TO REFLECT THE TRANSFER OF OPERATIONS AND MAINTENANCE COSTS FOR THE FIRE SCIENCE ACADEMY FACILITY FROM THE UNIVERSITY OF



NEVADA, RENO (UNR) TO THE OFFICE OF THE MILITARY. HOWEVER, THE TIMELINE OF THE PROJECT WAS REEVALUATED AND IT WAS DETERMINED THE OFFICE OF THE MILITARY WILL NOT ACCEPT ASSIGNMENT OF THE SITE UNTIL JULY 2011. AS A RESULT, THE FACILITY TRANSFER WILL NOT OCCUR DURING THE 2009-11 BIENNIUM. THE SUBCOMMITTEE ELIMINATED THE FY 2011 GENERAL FUND APPROPRIATION OF \$456,242 IN THIS ACCOUNT. HOWEVER, THE \$456,242 APPROPRIATION WILL BE RESTORED TO THE UNR'S OPERATING BUDGET.

**MILITARY EMERGENCY OPERATIONS CENTER (BA 3655)**

**MILITARY-13:** FUNDING FOR THE MANAGEMENT AND OPERATION OF THE EMERGENCY OPERATIONS CENTER (EOC) CURRENTLY RESIDES IN THE OFFICE OF THE MILITARY'S MAIN OPERATING ACCOUNT. THE SUBCOMMITTEE SUPPORTS THE GOVERNOR'S RECOMMENDATION TO TRANSFER EOC RENT REVENUES, MAINTENANCE PERSONNEL AND RELATED OPERATING COSTS FROM THE MAIN ACCOUNT TO A NEW EMERGENCY OPERATIONS CENTER ACCOUNT WITHIN THE OFFICE OF THE MILITARY. THE NEW BUDGET ACCOUNT WILL ENABLE THE OFFICE TO BETTER MANAGE INCOME AND COSTS BY SEPARATING THEM FROM THE MAIN OPERATING ACCOUNT.

**ADJUTANT GENERAL CONSTRUCTION FUND (BA 3652)**

**MILITARY-17:** THE SUBCOMMITTEE APPROVED \$1.5 MILLION IN ADDITIONAL FEDERAL FUNDING IN FY 2010 TO CONSTRUCT A PAINT BAY FOR THE COMBINED SUPPORT MAINTENANCE SHOP IN CARSON CITY. THE FACILITY WILL BE AN OSHA-COMPLIANT PAINT BOOTH THAT WILL APPLY PROTECTIVE VEHICLE COATINGS IN THE COLOR SCHEMES NECESSARY TO PROTECT SOLDIERS. THE FEDERAL FUNDING WAS NOT IN THE GOVERNOR'S RECOMMENDED BUDGET—STAFF RECEIVED NOTIFICATION OF THE FUNDING IN APRIL 2009.

**NATIONAL GUARD BENEFITS (BA 3653)** **MILITARY-18:** AS RECOMMENDED BY THE GOVERNOR, THE SUBCOMMITTEE APPROVED \$55,000 IN EACH YEAR OF THE BIENNIUM TO CONTINUE TUITION REIMBURSEMENTS TO NATIONAL GUARDSMEN WHO ATTEND SUMMER SCHOOL WITHIN THE NEVADA SYSTEM OF HIGHER EDUCATION.

**PATRIOT RELIEF FUND (BA 3654)** **MILITARY-20:** AS RECOMMENDED BY THE GOVERNOR, THE SUBCOMMITTEE APPROVED USING RESERVES TOTALING \$30,000 PER YEAR TO PAY A \$100 ENTITLEMENT TO ANY MEMBER OF THE NEVADA NATIONAL GUARD WHO ATTENDS A COURSE ON REINTEGRATION TRAINING UPON RETURN FROM ACTIVE DUTY. THE OFFICE ESTIMATES A TOTAL OF 300 MEMBERS OF THE GUARD WOULD BE ELIGIBLE FOR THIS PAYMENT EACH YEAR. **SENATE BILL 408** INCLUDES THE REVISIONS TO NRS 412.1435 THAT ARE NECESSARY TO ENABLE THIS PROGRAM TO PROCEED. THE SENATE FINANCE COMMITTEE VOTED TO AMEND AND DO PASS **S.B. 408** ON APRIL 29, 2009.

THE SUBCOMMITTEE ALSO WISHED TO FIRM-UP ITS INTENT TO ALLOW THE PATRIOT RELIEF ACCOUNT TO EARN INTEREST ON GENERAL FUND MONIES APPROPRIATED BY PREVIOUS

LEGISLATURES. THE AMENDMENT TO S.B. 408 PROVIDES THAT INTEREST AND INCOME EARNED ON THE SUM OF UNEXPENDED APPROPRIATIONS MADE TO THE ACCOUNT FROM THE STATE GENERAL FUND MUST BE CREDITED TO THE ACCOUNT.

