

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

**Seventy-Fifth Session
May 6, 2009**

The Committee on Ways and Means was called to order by Vice Chair Sheila Leslie at 4:14 p.m. on Wednesday, May 6, 2009, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, 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:

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

COMMITTEE MEMBERS EXCUSED:

Assemblyman Morse Arberry Jr., Chair

GUEST LEGISLATORS PRESENT:

Assemblywoman Bonnie Parnell, Assembly District No. 40
Assemblyman David Bobzien, Washoe Assembly District No. 24
Senator David Parks, Clark Senatorial District No. 7

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Patti Adams, Committee Manager
Carol Thomsen, Committee Secretary

Vice Chair Leslie indicated that the Committee would commence with testimony regarding Assembly Bill (A.B.) 349 (R1).

Assembly Bill 349 (1st Reprint): Revises provisions governing certain emergency medical technicians. (BDR 40-1022)

Assemblywoman Bonnie Parnell, Assembly District No. 40, explained that the intent of the bill was to add additional emergency workers to the list of persons able to administer vaccines. Assemblywoman Parnell stated that A.B. 349 (R1) would require the State Board of Health, in a county with a population of less than 400,000, to prescribe regulations for the endorsement of intermediate and advanced emergency medical technicians (EMTs) to administer immunizations, dispense medications under the direct supervision of a local health officer, and provide certain services for the community in a public health emergency, or otherwise satisfy public health needs.

Assemblywoman Parnell said that during actual public health emergencies and during exercises to prepare for public health emergencies, there was a need to expand the number of practitioners who were qualified to administer vaccines, such as a flu vaccine during a pandemic or to dispense medication such as antibiotics for anthrax. Assemblywoman Parnell stated that A.B. 349 (R1) would address that need.

According to Assemblywoman Parnell, Marena Works, Director, Carson City Department of Health and Human Services was not able to attend the hearing today. However, said Assemblywoman Parnell, when she presented the bill to the Assembly Committee on Health and Human Services, she had recognized Ms. Works for her assistance in preparing the bill. Assemblywoman Parnell explained that last fall the 17 counties throughout the state had held a "vaccination day," and on a per-population basis, Marina Works and her volunteers helped administer more flu vaccines in one day than any other county in the state. Assemblywoman Parnell also voiced thanks to the State Board of Health for its cooperation in bringing A.B. 349 (R1) forward.

Assemblywoman Parnell said the bill was timely because today Carson City had confirmed its first case of swine flu. She stated that there was always discussion about possible pandemics, and if something were to happen at any time or any place within the state, the various agencies would like to have as many people as possible available to administer vaccines.

Assemblywoman Parnell introduced Luana Ritch, Ph.D., Chief, Bureau of Health Statistics, Planning, and Emergency Response, Health Division, who would speak to the fiscal note that had been removed from the bill.

Dr. Ritch stated that A.B. 349 (R1) included a fiscal note because of the cost anticipated to adopt regulations, which was the standard fiscal note that was required of the Division for any bill that required adoption of regulations. However, said Dr. Ritch, the Division would not incur a General Fund cost regarding the bill for the following reasons: (1) The Division had public health preparedness funding that would speak directly to the bill, and if necessary, the Division would utilize those dollars to bear the cost of adopting the regulations; and, (2) there were many bills being processed during session that would require the Health Division to adopt regulations, and the Division would attempt to maximize efficiency by holding multiple joint workshops and public hearings to keep the cost of regulations at an absolute minimum. Therefore, said Dr. Ritch, the Division would not use General Funds for adopting the necessary regulations.

Assemblywoman Parnell referenced [Exhibit C](#), an email conversation between her and Dr. Ritch, which included a statement that the fiscal note would be removed from the bill.

Vice Chair Leslie asked whether there was further testimony to come before the Committee regarding [A.B. 349 \(R1\)](#) and there being none, the Vice Chair closed the hearing.

The Vice Chair opened discussion regarding [Assembly Bill \(A.B.\) 355 \(R1\)](#).

[Assembly Bill 355 \(1st Reprint\)](#): Revises provisions related to certain public utilities that furnish water or sewage disposal. (BDR 58-693)

Gregory Hafen introduced himself to the Committee as an owner and officer of the Pahrump Utility Company, Inc., a small water and sewer utility in Pahrump, Nevada. He stated that [A.B. 355 \(R1\)](#), as originally introduced, included a fiscal note that suggested additional costs would be incurred by the Public Utilities Commission (PUC), should the bill pass. Mr. Hafen stated that the PUC, the Pahrump Utility Company, and several other small utilities authored an amendment to the bill ([Exhibit D](#)), which would eliminate the fiscal impact. He indicated that the PUC had confirmed its position that, as amended, the bill would create no fiscal impact for the PUC.

Mr. Hafen asked that the Committee support [A.B. 355 \(R1\)](#), which he believed was very important legislation for small water and sewer utility companies and their customers.

Mr. Hafen explained that [A.B. 355 \(R1\)](#) was designed to lessen the frequency that small utilities were required to come before the PUC for rate cases and resource plans. It would also allow for a Consumer Price Index (CPI) increase in rates without appearing before the PUC for a full-blown rate case. Mr. Hafen said the bill would decrease the costs associated with rate cases and resource plans for the smaller utilities that could not afford the costs.

David Noble, Senior Attorney, PUC, confirmed that after review of the amendment, the PUC submitted a revised fiscal note on April 21, 2009, that indicated it would be required to devise a rule-making docket and there would be corresponding costs. However, the PUC expanded the scope of an existing rule-making docket that addressed and simplified the procedures regarding rate cases for small water utilities to include the inflation index factor, along with several other items. Mr. Noble stated that the PUC did not believe there would be any fiscal impact should the bill pass.

Mr. Noble said the PUC supported the bill and believed that raising the threshold from \$1 million to \$2 million would be appropriate. He noted that the last time the threshold figure was reviewed was in 1991, and the PUC believed that with the increase to \$2 million the Commission would have greater leeway in crafting regulations that would provide various methodologies to deal with general rate cases for small water utilities.

Vice Chair Leslie asked whether the bill was ready to go forward as depicted in the first reprint, with no further amendments required. Mr. Noble said that the bill could move forward.

Assemblyman Goicoechea said it appeared that the PUC would maintain some oversight of the small water utilities through regulations, and he asked whether

that was correct. Mr. Noble replied that the PUC would maintain complete oversight of small water utilities, and the bill would allow the PUC to devise different methodologies to deal with proposed rate increases or decreases, including the inflation index factor, which was specifically mentioned in statute. He noted that staff of the PUC actually completed rate-assist cases for very small water utilities, and staff also assisted with other issues, such as surcharges, that would allow a utility to acquire the necessary funds before the monies were expended for one or more projects. Mr. Noble stated that the bill would simply provide the PUC with more tools with which to work in assisting small water utilities to cover their costs while providing reasonable and adequate services.

Vice Chair Leslie asked whether there was further testimony to come before the Committee regarding A.B. 355 (R1), and there being none, Vice Chair Leslie declared the hearing closed.

The Vice Chair opened discussion of Assembly Bill (A.B.) 409 (R1).

Assembly Bill 409 (1st Reprint): Makes various changes concerning the Local Government Employee-Management Relations Board. (BDR 23-1048)

Assemblyman David Bobzien, Washoe County, Assembly District No. 24, introduced himself and James Penrose, representing the Nevada State Education Association (NSEA), to the Committee. Assemblyman Bobzien stated that both he and Mr. Penrose would provide an explanation of the bill and fiscal note to the Committee.

Assemblyman Bobzien said that A.B. 409 (R1) was the result of a number of labor organizations coming together with ideas regarding how to improve the performance and efficiency of the Local Government Employee-Management Relations Board, which served approximately 70,000 employees throughout the state. Assemblyman Bobzien commented that it was a fairly important Board for resolving disputes.

Assemblyman Bobzien stated that he had worked with many different organizations that had voiced concerns about the original bill. He stated that section 3 of the bill discussed the use of arbitrators as hearing officers, with selection of an arbitrator from a list obtained from the Federal Mediation and Conciliation Service.

Section 4, said Assemblyman Bobzien, would clarify that the hearing officer was to prepare and submit a record of the proceedings to the full Board, particularly the findings of fact, proposed conclusions of law, and a proposed decision or order.

According to Assemblyman Bobzien, section 5 of the bill would require the Board to issue its final decision or order upon the completion of its review of the records submitted by the hearing officer. Section 11 would require the Board to issue its final decision no later than one year after the filing of a complaint.

Assemblyman Bobzien noted that there had been some controversy regarding section 7, which would require that each decision of the Board in complaints or appeals must be consistent with decisions or orders previously issued by the Board in similar cases, providing there was a similarity in the facts of such cases. Assemblyman Bobzien acknowledged that there would be times when that would not occur, and the bill simply clarified that deviation from previous

findings had to be documented. Hopefully, that requirement would create more consistency within the decisions issued by the Board.

Assemblyman Bobzien explained that section 7.5 of the bill would require that the Board charge and collect a fee, not to exceed \$200, for the filing of a complaint or appeal with the Board. Section 9 of the bill provided that the Governor, the Majority Leader of the Senate, and the Speaker of the Assembly would each appoint one member to the Board. Assemblyman Bobzien stated that section 10.5 of the bill would increase the salary for members of the Board from \$80 per day to a maximum of \$150 per day. He explained that the business of the Board was very grueling, and the meetings were often quite lengthy.

James Penrose, representing the Nevada State Education Association (NSEA), stated that the fiscal note was attached to the original version of the bill and required the use of hearing officers from the Department of Administration. The fiscal impact of the bill as amended would be neutral, other than the increase in the salary of Board members, but that cost should be offset by the provisions in section 7.5 regarding filing fees.

Assemblywoman Smith believed that the issue was somewhat confusing because the budget for the Local Government Employee-Management Relations Board, budget account (BA) 1374, Department of Business and Industry, had recently been closed including an entirely different funding concept. She remarked that there was a difference between the two bills that addressed funding for the Board, A.B. 409 (R1) and A.B. 540, and the way the Board's budget had been closed.

Vice Chair Leslie asked Fiscal Analysis Division staff what would occur regarding the budget for the Board if the bill was processed and enacted a policy change.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated that it would depend upon the timing of such action. The budget had been closed based on the Department of Business and Industry's version of how it would like to fund the Board. Mr. Stevens pointed out that A.B. 409 (R1) would fund the Board differently, and if it was the Committee's desire to change the funding mechanism, Fiscal Analysis Division staff would need that information as soon as possible.

Vice Chair Leslie asked whether there was further testimony to come before the Committee regarding A.B. 409 (R1).

Ronald Dreher, Government Affairs Director, Peace Officers Research Association of Nevada, stated that the Association supported passage of A.B. 409 (R1). Mr. Dreher indicated that over the past several weeks, many entities had come together to produce the edicts of the bill, which all parties believed represented a good compromise. He stated that the funding for the Board included in the bill would be used to offset some of the costs. Mr. Dreher explained that it was the intent of the bill to request a filing fee from those organizations that could afford to pay a fee of up to \$200, so that larger associations could pay their share in filing complaints. It was also the intent of the bill that the cost for an arbitrator would be split by both sides; the bill would be cost-neutral, with the exception of the section that increased the salary for Board members from \$80 to \$150 per day.

Assemblywoman McClain stated that the bill would change the entire funding structure because local governments would be paying a fee to utilize the services of the Board.

Assemblyman Goicoechea indicated that the confusion seemed to be between the language of A.B. 409 (R1) and A.B. 540, and he asked whether there would be a fiscal impact on local governments with passage of A.B. 409 (R1). Mr. Dreher replied that there should be no fiscal impact on local governments, because the only financial impact would be when the filing fee was paid, which would be paid by the Association or the member.

Trevor Hayes of Lionel Sawyer and Collins, stated he was present to represent North Las Vegas, which supported A.B. 409 (R1). He stated that he had worked with Assemblyman Bobzien and other interested parties in completing the bill. He believed that the bill would alleviate problems and would help the Board realize a savings. Currently, said Mr. Hayes, when the Board held hearings, particularly regarding discrimination issues, it could take up to seven days of hearing time to reach a conclusion. Mr. Hayes believed that the arbitrator clause would allow the Board to proceed more quickly, because arbitrators were more familiar with the law and with evidentiary findings, which often bogged down the proceedings of the Board. Mr. Hayes stated that there should be a savings for the Board because it would act as an appellant Board to the findings of the arbitrator and would be required to meet for only half a day rather than five or six days. He indicated that other provisions included in the bill would allow for more consistent decisions from the Board regarding claims.

Andy Anderson, Commissioner, Local Government Employee-Management Relations Board, stated that the Board and the Department of Business and Industry opposed A.B. 409 (R1). He believed there was a misconception regarding the cost to operate the Board. Mr. Anderson noted that section 3 of the bill discussed the selection of a hearing officer, and he pointed out that a hearing officer would still be accountable to the Board. Under state agency rules, Mr. Anderson explained that a deputy Attorney General (AG) represented the Board and was present at every meeting and every hearing. He pointed out that the AG's Office charged the Board at a rate of \$125 per hour for that service.

According to Mr. Anderson, the original version of the bill included approximately 600 hours of hearings, and he felt the statement that costs for the hearing officer would be neutral was in error. Also, said Mr. Anderson, the bill stated that a hearing officer could be selected from the list of arbitrators obtained from the Federal Mediation and Conciliation Service, but the fee for such an arbitrator would be between \$800 and \$1,600, and it was his understanding that the parties would split the costs.

Mr. Anderson advised the Committee to keep in mind that there were 235 organizations within the Board's jurisdiction, and eighty of those organizations contained less than 25 members. He stated that he was not sure how many arbitration cases an association with only 25 members would be able to afford. Mr. Anderson said that allocating the arbitration costs to the employee groups and/or individuals would create a substantial cost to most persons or groups. He pointed out that an average arbitration could cost from \$3,000 up to \$10,000, and splitting the cost between the parties might produce a hardship on the individual. Mr. Anderson stated that most individuals who appeared before the Board were generally unemployed, and any type of cost to them would be a very significant factor.

Also, said Mr. Anderson, the Board believed that filing fees created a disincentive to filing a complaint. He had reviewed the cases handled by the Board in an effort to determine how much revenue would have been generated through payment of filing fees. The amount would have been approximately \$5,000, and Mr. Anderson did not believe that filing fees would compensate for the costs of cases. The need was for a \$450,000 to \$500,000 budget for the Board, which certainly could not be offset by \$5,000 in filing fees.