ASSEMBLYMAN HARDY MOVED TO ACCEPT THE OFFICE OF THE MILITARY CLOSING REPORT.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Assemblyman Mo Denis, Clark County Assembly District No. 28, Chair of the Joint Subcommittee on General Government and Accountability, read the following closing report for the Department of Agriculture and Division of Minerals into the record:

THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT HAS COMPLETED ITS REVIEW OF THE BUDGET ACCOUNTS FOR THE DEPARTMENT OF AGRICULTURE AND THE DIVISION OF MINERALS. THE CLOSING ACTIONS TAKEN BY THE ASSEMBLY MEMBERS OF THE SUBCOMMITTEE HAVE RESULTED IN AN INCREASE IN GENERAL FUND APPROPRIATIONS OF \$235,560 IN FY 2009-10 AND \$219,382 IN FY 2010-11 WHEN COMPARED TO THE GOVERNOR'S RECOMMENDED BUDGET.

**ADMINISTRATION (101-4554) AGRICULTURE-1:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE TWO ACCOUNTING ASSISTANT POSITIONS, AN ADMINISTRATIVE ASSISTANT POSITION AND A DEPUTY DIRECTOR POSITION. HOWEVER, THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE AN ADMINISTRATIVE ASSISTANT POSITION LOCATED IN LAS VEGAS. RATHER, THE SUBCOMMITTEE VOTED TO RESTORE THE ADMINISTRATIVE ASSISTANT POSITION AND TRANSFER IT TO THE WEIGHTS AND MEASURES DIVISION, WHERE IT COULD BE SUPPORTED BY THE DIVISION'S RESERVE WITH NO ADDITIONAL IMPACT TO THE GENERAL FUND. IN ADDITION, THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO TRANSFER IN AN IT PROFESSIONAL POSITION FROM THE VETERINARY MEDICAL SERVICES DIVISION.

THE SUBCOMMITTEE RESTORED THE DEPARTMENT'S \$20,000 CONTRIBUTION EACH YEAR TO THE HIGH SCHOOL RODEO ASSOCIATION, AND TRANSFERRED THE MEDICAL MARIJUANA PROGRAM TO THE HEALTH DIVISION AS RECOMMENDED BY THE GOVERNOR.

DUE TO THE ORGANIZATIONAL CHANGES THAT THE DEPARTMENT INDICATES WILL BE MADE AS A RESULT OF THE DEPARTMENT'S DECREASE IN STAFFING, THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT DIRECTING THE DEPARTMENT TO PERFORM A TIME AND MOTION STUDY TO DETERMINE THE PROPER FUNDING SOURCE OF EACH OF THE DEPARTMENT'S PROGRAMS AND CORRESPONDING POSITIONS. IN ADDITION, THE SUBCOMMITTEE ALSO RECOMMENDS REQUESTING THE LEGISLATIVE AUDIT DIVISION

TO CONDUCT AN AUDIT ON THE DEPARTMENT'S STAFF-RELATED COST ALLOCATIONS DURING THE 2009-11 INTERIM PERIOD.

**GAS POLLUTION STANDARDS (101-4537) AGRICULTURE-12:**

THE SUBCOMMITTEE RECOMMENDS REDUCING DMV POLLUTION CONTROL FUND TRANSFERS FROM \$414,519 TO \$347,733 IN FY 2009-10 AND FROM \$430,550 TO \$343,802 IN FY 2010-11, IN ORDER TO REDUCE THE AGENCY'S RESERVE TO THE EQUIVALENT OF SIX MONTHS OF OPERATING EXPENSES. IN ADDITION, THIS RECOMMENDATION WOULD LEAVE ADDITIONAL FUNDS IN THE DMV POLLUTION CONTROL ACCOUNT TO BE USED FOR OTHER PROGRAMS.

**PLANT INDUSTRY (101-4540) AGRICULTURE-19:**

THE SUBCOMMITTEE RECOMMENDS RESTORING TWO AGRICULTURAL ENFORCEMENT OFFICERS: AN AGRICULTURIST POSITION RESPONSIBLE FOR PRODUCE INSPECTION, WEED ABATEMENT, AND INSECT IDENTIFICATION IN WINNEMUCCA AND ITS SURROUNDING AREAS; AND AN AGRICULTURIST POSITION RESPONSIBLE FOR THE SEED AND ORGANIC MATERIAL CERTIFICATION PROGRAMS. IN ORDER TO MITIGATE THE FUNDING IMPACTS OF RESTORING THE AGRICULTURIST FOR THE SEED AND ORGANIC MATERIAL PROGRAMS, THE SUBCOMMITTEE APPROVED A BUDGET AMENDMENT TO ELIMINATE TWO PART-TIME ADMINISTRATIVE ASSISTANT POSITIONS. THE POSITION RESTORATIONS RECOMMENDED BY THE SUBCOMMITTEE RESULT IN A GENERAL FUND INCREASE OF \$244,582 IN FY 2009-10 AND \$208,727 IN FY 2010-11.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ELIMINATE AN AGRICULTURAL ENFORCEMENT OFFICER, THREE AGRICULTURISTS, AND THE REGIONAL MANAGER IN SOUTHERN NEVADA. IN ORDER TO ELIMINATE THE AGRICULTURIST POSITION RESPONSIBLE FOR NOXIOUS WEED MANAGEMENT, THE SUBCOMMITTEE RECOMMENDS INTRODUCING LEGISLATION TO AMEND NRS 555.031 WHICH PROVIDES STATUTORY AUTHORITY ESTABLISHING THIS POSITION.