Mr. Anderson referenced the appointment process for Board members, and stated he was unsure how that would work under A.B. 409 (R1). He did, however, believe that increasing the salary amount per day for Board members from \$80 to \$150 was appropriate because that amount would reflect the pay-per-day for other board members within stand-alone agencies. Mr. Anderson noted that A.B. 540, which the Committee would also consider today, also contained a mechanism to fund the Board. He opined that passage of A.B. 409 (R1) would add costs, which was the reason that the Board opposed the bill.

Vice Chair Leslie asked whether there was further testimony to come before the Committee regarding A.B. 409 R1.

Assemblyman Bobzien said he would like to address some of the issues brought forth by Mr. Anderson, who neglected to point out some of the detail in subsection 4 of section 3 of the bill. The cost of mediation was certainly a major concern and was something that the working groups considered very carefully. Assemblyman Bobzien said that concern had been voiced regarding the impact to smaller associations, particularly in the rural areas where cases might not be heard if the complainant was required to split the fees. The bill contained a hardship provision which stipulated that a commissioner could sit as the hearing officer in a case rather than going through mediation. In addition, said Assemblyman Bobzien, he had not seen a revised fiscal note on the bill.

Mr. Penrose said in response to Mr. Anderson's comments about the additional cost for a deputy Attorney General to attend the Board's hearings, he believed the cost would be a "wash" because of the situation that currently existed. Mr. Penrose believed that there would ultimately be a substantial cost-savings for the Board. The difficulty with the Board as it existed today was that it was essentially dysfunctional in conducting fact-finding hearings. Mr. Penrose stated that it took much longer than it should to hold the hearings; it took the Board days to conduct a hearing that should be completed in less than one day. He believed that once the responsibility was removed from the Board and put into the hands of an arbitrator selected from a list obtained from the Federal Mediation and Conciliation Service, the hearings would proceed much more expeditiously than they were today.

Assemblyman Hogan said he was somewhat concerned that the cost that might fall upon the complainant or appellant would be burdensome. He wondered whether, in cases of hardship, a commissioner would step in and handle those complaints.

Assemblyman Bobzien explained that much of the discussion surrounding the cost of arbitration was that the cost would not be an issue for employees who were represented by associations. However, the bill acknowledged that there would be situations where employees might not be represented by an association. Assemblyman Bobzien indicated that the bill provided that a commissioner could act as the hearing officer in cases where the costs would

create an undue financial burden on the party. He was unsure how often such cases would arise, but he believed it would be on rare occasions.

Vice Chair Leslie asked whether there was further testimony to come before the Committee regarding A.B. 409 (R1), and there being none, the hearing was closed.

Vice Chair Leslie opened discussion of Assembly Bill (A.B.) 540.

Assembly Bill 540: Requires the Local Government Employee-Management Relations Board to charge and collect a fee from local government employers. (BDR 23-1208)

Andy Anderson, Commissioner, Local Government Employee-Management Relations Board, stated that A.B. 540 would basically transfer the cost of the budget for the Board from the General Fund to local governments. He stated that during a recent workshop regarding the bill, the cost for local government employees—city, county, police, and fire—would be paid for by the local entities.

According to Mr. Anderson, the Board calculated its new budget, which included the existing budget amount of \$250,000 and the Attorney General's (AG's) costs of \$160,000 that the Board would pay as a self-funded agency, which increased the budget to over \$400,000. He pointed out that when the Board added a reserve, which usually equated to funding for two months, that would increase the total budget by an additional \$60,000 to \$70,000. As a result, the Board was working with a budget figure of \$500,000. Mr. Anderson explained that the total amount of \$500,000 divided by the number of employees under the Board's jurisdiction depicted the charge per employee. At the time the Board was working on the budget, there were approximately 72,000 employees under its jurisdiction. However, said Mr. Anderson, the figures had been recalculated, and the current number of employees was approximately 75,000. Therefore, the resultant cost would be approximately \$7 per employee per year.

Mr. Anderson stated that the figure of \$10 was included in A.B. 540 as a cap for the amount paid for each employee; however, the present cost to operate the Board would be approximately \$7 per employee per year. The local governmental entities would pay that cost, and the state would pay the costs for school district employees.

Assemblywoman Smith asked whether the cost for the fee could be passed onto the employee. Mr. Anderson explained that language included in A.B. 540 suggested that the cost not be passed on to the employee, but he pointed out that the Committee could determine whether the fee would be split between the employer and the employee, or passed totally to the employee.

Assemblywoman Smith asked whether the bill specified who would pay the fee, the employer or the employee, and Mr. Anderson stated that it did not.

Robin Reedy, Deputy Director of Administration, Department of Business and Industry, stated that the Board was a division of the Department. Ms. Reedy stated that she hesitated to contradict Mr. Anderson, but she believed that the bill specified that the fees could not be passed on to the employee. Assemblywoman Smith concurred, and noted that she had located the language in subsection 2 of section 1 of the bill that indicated the fee could not be passed on to the employee.

Vice Chair Leslie asked whether there was further testimony to come before the Committee regarding A.B. 540.

Ronald Dreher, Government Affairs Director, Peace Officers Research Association of Nevada, stated that when the concept of the bill was developed, the language stated that the fees would be paid by the employee, which had created a great deal of controversy. Mr. Dreher said the final version of the bill addressed the issue of funding, which was the greatest concern from a number of groups because 75,000 employees within the state would be affected by the fee. However, said Mr. Dreher, the cost would be very minimal at up to \$10 per employee per year. Mr. Dreher stated that some local government entities did not believe that the fee would be problematic.

The other issue, said Mr. Dreher, was the fee for school district employees, but the bill had addressed that issue and indicated that the state would pay the cost for employees within the school districts. He noted there were approximately 30,000 school district employees, with the remaining 45,000 being employed by local governmental entities.

Stan Olsen, representing the Las Vegas Police Managers and Supervisors Association, indicated that the Association would support the bill as written.

David Fraser, Executive Director, Nevada League of Cities and Municipalities, introduced himself and Trevor Hayes to the Committee.

Trevor Hayes of Lionel Sawyer and Collins, stated that he was present to represent North Las Vegas. He said that both the Nevada League of Cities and Municipalities and North Las Vegas opposed A.B. 540 because the up to \$10 per employee fee would cover all employees of local governments, even though the only employees who could avail themselves of the services of the Board were those who were under a collective bargaining agreement. Therefore, said Mr. Hayes, employers would be assessed a fee for employees who were not eligible to use the services of the Board.

The second issue, said Mr. Hayes, was that because complaints were initiated by employees, it seemed only fair to split the assessed costs between the union and the local government, rather than the employee. Mr. Hayes explained that the Board was initially created to be an intermediary during the collective bargaining process. Approximately eight years after passage of the bill, the Board was given the additional responsibility of hearing complaints regarding discrimination. Mr. Hayes pointed out that the Nevada Equal Rights Commission already heard such complaints, and many employees filed claims with both entities. He stated that the Board could survive on a much smaller budget if its responsibility for hearing discrimination complaints was removed.

Wes Henderson, Government Affairs Coordinator, Nevada Association of Counties (NACO), stated that NACO was opposed to A.B. 540 because of the fiscal impact on the counties. He said he concurred with the comments made by Mr. Hayes.

Constance Brooks, representing Clark County, stated that Clark County was opposed to A.B. 540. The bill would create a fiscal impact of approximately \$145,000 for Clark County. Ms. Brooks said the county also took issue with Board access to employee records as outlined in the bill to verify identity of the employees provided by local governmental employers. She stated that

Clark County believed the language of the bill was too vague, and there was concern about the access to confidential files.