THE SUBCOMMITTEE ALSO CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO TRANSFER THE PEST CONTROL OPERATOR AND NURSERY PROGRAMS FROM THE PLANT INDUSTRY DIVISION TO THE REGISTRATION AND ENFORCEMENT ACCOUNT. HOWEVER, THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT FOR THE DIVISION TO PROVIDE QUARTERLY REPORTS IDENTIFYING EACH PROGRAM'S REVENUE AND EXPENDITURE ACTIVITY WITH THE CORRESPONDING IMPACT TO ITS OPERATING RESERVE. THE SUBCOMMITTEE ALSO RECOMMENDS COST ALLOCATING THE DISPATCH EXPENSES INCURRED BY THE PLANT INDUSTRY DIVISION WITH THE LIVESTOCK INSPECTION DIVISION.

**VETERINARY MEDICAL SERVICES (101-4550) AGRICULTURE-55:**

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE PROGRAM OFFICER POSITION RESPONSIBLE FOR THE VIRGINIA RANGE ESTRAY HORSE (VREH) PROGRAM, TRANSFER THE DUTIES OF RESPONDING TO NUISANCE CALLS RELATED TO THE VREH TO THE LIVESTOCK INSPECTION DIVISION, AND PROVIDE THE

VETERINARY MEDICAL SERVICES DIVISION WITH THE AUTHORITY TO REIMBURSE THE LIVESTOCK INSPECTION DIVISION FOR EXPENSES INCURRED THAT ARE RELATED TO THE VREH PROGRAM.

THE ASSEMBLY MEMBERS OF THE SUBCOMMITTEE ELIMINATED ONE OF FOUR VETERINARIAN POSITIONS TO COVER GENERAL FUND SHORTFALLS OF \$99,774 EACH YEAR DUE TO THE OVERSTATEMENT OF WEST NILE COOPERATIVE AGREEMENT FUNDS TRANSFERRED IN FROM THE HEALTH DIVISION. THE SENATE MEMBERS OF THE SUBCOMMITTEE DID NOT TAKE CLOSING ACTION ON THIS ITEM. AS SUCH, THE FULL SENATE COMMITTEE ON FINANCE WILL NEED TO MAKE A DECISION ON THIS ITEM IN ORDER TO FULLY CLOSE THIS ACCOUNT.

**WEIGHTS AND MEASURES (101-4551) AGRICULTURE-63:** THE SUBCOMMITTEE RECOMMENDS DENYING THE GOVERNOR'S RECOMMENDATION FOR A NEW WEIGHTS AND MEASURES INSPECTOR SINCE THE DIVISION RECENTLY REORGANIZED ITS EXISTING STAFF TO COMPENSATE FOR STAFFING SHORTFALLS IN SOUTHERN NEVADA.

**PREDATORY ANIMAL & RODENT CONTROL (101-4600) AGRICULTURE-90:** THE ASSEMBLY MEMBERS OF THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATIONS FOR THIS ACCOUNT, INCLUDING THE ELIMINATION OF FOUR FIELD SPECIALIST POSITIONS AND ONE BIOLOGIST POSITION. THE SENATE MEMBERS OF THE SUBCOMMITTEE DID NOT TAKE ANY CLOSING ACTIONS ON THIS ITEM. AS SUCH, THE FULL SENATE COMMITTEE ON FINANCE WILL NEED TO MAKE A DECISION ON THIS ITEM IN ORDER TO FULLY CLOSE THIS ACCOUNT.

**THE FOLLOWING BUDGET ACCOUNTS WERE CLOSED BY THE SUBCOMMITTEE WITH ONLY MINOR TECHNICAL ADJUSTMENTS.**

- **GRADE & CERTIFICATION OF AGRICULTURE PRODUCTS (101-4541) AGRICULTURE - 32**
- **AGRICULTURE REGISTRATION/ENFORCEMENT (101-4545) AGRICULTURE -36**
- **LIVESTOCK INSPECTION (101-4546) AGRICULTURE – 47**
- **PEST, PLANT DISEASE AND NOXIOUS WEED (101-4552) AGRICULTURE - 73**
- **MORMON CRICKETS & GRASSHOPPERS (101-4556) AGRICULTURE - 82**
- **VETERINARY MEDICAL SERVICES COOPERATIVE AGREEMENTS (101-4560) AGRICULTURE - 88**
- **NEVADA JUNIOR LIVESTOCK SHOW BOARD (101-4980) AGRICULTURE – 95**
- **DIVISION OF MINERALS (101-4219) MINERALS – 1**