Vice Chair Leslie said she was looking at the revised fiscal note, which stated that the impact to Clark County would be \$380,000 per year. Ms. Brooks said the fiscal note had been revised. The employees in Clark County numbered 11,578 full-time employees and 2,931 part-time employees.

Nicole Rourke, representing the Clark County School District, indicated that the school district had also modified its fiscal note prior to the knowledge of the Distributive School Account (DSA) allocation. However, she stated that the school district was concerned that while it did receive DSA funding, that funding might not completely cover the costs of the stipulations outlined in A.B. 540.

Vice Chair Leslie opined that there was still much work that needed to be done regarding both bills, A.B. 409 (R1) and A.B. 540.

Vice Chair Leslie asked whether there was further testimony to come before the Committee regarding A.B. 540, and there being none, the hearing was closed.

The Vice Chair opened discussion of Assembly Bill (A.B.) 430 (R1).

Assembly Bill 430 (1st Reprint): Prohibits certain activity regarding unsafe cribs and other children's products. (BDR 52-464)

Senator David Parks, Clark County Senatorial District No. 7, stated he was present to discuss A.B. 430 (R1). He stated that the original version of the bill contained section 8 that had been amended out of the bill when it was passed by the Assembly Committee on Commerce and Labor. Senator Parks noted that after amendment, it appeared there would be no fiscal impact.

Senator Parks commented that sections 9 through 17 were not originally requested as part of the bill; however, the bill drafters had added that portion to the bill. He explained that the intent of the bill was to ensure that children's products that had been recalled would not again be available for purchase by consumers. Senator Parks said that there were sufficient ways to verify whether an item had been recalled and whether or not the item had been repaired for further sale.

Vice Chair Leslie noted that section 8 had been deleted, which had contained the fiscal note, and after amendment there was no longer a fiscal impact on the bill. She pointed out that the original fiscal note had been added to the bill by the Attorney General's Office.

Assemblywoman Smith asked about subsection 5 of section 19 of the bill, which read, "For the purposes of sections 2 to 8, inclusive, of this act, the Consumer's Advocate may ban or designate as a health or safety hazard any children's product," and she asked about federal guidelines. She commented that the language appeared to be quite broad.

Senator Parks replied that perhaps the language in subsection 5 should be changed to omit section 8 or it should be deleted. Assemblywoman Smith asked that the language of subsection 5 of section 19 of the bill be clarified, and perhaps the language should include "based on the findings of those sections," because current language appeared to indicate that the Consumer Advocate could ban any product.

Vice Chair Leslie suggested that the bill be reviewed by the Legal Division of the Legislative Counsel Bureau (LCB) to clarify the language. She asked whether there was further testimony to come before the Committee regarding A.B. 430 (R1) and there being none, the hearing was closed.

Vice Chair Leslie opened the hearing on Assembly Bill (A.B.) 504 (R1).

Assembly Bill 504 (1st Reprint): Adds provisions relating to exchange and reporting of information relating to motor vehicle insurance. (BDR 43-461)

Richard Perkins, representing InsureNet, Inc., introduced himself and Dr. Jonathan Miller, President and Chairman of the Board, InsureNet, Inc., to the Committee. Mr. Perkins stated that A.B. 504 (R1) was a very simple and non-controversial bill.

Mr. Perkins explained that he still participated in the National Speakers Association conference, and had a great deal of contact and communication with legislative leaders from across the country. He stated that he spoke with the former speaker from Rhode Island to discuss the InsureNet concept. After discussing the issue, Mr. Perkins said he was intrigued and conducted substantial research regarding the concept included in the bill.

Mr. Perkins stated that he would like to provide some background regarding InsureNet. The company was an insurance verification company and partnered with the National Law Enforcement Telecommunications System (NLETS). Mr. Perkins explained that NLETS was a secure communications process by which all law enforcement agencies exchanged information. NLETS was owned and operated by the member agencies and involved federal law enforcement agencies and the International Criminal Police Organization (Interpol), and had been in place for over 40 years. Mr. Perkins stated that the communications system had never been breached in regards to the security of the system and was something law enforcement was very familiar with for the exchange of information and inquires throughout the United States and abroad.

According to Mr. Perkins, A.B. 504 (R1) was intended to provide real-time, accurate information to law enforcement related to insurance verification and increase compliance with current mandated insurance laws. With increased compliance with insurance requirements, Mr. Perkins said the cost of insurance would be reduced. Also, the action would save costs for courts, hospitals, law enforcement, and prosecutors. Mr. Perkins reiterated that InsureNet conducted its business through the secure NLETS system.

Mr. Perkins stated that the bill would require a contract between the state and an insurance verification company. Currently, InsureNet was the only company who could satisfy the provisions of the bill because it was the only company that had partnered with NLETS and been allowed access to the secured government system.

Per Mr. Perkins, insurance companies would be required to report daily regarding the coverage being provided to its insured, which was a burden that was being currently fulfilled in 13 other states. Mr. Perkins said the information that was received from the insurance companies would be housed on the NLETS' servers and would be available on what was basically a criminal justice information sharing system. He noted that the information would be forwarded to the NLETS system regardless of the state in which a person resided. Mr. Perkins explained that NLETS was an interstate system that could capture data from all

50 states. He further explained that the business model followed by InsureNet included installation of automatic license plate readers throughout the state, which were electronic devices that captured a digitized version of the license plate and was able to translate that information into the actual license plate number. Mr. Perkins stated that information was then transmitted through the NLETS system to verify current insurance information.

Mr. Perkins said the information could also be piggy-backed into a registration verification system; if a person's plate was transmitted through the NLETS system and the vehicle's registration was not current, that information could be captured through the same system.

Currently, said Mr. Perkins, police officers throughout the state were stopping approximately 2 percent to 3 percent of the uninsured vehicles that were traveling Nevada's roadways on an annual basis. A proper license plate reading system, placed in conjunction with the Department of Transportation, the Department of Public Safety, and others, could scan more than 85 percent of the vehicles traveling on the roadways. Mr. Perkins said the estimate was that between 17 percent and 22 percent of the vehicles that utilized the roadways were uninsured. An officer in the field would be able to access the InsureNet system through their communications dispatchers in the same way that officers accessed the NLETS system for other information.

When a vehicle passed an automatic license plate reader, said Mr. Perkins, the license plate would be compared to the current data, and if the vehicle was found not to be insured or registered, a citation would be issued to the registered owner of that vehicle.

Mr. Perkins indicated that the Legislature had made it very clear that it was not in favor of such things as speed cameras or red light cameras. He noted that the bill actually started out as a red light camera bill. Mr. Perkins explained that in 1997, he was the prime co-sponsor of the prohibition of red light cameras. The main reason he was opposed was because the citation was issued to the operator of the vehicle rather than the registered owner. For registration and insurance violations in Nevada, those responsibilities were borne by the registered owner, which eliminated the possibility of misidentification of the violator.

Mr. Perkins said there would be a savings to hospitals. For example, the University Medical Center (UMC) in southern Nevada often lacked sufficient funding. When a person suffered an automobile accident in southern Nevada and was treated at the UMC, often very expensively treated, the UMC attempted to gather automobile insurance information so that it could bill the proper insurance company for reimbursement of the medical costs. Mr. Perkins noted that quite often in the confusion surrounding an automobile accident, the hospital was unable to secure the insurance information. He stated that was not unique to the UMC and occurred in hospitals throughout the state. Through InsureNet, hospitals could access vehicle insurance information, which would save hospitals millions of dollars.