ASSEMBLYWOMAN MCCLAIN MOVED TO ACCEPT THE DEPARTMENT OF AGRICULTURE AND DIVISION OF MINERALS CLOSING REPORT AND TO ENCOURAGE SENATE COMMITTEE ON FINANCE RESOLUTION FOR BUDGET ACCOUNTS 101-4550 AND 101-4600.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

Assemblyman Goicoechea commented that Senate members of the Subcommittee did not concur on how essential the fourth veterinary position was to the state. A reduction of animal health services by 25 percent would leave the state wide-open for diseases that could be transmitted from livestock to humans. The wildlife services programs had taken a 45 percent reduction. In his opinion, the risk to the state was greater than the \$99,774 annual cost to keep the state veterinarian.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, remarked that there were some offsets the Department of Agriculture wanted to offer in lieu of elimination of the fourth veterinarian position. The issue would be resolved when closing differences were discussed with the Senate Committee on Finance.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Assemblyman Mo Denis, Clark County Assembly District No. 28, Chair of the Joint Subcommittee on General Government and Accountability read the following closing report for the Department of Cultural Affairs into the record:

THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT AND ACCOUNTABILITY HAS DEVELOPED THE FOLLOWING RECOMMENDATIONS FOR THE DEPARTMENT OF CULTURAL AFFAIRS. THE RECOMMENDATIONS INCREASE GENERAL FUND APPROPRIATIONS FOR THE DEPARTMENT BY \$606,141 IN FY 2010 AND \$1,030,007 IN FY 2011.

**DCA—CULTURAL AFFAIRS ADMINISTRATION (101-2892)—**  
**CULTURAL AFFAIRS—1:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE A MANAGEMENT ANALYST POSITION WITHIN THE DIRECTOR'S OFFICE. THE POSITION HAS BEEN VACANT SINCE NOVEMBER 2008. THE SUBCOMMITTEE ALSO VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO TRANSFER AN INFORMATION AND TECHNOLOGY PROFESSIONAL AND A PROGRAM OFFICER FROM THE NEVADA STATE LIBRARY ACCOUNT (BA 2981) TO THE ADMINISTRATION ACCOUNT. THE SUBCOMMITTEE VOTED NOT TO APPROVE THE GOVERNOR'S RECOMMENDATION TO TRANSFER AN ADMINISTRATIVE SERVICES OFFICER AND AN ACCOUNTANT TECHNICIAN FROM THE NEVADA ARTS COUNCIL ACCOUNT (BA 2979) TO THE ADMINISTRATION ACCOUNT.

THE SUBCOMMITTEE VOTED NOT TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE FUNDING FOR THE GOVERNOR'S ADVISORY COUNCIL FOR EDUCATION ON THE HOLOCAUST AND VOTED TO RESTORE REVENUE AUTHORITY OF \$40,000 IN EACH YEAR OF THE 2009-11 BIENNIUM TO RETAIN THE LIBRARIAN AT THE HOLOCAUST LIBRARY IN SOUTHERN NEVADA. THE SUBCOMMITTEE DIRECTED THE DEPARTMENT TO SEEK STIMULUS FUNDING OR FUNDS FROM OTHER SOURCES, SUCH AS THE DEPARTMENT OF EDUCATION.

**DCA—NEVADA HUMANITIES (101-2894)—CULTURAL**

**AFFAIRS—9:** THE SUBCOMMITTEE VOTED NOT TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE FUNDING FOR NEVADA HUMANITIES DURING THE 2009-11 BIENNIUM. INSTEAD, THE SUBCOMMITTEE VOTED TO APPROVE GENERAL FUNDS OF \$50,000 IN EACH YEAR OF THE BIENNIUM FOR THE SOUTHERN NEVADA OFFICE OF NEVADA HUMANITIES.

**DCA—LOST CITY MUSEUM (101-1350)—CULTURAL**

**AFFAIRS—17:** THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO REDUCE THE HOURS OF OPERATION AT THE LOST CITY MUSEUM, FROM SEVEN DAYS PER WEEK TO FOUR, AND TO REDUCE THE WORK HOURS FOR SIX POSITIONS FROM FULL-TIME TO 32 HOURS PER WEEK. THE SUBCOMMITTEE VOTED TO PROVIDE ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$5,000 IN EACH YEAR OF THE 2009-11 BIENNIUM FOR ADOBE MAINTENANCE AT THE LOST CITY MUSEUM.

**DCA—NEVADA HISTORICAL SOCIETY (101-2870)—CULTURAL**

**AFFAIRS—22:** THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO CLOSE THE PUBLIC GALLERIES AT THE NEVADA HISTORICAL SOCIETY. THE SUBCOMMITTEE VOTED TO RESTORE THE MUSEUM DIRECTOR AND AN ADMINISTRATIVE ASSISTANT TO 32 HOURS PER WEEK AND TO RESTORE A PRIVATELY-FUNDED ADMINISTRATIVE ASSISTANT, ASSIGNED TO THE MUSEUM STORE, TO FULL TIME. THESE RESTORATIONS WILL ALLOW THE NEVADA HISTORICAL SOCIETY TO OPEN BOTH THE PUBLIC GALLERIES AND THE RESEARCH LIBRARY FOUR DAYS PER WEEK.