According to Mr. Perkins, there would also be savings to courts and prosecutors. Currently, when a person received a citation for not having proof of insurance in the vehicle, that person had to appear before the court before the citation would be dismissed. Mr. Perkins stated that process took court time, prosecutors' time, and the citizen's time, but with a system like InsureNet, the person would not need the proof of insurance in the vehicle. The savings to law enforcement involved the time that it took an officer to write a citation and

go through the court process, which would not occur if the officer could verify that the vehicle was insured.

Mr. Perkins stated that the information was available with no upfront costs to the state. He explained that the costs for equipment, software, interface work, training, and implementation would all be borne by InsureNet. The company would work with the Department of Public Safety (DPS), the Department of Transportation (DOT), and the Department of Motor Vehicles (DMV) to ensure that the system worked properly. Mr. Perkins said the way InsureNet was able to provide the upfront costs was that InsureNet would negotiate with the state for a percentage of future citation revenues that were realized through the system. If an officer wrote a citation for no insurance, the revenue from that citation would not be included. Mr. Perkins reiterated that the only revenue realized by InsureNet was from citations that came about through the electronic license plate reader system.

Mr. Perkins stated that the Committee could place parameters on those percentages and the obligations of the company. The reason InsureNet was a better system was the security of the information on the NLETS system. Mr. Perkins noted that citations could also be written for out-of-state vehicles as well as Nevada vehicles. He explained that if Nevada's system only targeted in-state vehicles and allowed people from other states to travel through Nevada without insurance, Nevada's citizens would be penalized but not those from other states. Mr. Perkins believed that could create an equal protection issue.

Per Mr. Perkins, the InsureNet system was fast, with the inquiry through the electronic system occurring in less than two seconds; the system was known to law enforcement because it was NLETS-based; and the system was non-invasive because personal identifiers within the information was not allowed to be accessed. Mr. Perkins stated that the system was supported by privacy and minority groups because it treated everyone equally.

Mr. Perkins referenced [Exhibit F](#), a packet of information about NLETS and [Exhibit E](#), a packet of information about InsureNet, and he stated that based on the coverage by the license plate readers and the projected insured rate, the system was projected to generate over \$100 million per year in new citation revenue and insurance premium tax. Mr. Perkins said the insurance premium tax would increase because people would want to comply with the mandatory insurance provision in state law, and more persons would purchase insurance.

Mr. Perkins indicated that the staff of the DMV had done yeoman's work over the years in modernizing the Department and bringing it into an electronic age by creating an efficient system. He opined that the system the DMV was currently embarking upon was not as efficient as the InsureNet system.

Mr. Perkins said that concerns had been raised because the system was not currently operating in other states, but Dr. Miller would explain that the system was functional in other states. Mr. Perkins noted that the system had only been pursued over the past year, and InsureNet had been accessing state legislative cycles in each state. He noted that InsureNet was experienced and had installed systems in the United States and also abroad. Mr. Perkins stated that NLETS would not partner with a company that could not prove its ability to accomplish the task.

Mr. Perkins said it would be a sole-source contract because InsureNet was the only company that could satisfy the security requirements of NLETS. As the field grew and other companies were able to satisfy the requirements of NLETS,

Mr. Perkins believed there would be other companies bidding for such contracts. Mr. Perkins said he had recently received a call from a representative of a company that coordinated small casualty insurance writers for the Latino community. The representative had great concerns about the current system and reported numerous incidents that had occurred to clients. Mr. Perkins stated that the representative was very excited about the opportunity for the InsureNet project. Even if people could not afford insurance, it was still mandated by law, and as more people purchased insurance it would drive the price down for every driver.

Mr. Perkins said the Legislature could ensure that the taxpayers would receive the best deal. He discussed the funding of InsureNet and the revenue generated by the Department of Motor Vehicles (DMV). Mr. Perkins stated that the DMV did not have the ability to create a network system that would equal the system provided by InsureNet.

According to Mr. Perkins, A.B. 504 (R1) was created in collaboration with Assemblyman Kelvin Atkinson, Chairman of the Assembly Committee on Transportation, who identified the vehicle for the bill. He stated that it was very unfortunate that InsureNet did not have sufficient time to spend with the DMV and others to vet the issue.

In conclusion, Mr. Perkins stated he was "racing" the 120-day calendar in his attempt to keep the concept and bill alive. He introduced Dr. Miller of InsureNet.

Dr. Jonathan Miller, President and Chairman of the Board, InsureNet, stated that InsureNet was a strategic partner of NLETS, and he would take the opportunity to provide some background about the company to the Committee.

Dr. Miller stated that the 14 companies signed on with InsureNet were insurance companies or insurance-related organizations, one of which matched health care insurance verification for 48 million Americans. Dr. Miller stated that InsureNet was very knowledgeable about insurance verification and insurance. The company had actually been involved with various DMVs, and was currently implementing the system in two states in conjunction with their DMVs. Basically, said Dr. Miller, InsureNet had been dealing with various DMVs for approximately ten years, along with law enforcement communities, various governments, and the Bureau of Customs and Border Protection.

Dr. Miller stated that InsureNet had a very strong background regarding insurance verification and the company was not a newcomer to the concept. He stated that InsureNet's partner was Federal Signal Corporation of Chicago, which operated on a worldwide basis and provided the various sirens and communication devices for emergency vehicles. Dr. Miller advised that Federal Signal Corporation would be deeply involved in the relationship in Nevada because it was the supplier of the equipment for the system itself.

According to Dr. Miller the system was entirely accurate and had a positive default, the system could not send out a citation to anyone if there was any question that the vehicle was properly insured. The system would only identify persons who were or were not insured. Dr. Miller stated that InsureNet did not want any bad publicity, such as a person whose vehicle was properly insured receiving a citation. He stated that neither the state nor InsureNet needed that type of publicity. Dr. Miller explained that InsureNet was an interstate system and would verify insurance on vehicles from all states and from Canada.

Dr. Miller indicated that he would like to provide some information regarding the development of the system. He explained that he was a member of the Insurance Industry Committee on Motor Vehicle Administration (IICMVA), and a few years ago, many of the larger insurance companies were very supportive of a system of insurance verification. Dr. Miller advised that InsureNet had worked with NLETS for over three years in development of the system. He stated that the system was now fully released, and the involvement of NLETS had made it a bulletproof system that was operational with every law enforcement agency in the United States.

Dr. Miller explained that a law enforcement officer could run a vehicle license plate from any state and would immediately know the vehicle's insurance status, along with vehicle registration information on the same screen. He noted that InsureNet was a very different concept from that being considered by the DMV. The information regarding insurance verification would be available for the date of the citation so that courts could view the insurance history for a vehicle. Dr. Miller explained how the total comprehensive system would work for many entities.

Vice Chair Leslie asked whether there were questions from the Committee for Mr. Perkins or Dr. Miller.

Assemblywoman McClain requested clarification regarding paragraph (i) of subsection 2 of section 3 of the bill, which depicted the entities that would have access to the information provided by InsureNet. Dr. Miller replied that the entities listed would have access to the information. He explained that because the system contained no names or addresses, it was supported by various privacy advocates and the system was available for everyone, not only the DMVs or a single division of government.