TWO POSITIONS WILL BE ELIMINATED, AS RECOMMENDED BY THE GOVERNOR, AND FIVE ADDITIONAL STAFF WILL HAVE THEIR WORK HOURS REDUCED FROM 40 HOURS PER WEEK TO 32 HOURS PER WEEK.

**DCA—NEVADA STATE MUSEUM, CARSON CITY (101-2940)—**

**CULTURAL AFFAIRS—28:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO REDUCE THE HOURS OF OPERATION AT THE NEVADA STATE MUSEUM IN CARSON CITY FROM SEVEN DAYS PER WEEK TO FOUR DAYS PER WEEK. IN ADDITION TO REDUCING THE HOURS OF OPERATION AT THE MUSEUM, THE GOVERNOR RECOMMENDED ELIMINATING FIVE POSITIONS AND REDUCING THE WORK HOURS FOR 16 POSITIONS FROM FULL-TIME TO 32 HOURS PER WEEK. THE SUBCOMMITTEE VOTED TO RESTORE ONE OF THE POSITIONS RECOMMENDED FOR ELIMINATION, THE CURATOR OF EDUCATION, TO 32 HOURS PER WEEK.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO TRANSFER AN ACCOUNTANT TECHNICIAN FROM THIS ACCOUNT TO THE DIVISION OF MUSEUMS AND HISTORY ACCOUNT (BA 2941). THE TRANSFER WILL ALLOW FOR THE CENTRALIZATION OF FISCAL STAFF WITHIN THE DIVISION.

**DCA—NEVADA STATE MUSEUM, LAS VEGAS (101-2943)—CULTURAL AFFAIRS—35:** THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO REDUCE THE HOURS OF OPERATION AT THE NEVADA STATE MUSEUM IN LAS VEGAS, AT LORENZI PARK, FROM SEVEN DAYS PER WEEK TO FOUR DAYS PER WEEK, ELIMINATE FOUR POSITIONS AND REDUCE THE WORK HOURS FOR 12 OF THE REMAINING 13 POSITIONS FROM 40 HOURS PER WEEK TO 32 HOURS PER WEEK. (THE ONE POSITION NOT SUBJECT TO A REDUCTION IN HOURS IS THE PRIVATELY-FUNDED POSITION ASSIGNED TO THE MUSEUM STORE.)

**DCA—STATE RAILROAD MUSEUM (101-4216)—CULTURAL AFFAIRS—42:** THE SUBCOMMITTEE VOTED TO RESTORE THE HOURS OF OPERATION AT THE EAST ELY RAILROAD DEPOT MUSEUM TO FOUR DAYS PER WEEK AND TO RESTORE THE MUSEUM DIRECTOR POSITION TO 32 HOURS PER WEEK. THE GOVERNOR RECOMMENDED CLOSURE OF THE MUSEUM DURING THE 2009-11 BIENNIUM AND ELIMINATION OF TWO POSITIONS.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO REDUCE THE HOURS OF OPERATION AT THE STATE RAILROAD MUSEUM IN CARSON CITY FROM SEVEN DAYS PER WEEK TO FOUR DAYS PER WEEK, AND TO REDUCE STAFF BY ELIMINATING THREE POSITIONS AND REDUCING THE WORK HOURS FOR THE REMAINING NINE POSITIONS FROM 40 HOURS PER WEEK TO 32 HOURS. THE SUBCOMMITTEE VOTED TO RESTORE TWO OF THE POSITIONS RECOMMENDED FOR ELIMINATION BY THE GOVERNOR, A RAILROAD RESTORATION SPECIALIST AND A CURATOR.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE ONE POSITION AT THE BOULDER CITY RAILROAD MUSEUM AND TO DECREASE THE WORK HOURS FOR THE REMAINING THREE POSITIONS, FROM FULL TIME TO 32 HOURS PER WEEK. THE TRAINS IN BOULDER CITY WILL CONTINUE TO OPERATE ON SATURDAYS AND SUNDAYS ONLY.

**DCA—STATE HISTORIC PRESERVATION OFFICE (101-4205)—CULTURAL AFFAIRS—48:** THE SUBCOMMITTEE VOTED TO APPROVE A BUDGET AMENDMENT TO RESTORE THE SITE STEWARDSHIP PROGRAM UTILIZING FEDERAL HISTORIC PRESERVATION GRANT FUNDS, TOTALING \$75,447 IN FY 2010 AND \$74,728 IN FY 2011. THIS WILL RESULT IN A REDUCTION IN THE FUNDING AVAILABLE FOR OTHER PROJECTS THAT WOULD HAVE BEEN SUPPORTED THROUGH THE HISTORIC PRESERVATION GRANT DURING THE 2009-11 BIENNIUM.