Assemblywoman McClain asked about organizations that worked to prevent drunk driving or represented civil liberties and whether they would have access only to statistics, rather than personal information. Dr. Miller indicated that InsureNet would provide the information that was approved for release by the government. He explained that the company was the enabler rather than the decision-maker. Normally, said Dr. Miller, InsureNet would recommend that it provide free secure portals to various entities. The various privacy advocates could monitor the portals to ensure that there was no personal information being provided, and that a person could enter a Vehicle Identification Number (VIN) or license plate number and would then know the status of the insurance on that vehicle.

Assemblywoman McClain said it appeared to her that it would be a very open public record. Dr. Miller reiterated that there were no names or address provided by the system and InsureNet would simply identify whether the vehicle itself was insured. He explained the various uses of the information available from InsureNet.

Assemblywoman McClain noted that the system only addressed the aspect of vehicle insurance, and she wondered whether the system could be modified to match a license plate number and determine whether or not the owner had a valid Nevada driver's license. Dr. Miller said that would have to be done through law enforcement. InsureNet never provided a name or address but could enable the identification of a vehicle and its registration and insurance status.

Assemblywoman McClain believed that name and address would have to be available so that InsureNet could issue a citation. Dr. Miller stated that InsureNet was only interested in whether or not the particular vehicle was insured. The system did not identify the name or address. He explained that InsureNet received information regarding new policies and law enforcement already had access to the name and address of the registered owners.

Mr. Perkins indicated that the information could be shared back to the state, and the state could pursue the driver's license issue for those persons who had a Nevada license plate and an out-of-state driver's license.

Assemblywoman McClain stated that her insurance company had no idea that she used a personalized license plate. Dr. Miller explained that InsureNet received a daily update from the DMV files nationwide. Mr. Perkins stated that there were a handful of vanity license plates in the state that were not attached specifically to a VIN or a vehicle.

Assemblywoman McClain said the program almost appeared to be too good to be true and had great potential, but she thought the state would need to be very cautious about access to the information.

Vice Chair Leslie asked whether there was further testimony to come before the Committee regarding A.B. 504 (R1).

Stan Olsen, representing the Las Vegas Police Managers and Supervisors Association, indicated that the Association would support the bill as written. There were a number of persons driving without vehicle insurance, and law enforcement was catching a small number of those drivers, but unfortunately greater numbers were discovered at accident scenes.

Edgar Roberts, Director, Department of Motor Vehicles (DMV), introduced himself, Martha Barnes, and Dennis Colling to the Committee. Mr. Roberts stated that the DMV opposed the bill because the sponsor had not worked with the DMV regarding the InsureNet system, and the DMV had not fully analyzed the system. He said the DMV had received bits and pieces of information regarding the system through third party verification. Mr. Roberts noted that the language of the bill stipulated that, "The Department shall contract . . ." and that was of concern to the DMV.

After two years of research, Mr. Roberts stated that the DMV was in the process of redesigning its insurance verification program with the involvement and input from insurance companies. The redesigned system would allow the DMV to eliminate the middleman, and contact insurance companies directly through web services. Mr. Roberts noted that because the redesign was internal, there were no third party startup costs, and there would be no third party operating costs when completed. When the redesign was complete and the DMV was six months into the new program, it would give the DMV, as well as law enforcement officers, the ability to verify insurance coverage in real time. Mr. Roberts indicated that the redesigned system would provide all the information called for in A.B. 504 (R1). He stated that the way the bill was currently written, there were several stipulations that violated *Nevada Revised Statutes* (NRS) 481.063, and that section of law would need to be amended should the bill move forward.

Mr. Roberts said if A.B. 504 (R1) became law as written, only one company could meet the standards outlined in the bill, and the DMV would be obligated by law to contract with that company. The DMV believed that would

circumvent the Request for Proposal (RFP) process, and research indicated that InsureNet, the company that would be the sole provider, had no track record of providing services in any other state. Mr. Roberts said it also appeared that the company would take 30 percent of the fines levied for lapse of insurance, and based on fiscal year (FY) 2008 revenues, that would equate to approximately \$5 million being paid to a private company rather than going into the state's coffers. Mr. Roberts stated that the DMV would like to work with the sponsors in an effort to determine the actual costs to the DMV for use of the system.

Martha Barnes, Administrator, Division of Central Services and Records, DMV, stated that the DMV realized there were problems with its current verification system, and staff had attempted to develop technology that would be cost-effective for the state without using a significant amount of funds. Ms. Barnes indicated that the DMV had an excellent information technology (IT) team that had been working for six months on the redesign of the DMV's program. If A.B. 504 (R1) passed, it would completely change the redesign currently underway by the DMV.

Ms. Barnes said the DMV was not sure how the information was received by InsureNet. The bill discussed "money collected," and Ms. Barnes stated that she had reviewed an article on the Internet from the *Chicago Sun-Times* dated March 16, 2009, that quoted Dr. Miller's statement that InsureNet would charge the city a 30 percent collection fee. Ms. Barnes said the concern of the DMV was that if the 30 percent was realized from the \$250 reinstatement fee, the cost would be \$75 per reinstatement. That would create a \$5 million "hit" to the Highway Fund. Ms. Barnes stated that the DMV would like to receive clarification regarding the fees charged by InsureNet.

According to Ms. Barnes, the DMV submitted an unsolicited fiscal note on A.B. 504 (R1) that would need to be revised based on statements made by proponents of the bill. The fiscal note dealt with programming hours and the amount was substantial. Ms. Barnes pointed out that the DMV had expended a great deal of funding to address the redesign of its system, and passage of the bill would change that redesign.

Assemblyman Ocegüera thought the proponents of the bill indicated that the revenue would be received after the system was installed. He noted that the state was not capturing most of the uninsured drivers, and InsureNet would actually create additional revenue for the state.

Ms. Barnes said when a law enforcement officer conducted a traffic stop and checked the registration on the vehicle, the DMV's redesigned system would verify insurance coverage through the insurance company and that information would be provided to the officer. Ms. Barnes said the concern with cameras was that the same information would be reported, and the customer might be charged twice.

Dennis Colling, Chief, Administrative Services Division, DMV, stated that the assumption was that InsureNet would capture additional persons in violation of the insurance laws in Nevada; however, the DMV did not think that would happen. Mr. Colling indicated that the DMV had not spoken with the proponents of the bill regarding that issue. Mr. Colling stated that if the number of violators remained similar to the current number and were captured through the InsureNet system, those revenues would be directly reduced from what was currently collected for the Highway Fund. If one-third, or 30 percent, of the cost was paid to InsureNet, that would equate to approximately \$5 million that would not be paid to the Highway Fund.

Assemblyman Ocegüera assumed that the percentage would be negotiable. Mr. Colling said the rates were negotiable, but everyone should remember that it would be a sole-source contract with InsureNet.

Assemblyman Goicoechea asked whether DMV's redesigned program would require a traffic stop prior to insurance verification. Ms. Barnes said a traffic stop would initiate and verify insurance, along with any transaction within the system. She noted that when a person renewed the registration on the vehicle, the insurance would be verified. On the law enforcement side, insurance would be checked based on traffic stops.