**DCA—COMSTOCK HISTORIC DISTRICT (101-5030)—CULTURAL AFFAIRS—56:** THE SUBCOMMITTEE DID NOT APPROVE THE CLOSURE OF THE COMSTOCK HISTORY CENTER AS RECOMMENDED BY THE GOVERNOR. THE SUBCOMMITTEE VOTED TO RESTORE BOTH OF THE POSITIONS AND THE OPERATING EXPENDITURES RECOMMENDED FOR ELIMINATION BY THE GOVERNOR, ALLOWING THE CENTER TO REMAIN OPEN TO THE PUBLIC FOUR DAYS PER WEEK. THE MUSEUM

ATTENDANT POSITION WILL BE RESTORED AT .51 FTE AND THE ADMINISTRATIVE ASSISTANT WILL BE REDUCED FROM .51 TO .15 FTE.

**DCA—NEVADA STATE LIBRARY (101-2891)—CULTURAL AFFAIRS—61:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO REDUCE THE HOURS OF OPERATION AT THE NEVADA STATE LIBRARY FROM EIGHT HOURS PER DAY, FIVE DAYS PER WEEK TO FOUR HOURS PER DAY, FIVE DAYS PER WEEK. THE SUBCOMMITTEE VOTED TO RESTORE FOUR OF THE 13.76 POSITIONS RECOMMENDED FOR ELIMINATION BY THE GOVERNOR. THE RESTORED POSITIONS INCLUDE TWO LIBRARIANS AND TWO ADMINISTRATIVE ASSISTANTS.

THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO REDUCE FUNDING FOR COLLECTIONS DEVELOPMENT FOR LOCAL PUBLIC LIBRARIES, EXTENSION SERVICES, AND PUBLICATIONS AND PERIODICALS AT THE STATE LIBRARY DURING THE 2009-11 BIENNIUM.

AS A RESULT OF THE FUNDING REDUCTIONS IN THE GOVERNOR'S BUDGET, THE STATE WILL NOT BE ABLE TO MEET ITS MAINTENANCE OF EFFORT REQUIREMENT FOR THE FEDERAL LIBRARY SERVICES AND TECHNOLOGY ACT (LSTA) GRANT AND MUST APPLY FOR A WAIVER. IF THE WAIVER IS NOT GRANTED, THE STATE'S FEDERAL GRANT AWARD MAY BE REDUCED IN EACH YEAR OF THE 2009-11 BIENNIUM. THE SUBCOMMITTEE CONSIDERED OPTIONS FOR RESTORING SUFFICIENT GENERAL FUNDS TO THIS ACCOUNT TO ENSURE THE MOE REQUIREMENT WAS MET; HOWEVER, IT WAS COST PROHIBITIVE DURING THE 2009-11 BIENNIUM.

**DCA—ARCHIVES AND RECORDS (101-1052)—CULTURAL AFFAIRS—69:** THE SUBCOMMITTEE VOTED TO RESTORE THE PUBLIC HOURS AT ARCHIVES TO FOUR HOURS PER DAY, FIVE DAYS PER WEEK, TO RESTORE THE STATE RECORDS CENTER TO EIGHT HOURS PER DAY, FIVE DAYS PER WEEK, AND TO RESTORE 3 OF THE 3.45 POSITIONS RECOMMENDED FOR ELIMINATION BY THE GOVERNOR. THE RESTORED POSITIONS INCLUDE AN ARCHIVIST, AN ADMINISTRATIVE ASSISTANT AND A PROGRAM OFFICER. THE RESTORATION ALSO INCLUDES THE TRANSFER OF A SUPPLY TECHNICIAN POSITION FROM THE NEVADA STATE LIBRARY ACCOUNT (BA 2891). THE POSITION HAD BEEN RECOMMENDED FOR ELIMINATION BY THE GOVERNOR.

**DCA—NEVADA STATE LIBRARY—LITERACY (101-2893)—CULTURAL AFFAIRS—75:** THE SUBCOMMITTEE VOTED TO TRANSFER THE ADMINISTRATIVE ASSISTANT POSITION RECOMMENDED FOR ELIMINATION BY THE GOVERNOR, FROM THE LITERACY ACCOUNT TO THE NEVADA STATE LIBRARY ACCOUNT (BA 2891), WHICH WILL ALLOW THE ADMINISTRATIVE ASSISTANT TO CONTINUE TO PROVIDE SUPPORT SERVICES TO LOCAL LITERACY PROGRAMS THROUGHOUT THE STATE. THE ASSEMBLY MEMBERS OF THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S



RECOMMENDATION TO ELIMINATE THE NEVADA LITERACY OFFICE.

**DCA—MICROGRAPHICS AND IMAGING (101-1055)—CULTURAL AFFAIRS—88:** ALTHOUGH THE SUBCOMMITTEE VOTED TO APPROVE THE BUDGET WITH THE TECHNICAL ADJUSTMENTS RECOMMENDED BY FISCAL ANALYSIS DIVISION STAFF, THE SUBCOMMITTEE RECOMMENDS THE ISSUANCE OF A LETTER OF INTENT REQUIRING THE DEPARTMENT TO REPORT TO THE INTERIM FINANCE COMMITTEE ON A SEMI-ANNUAL BASIS ON THE REVENUE AND EXPENDITURE DATA AND THE RESULTING IMPACT ON THE RESERVE.