Assemblyman Goicoechea said it was his understanding that fines realized through traffic stops or through registration of the vehicle would go directly to the Highway Fund. The bill stated that only those citations that were captured outside the DMV's normal process would be counted by InsureNet. Ms. Barnes believed that was correct, but at the time the testimony was prepared for the meeting, DMV was not aware of that fact. The language of the bill appeared to focus on out-of-state vehicles, and the DMV was concerned with Nevada vehicles. Assemblyman Goicoechea opined that the state should be concerned with all uninsured vehicles.

Assemblywoman McClain commented that InsureNet did not maintain data, but rather used the data maintained by the NLETS system.

Mr. Roberts asked that the sponsor of the bill work with the DMV so the issues and costs could be clarified, at which time the DMV would submit an updated fiscal note. Vice Chair Leslie agreed that InsureNet should work with the DMV.

Assemblyman Hogan said he was attempting to think through the process of creating such a contract with InsureNet, particularly the price, and whether the state should consider a flat 30 percent fee throughout the life of such a contract. Assemblyman Hogan stated there should be some way to determine the rate of return on the actual investment, to ensure that the state was not overpaying for the service. He believed that further discussion was necessary, not just about technicalities, but also to get some idea about the flexibility of the negotiations. Assemblyman Hogan said he had some concerns but was very intrigued by the possibility of capturing the additional revenue.

Mr. Roberts agreed with Assemblyman Hogan's comments and would also like to know the two states that were currently working with InsureNet. The DMV had taken notice that its insurance verification program needed work, and that was the reason the DMV approached the Interim Finance Committee (IFC) for an allocation to begin reprogramming the system.

Assemblyman Grady asked whether the DMV's system would only verify insurance for Nevada vehicles. Ms. Barnes replied that DMV would only verify insurance for vehicles in its system, and those would be vehicles registered in Nevada. She explained that law enforcement had access to information regarding out-of-state records, but the DMV only maintained Nevada-based information.

Assemblyman Grady asked about the cost of DMV's new system, and he wondered what the final cost would be to implement the product. Ms. Barnes replied that the DMV had requested \$377,805 from the IFC in September 2008 to implement the system by February 2010. To date, said Ms. Barnes, the

DMV had expended approximately \$32,000 and would ask the IFC for permission to carry forward the balance of those funds to FY 2010.

Ms. Barnes stated that when the DMV contacted vendors other than InsureNet regarding the cost to implement the same type of program, the implementation cost was \$1 million and the annual cost was \$700,000. The DMV believed it could produce a system that would provide the same information at a lower cost.

Mr. Colling said one issue was how long the Legislature wanted the DMV to continue down the current path of developing its own system. The DMV was trying to address the problems in the system, and if the DMV stopped progress on its program, how long would it take for InsureNet to put its system into place.

Assemblyman Goicoechea commented that the Committee was not putting the brakes on the DMV's program redesign nor did it want to. He believed that the DMV's program would be very valuable, but he believed that the InsureNet system would be a tremendously valuable offset to the DMV's system.

Robert Compan, representing Farmers' Insurance Group, said he would like to put a layman's "spin" on the bill. The system that the DMV was currently working with was very antiquated and insurance companies reported to the DMV on a biweekly or monthly basis. Mr. Compan stated that insurance companies had brought the issue to the attention of the DMV because they were receiving complaints from customers who were unnecessarily cited by the DMV for failure to maintain insurance and were fined \$250.

Over the interim, said Mr. Compan, representatives from the insurance industry met with the DMV to determine how the DMV could initiate a web-based system. At that time, the DMV was introduced to several third party vendors that had been very successful in other states in capturing uninsured motorists. Mr. Compan said that after reviewing the systems offered by the vendors, the DMV determined that it could redesign its program to align with the standards set by the industry and capture uninsured motorists through web-based, real-time verification.

Mr. Compan reported that programmers from Farmers Insurance Group had been working with the DMV in an attempt to redesign the system, which would be a web-based, real-time system and would capture uninsured motorists whose vehicles were registered in Nevada.

When the bill was introduced, said Mr. Compan, the method of communication with the InsureNet system was of concern to Farmers Insurance Group. He indicated that Farmers Insurance Group currently insured 280,000 vehicles in Nevada, and those companies under the Farmers Insurance "umbrella" insured another 50,000 vehicles. With Farmers Insurance Group's acquisition of AIG's 21st Century Insurance Company, which would be completed within the next few months, Farmers Insurance Group would insure an additional 55,000 vehicles in Nevada.

Mr. Compan advised that Farmers Insurance Group used a very sophisticated technology program, and its programmers had been unable to determine the method that Farmers Insurance Group would use to submit information to InsureNet. If the company was forced to comply with the requirement to submit information to InsureNet, Mr. Compan believed it would be very difficult. He noted that the DMV indicated it could capture uninsured motorists, and there

were other states that had implemented their own insurance verification web-based programs. Mr. Compan said that statistics indicated that approximately 17 percent of Nevadans were uninsured. He compared Nevada to Georgia, which had implemented an insurance verification program and uninsured vehicles were down to approximately 5 percent.

Mr. Compan stated that there was apparently no statistical data from InsureNet regarding its system, and Farmers Insurance Group was neutral regarding the bill, because the company did not understand the program offered by InsureNet.

Assemblyman Goicoechea asked whether Mr. Compan was concerned about providing the necessary information to InsureNet. Mr. Compan stated that was correct. Farmers Insurance Group was working on a system of communication with the DMV on a weekly basis. He reported that providing daily information would be difficult for a company as large as Farmers Insurance Group.

Vice Chair Leslie asked whether there was further testimony to come before the Committee regarding A.B. 504 (R1), and there being none, the Chair closed the hearing.

Vice Chair Leslie stated that the Committee would consider bills for possible action. The Chair opened discussion of Assembly Bill (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), stated that the Committee had heard testimony regarding the bill on April 13, 2009. The bill required each plot in the veterans' cemetery to be landscaped with natural grass.

ASSEMBLYWOMAN MCCLAIN MOVED THAT THE COMMITTEE
DO PASS A.B. 3 (R1) AS AMENDED.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED. (Chair Arberry, Assemblywoman Gansert,
and Assemblymen Denis and Hardy were not present for the vote.)

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Vice Chair Leslie stated the Committee would consider Assembly Bill (A.B.) 64 and Assembly Bill A.B. 65 (R1) together. She noted that there was a proposed amendment for each bill, Exhibit G and Exhibit H.

Assembly Bill 64: Increases the number of judges in the Second and Eighth Judicial Districts. (BDR 1-371)

Assembly Bill 65 (1st Reprint): Provides for the collection and disposition of additional court fees. (BDR 2-372)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), indicated that he would review the proposed amendments. He explained that A.B. 64 would provide for ten new district judges, one in Washoe County and nine in Clark County. The bill also included an appropriation from the General Fund of just over \$1 million for the salary of

the new judges that would be elected in January 2011. Mr. Stevens said that cost would double in the following biennium.

Mr. Stevens indicated that the amendment to A.B. 64, as depicted in [Exhibit G](#), would remove the General Fund appropriation and pay the salaries for the newly elected judges with proceeds from A.B. 65 (R1).

According to Mr. Stevens, the amendment to A.B. 65 (R1) ([Exhibit H](#)) outlined the funding that was estimated to be generated through an increase in the number of fees charged for use of the court system. Basically, said Mr. Stevens, the amendment proposed that the salary and benefits of the district judges included in A.B. 64 would be paid over the last six months of FY 2011 from the proceeds generated by A.B. 65 (R1). After that time, the salary of the district court judges would be a General Fund cost, as were the salaries of all other district judges. Mr. Stevens noted that there was one additional change to A.B. 65 (R1) as depicted in the amendment, which would provide for a 1.5 percent collection fee at the county level.