**DCA—NEVADA ARTS COUNCIL (101-2979)—CULTURAL AFFAIRS—94:** THE SUBCOMMITTEE VOTED TO APPROVE SUSPENSION OF THE CHALLENGE GRANT PROGRAM FOR THE 2009-11 BIENNIUM, AS RECOMMENDED BY THE GOVERNOR. THE SUBCOMMITTEE VOTED TO RESTORE GENERAL FUNDS OF \$108,059 IN FY 2010 AND \$101,681 IN FY 2011 FOR THE GRANTS PROGRAMS ADMINISTERED BY THE NEVADA ARTS COUNCIL. THIS WILL INCREASE THE FUNDING FOR THESE GRANTS TO NEARLY \$900,000 IN EACH YEAR OF THE BIENNIUM, RATHER THAN THE \$784,815 IN FY 2010 AND \$790,080 IN FY 2011 RECOMMENDED BY THE GOVERNOR. THE SUBCOMMITTEE ALSO VOTED NOT TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE A CULTURAL RESOURCE SPECIALIST AND AN ADMINISTRATIVE ASSISTANT OR TO REDUCE THE WORK HOURS FOR ANOTHER CULTURAL RESOURCE SPECIALIST FROM 40 HOURS PER WEEK TO 32 HOURS PER WEEK. THE SUBCOMMITTEE VOTED TO APPROVE OTHER REDUCTIONS RECOMMENDED BY THE GOVERNOR, INCLUDING REDUCTIONS TO IN-STATE AND OUT-OF-STATE TRAVEL, OPERATING SUPPLIES, AND INFORMATION TECHNOLOGY EXPENDITURES.

THE FOLLOWING BUDGETS WERE CLOSED BY THE SUBCOMMITTEE AS RECOMMENDED BY THE GOVERNOR OR AS RECOMMENDED BY THE FISCAL ANALYSIS DIVISION, WITH ONLY TECHNICAL ADJUSTMENTS:

**DCA—MUSEUMS & HISTORY (101-2941)—CULTURAL AFFAIRS—12**

**DCA—NEVADA STATE LIBRARY—CLAN (101-2895)—CULTURAL AFFAIRS—83**

ASSEMBLYWOMAN MCCLAIN MOVED TO ACCEPT THE DEPARTMENT OF CULTURAL AFFAIRS CLOSING REPORT.

Assemblywoman Buckley asked whether the Committee would be able to exempt the positions that had been reduced from 40 hours per week to 32 hours per week when salary reductions were imposed.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, responded that was a possibility. The adjustments could be completed when decisions were made on the decision unit Enhancement (E) 670.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

Chair Arberry commented that he believed the Department of Cultural Affairs was important to the state. If the Department was eliminated, the state would regress and tourism would suffer. He asked whether the Subcommittee had considered restoring the hours when the economy improved.

Assemblyman Denis responded that the Department would have to appear before the Interim Finance Committee (IFC) to request restoration of the hours. The Subcommittee had reviewed several plans presented by the Department during the hearing, and this appeared to be the best alternative.

Assemblyman Goicoechea remarked that the first priority upon the improvement of the economy was to restore the curators and directors to 40 hour work weeks.

Assemblyman Denis noted that the state would be losing institutional knowledge because several of the curators and directors would be seeking employment elsewhere.

THE MOTION CARRIED UNANIMOUSLY.

\*\*\*\*\*

Chair Arberry requested that Mr. Stevens provide the Subcommittee with an overview of the decisions made by the Economic Forum at the meeting held May 1, 2009.

Mr. Stevens distributed the Economic Forum report ([Exhibit C](#)) to the Committee and noted that the Fiscal Analysis Division was in the process of reconciling the data but that he would provide preliminary information. Based on the Economic Forum's decisions, over the 2010-11 biennium, there was an approximate \$500 million shortage in General Fund revenue from what was approved in the December 1, 2008, forecast plus what was included in The Executive Budget as additional revenue sources.

There were revenue sources affecting the state budget that the Economic Forum did not project. Those were the sales tax in the Distributive School Account (DSA) and the \$0.75 property tax.

For the DSA projection, Mr. Stevens noted the Fiscal Analysis Division used the projection of the Economic Forum for the 2 percent sales tax. There would be a slight difference because of the LEED (Leadership in Energy and Environmental Design) deductions that must come off of the Local School Support Tax (LSST). The state could make some money on the LEED changes that had not been incorporated.

Before doing the LEED adjustments, the shortfall when the LSST within the DSA and the \$0.75 cent property tax were added, was estimated at \$400 million. That would make a shortfall in the \$900 million range for the 2010-11 biennium. The hit on the property tax could be less than the estimate.

Mr. Stevens pointed out that when fiscal year (FY) 2009 was included, there was an additional shortfall of between \$60 million and \$90 million to be made up through federal stimulus or FMAP (Federal Medical Assistance Percentage) funds.

Assemblyman Goicoechea was concerned with the property tax hit to the state budget for FY 2010 and beyond.

Mr. Stevens responded that there were some banked revenues to cushion the budget for FY 2010. By FY 2011 that cushion would be depleted. The largest hit on the \$0.75 property tax would be in FY 2011 and beyond, according to Fiscal Analysis Division projections.

Assemblywoman Buckley asked whether it was correct to say that the state needed approximately \$7.9 billion to fund services at the current level. Without the room tax funds, the Economic Forum projected about \$5.2 billion would be available. If the room tax, which had been passed, was added there was about \$5.5 billion available. Using the current projection including the room tax, there was about a 44 percent decline in the revenue that was available to the state compared to what the state needed to fund current services.

Mr. Stevens replied that The Executive Budget was not funded at the current services level, but the state was 37 percent short based on the revenue built into The Executive Budget versus the current services numbers, assuming the state had sufficient funding to support that level. When the additional appropriations required for the DSA were added, and the General Fund revenues were reduced by the amount recommended by the Economic Forum, the shortage percent was pushed into the low to mid 40 percent range.

Assemblywoman Buckley inquired whether the low to mid 40s number included the \$400 million necessary to fund education because of the declining sales and property tax revenue. She asked Mr. Stevens to estimate how much money was necessary to fund the Governor's budget as it was submitted to the Legislature in January 2009.

Mr. Stevens answered that would require \$950 million plus the shortfall for this fiscal year which was between \$60 million and \$90 million.

Assemblywoman Buckley and Mr. Stevens agreed the shortfall was roughly \$1 billion.

Assemblyman Hardy asked the amount of revenue the state projected to bring in during the current biennium.

Mr. Stevens did not have the revenue projections for the biennium but for FY 2009 the Economic Forum projected \$2,751,889,312 as of December 1, 2008.

Responding to Assemblyman Hardy, Mr. Stevens explained that current services were defined as the base plus Maintenance (M) decision units. In M160 the budget reductions made in the current fiscal year were continued in the next biennium. That total was equal to current services, and there was not sufficient revenue for funding. The Enhancement (E) decision units included in The Executive Budget reduced that number down to the available resources included in The Executive Budget.

Assemblywoman Gansert thought it would be interesting to know the amount of money spent in the current biennium after reductions were made and the one-shot money was removed.

Mr. Stevens agreed that the number would be interesting; however the way budget reductions were booked there was a comingling of ongoing and one-time reductions which made it difficult to breakout the ongoing versus one-time budget reductions. It would be a time-consuming project.

Assemblywoman Gansert asked whether it was possible to get a "ballpark" number.

Mr. Stevens commented it was very difficult but that his staff would try to come up with a number.

Assemblywoman Buckley agreed the number would be helpful; however, the staff was not anxious to provide "ballpark" numbers. She suggested requesting the information from the Budget Division.

Andrew Clinger, Director, Department of Administration, was not anxious to provide a "ballpark" number. He agreed with Mr. Stevens that it was very difficult to provide a number, but he could review all of the cuts that included the one-shots and provide a number. A review of thousands of documents would be required to provide an accurate accounting.

Further discussion ensued between Assemblywoman Gansert and Mr. Clinger culminating in his agreement to provide a big picture of the current biennium expenditures.

Chair Arberry requested the Committee consider the introduction of two bill draft requests (BDR).

- **BDR 43-1289**—Revises provisions governing the distribution of proceeds collected from fees that must be paid to reinstate the registration of a motor vehicle in certain circumstances. (Later introduced as Assembly Bill 547).

ASSEMBLYWOMAN LESLIE MOVED FOR COMMITTEE  
INTRODUCTION OF BDR 43-1289.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not  
present for the vote.)

- **BDR 57-1308**—Revises provisions related to continuation of coverage for health insurance under the group policies of smaller employers. (Later introduced as Assembly Bill 546).

ASSEMBLYMAN CONKLIN MOVED FOR COMMITTEE  
INTRODUCTION OF BDR 57-1308.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not  
present for the vote.)

\* \* \* \* \*

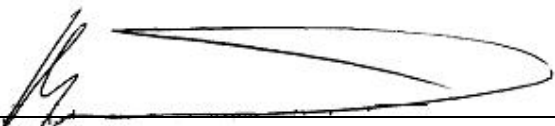
There being no public comment or additional questions, Chair Arberry adjourned the hearing at 10:06 a.m.

RESPECTFULLY SUBMITTED:

---

Linda Blevins  
Committee Secretary

APPROVED BY:



---

Assemblyman Morse Arberry Jr., Chair

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

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>May 2, 2009</u>		Time of Meeting: <u>8:16 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Mark Stevens, Fiscal Analysis Division	Economic Forum Report