Assemblyman Goicoechea asked whether the funding generated by A.B. 65 (R1) would pay the salary for the additional ten judges over the last six months of FY 2011.

Mr. Stevens indicated that the proposal was to pay the salaries for the final six months of FY 2011, after which the salaries for the additional judges would become a General Fund obligation, as were the salaries of all other district judges. He explained that the fees included in A.B. 65 (R1) were basically designed to pay the costs for additional courtrooms needed for the new judges.

Assemblyman Goicoechea observed that the funding from A.B. 65 (R1) would be used as originally intended after the six-month period. Mr. Stevens said that the bill would generate more funds than was required to pay the salaries for the district judges for the final six months of FY 2011, and after that the funding would revert to its original purpose and be used for local court costs.

Assemblywoman Buckley stated that because the Committee was discussing both A.B. 64 and A.B. 65 (R1), she wanted to disclose that the Supreme Court dedicated a portion of its fees to assist legal aid entities in providing legal services for the disadvantaged. As the director of such a legal aid entity, even though the bill would not affect her personally, Assemblywoman Buckley stated she would abstain from voting on A.B. 65 (R1). She did not have a conflict regarding A.B. 64.

Vice Chair Leslie disclosed that as a judicial district employee, she would not engage in discussion of, or vote on, either of the bills.

Vice Chair Leslie closed the hearing on A.B. 64 and A.B. 65, and stated that the Committee would review the amendments and reschedule the bills for consideration at a future hearing.

The Chair opened the hearing on Assembly Bill (A.B.) 279 (R1).

Assembly Bill 279 (1st Reprint): Makes various changes relating to certain convicted persons. (BDR 14-518)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), referred to [Exhibit I](#), a proposed amendment to A.B. 279 (R1), which would delete the provisions of the bill that were listed after section 2. The amendment would retain the language of section 2 regarding the collection and preservation of biological evidence.

Vice Chair Leslie called for a motion.

ASSEMBLYWOMAN KOIVISTO MOVED TO AMEND AND DO PASS
A.B. 279 (R1) AS AMENDED.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

THE MOTION PASSED. (Chair Arberry and
Assemblywoman Gansert were not present for the vote.)

Vice Chair Leslie opened the hearing on Assembly Bill (A.B.) 283 (R1).

Assembly Bill 283 (1st Reprint): Revises provisions governing the payment of compensation to certain victims of crime. (BDR 16-609)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated that the bill had been reviewed by the Committee on April 27, 2009. Basically, said Mr. Stevens, A.B. 283 (R1) involved the Victims of Crime program and would increase the maximum award to victims from \$50,000 to \$100,000. He noted that testimony presented at the hearing on April 27 indicated that the increase would impact a small number of cases and would not create a significant fiscal impact.

Vice Chair Leslie called for a motion.

ASSEMBLYMAN GOICOECHEA MOVED THAT THE COMMITTEE
DO PASS A.B. 283 (R1) AS AMENDED.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

THE MOTION PASSED. (Chair Arberry and
Assemblywoman Gansert were not present for the vote.)

Vice Chair Leslie opened discussion regarding Assembly Bill (A.B.) 359 (R2).

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

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated that A.B. 359 (R2) was heard by the Committee on May 4, 2009. A proposed amendment to the bill had been presented to the Committee ([Exhibit J](#)) and would be explained by Assemblywoman Smith.

Assemblywoman Smith stated that the amendment removed section 9 regarding the stimulus funding and corrected the effective date in section 10; she offered the following motion.

ASSEMBLYWOMAN SMITH MOVED THAT THE COMMITTEE
AMEND AND DO PASS A.B. 359 (R2) AS AMENDED.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION PASSED. (Chair Arberry and
Assemblywoman Gansert were not present for the vote.)

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Vice Chair Leslie opened discussion of Assembly Bill (A.B.) 458.

Assembly Bill 458: Revises various provisions relating to funding for public education. (BDR 31-685)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated the Committee had heard testimony regarding A.B. 458 on April 30, 2009. Mr. Stevens advised the Committee that there was a proposed amendment to the bill (Exhibit K) which would be explained by Assemblywoman Buckley.

Assemblywoman Buckley stated that the bill proposed creation of the education rainy day fund, and certain provisions of the bill would not change with the amendment. She advised that education dollars that were reverted because of enrollment changes would be placed in an educational stabilization fund rather than reverting to the General Fund. Assemblywoman Buckley stated that would eliminate the state's painful cuts to education dollars during troubled economic times.

Assemblywoman Buckley indicated that the most contentious portion of the bill dealt with redevelopment dollars. She stated that she and Legislative Counsel Bureau (LCB) staff had worked with the redevelopment entities, and via a give and take exchange, Douglas County and Carson City were no longer opposed to the bill. However, LCB staff had worked extensively with the entities in Las Vegas, Henderson, Reno, and Sparks, and rather than taking the money that otherwise would have gone to education in its entirety, a "clawback" provision would be created. Assemblywoman Buckley explained that the "clawback" provision would escalate a percentage of redevelopment funds each fiscal year for education, as depicted in subsection 2 of section 24 of the bill.

Assemblywoman Buckley stated that the revenue would be 3 percent for the first fiscal year, 4 percent for the second fiscal year, and so on; she explained it was a staggered fee increase. Assemblywoman Buckley stated that in areas where there was no redevelopment agency and there was an increase in assessed valuation, the money would be allocated to schools. She pointed out that it was not as if the money would otherwise be flowing to the cities. Assemblywoman Buckley believed that the redevelopment entities had been given ample opportunity to work with LCB staff in determining the provisions of the bill.

According to Assemblywoman Buckley, if the state did not start the process of eliminating abatements of money that would otherwise be allocated to

education, then the state should not wonder why it did not have sufficient funding for its schools.

Assemblyman Hardy referenced the population cap of 300,000 depicted in section 24 of the bill, and he asked whether that cap applied to all entities, such as those in Mesquite or Boulder City.

Assemblywoman Buckley believed that a representative from Boulder City had been present during the previous hearing on the bill, and it was her understanding that the Boulder City redevelopment entity no longer opposed the bill with the modifications addressed in the proposed amendment ([Exhibit K](#)).

Vice Chair Leslie called for a motion.

ASSEMBLYWOMAN MCCLAIN MOVED THAT THE COMMITTEE
AMEND AND DO PASS A.B. 458 AS AMENDED.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Chair Arberry and
Assemblywoman Gansert were not present for the vote.)

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Vice Chair Leslie opened discussion on Assembly Bill (A.B.) 461 (R1).

[Assembly Bill 461 \(1st Reprint\)](#): Makes various changes relating to older persons. (BDR 15-126)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated that A.B. 461 (R1) had been reviewed by the Committee earlier in the week. He said Assemblywoman McClain would discuss an additional amendment to the bill, which was not yet available for review.

Assemblywoman McClain explained that the original amendment removed the fees and appropriation from the bill, and the proposed amendment would delete paragraphs (m) and (n) under subsection 4 of section 1 of the bill that referenced clergymen and attorneys as mandated reporters of elder abuse. Assemblywoman McClain stated that Senate Bill (S.B.) 45 (R2) had passed on the Assembly Floor today, and the provisions of A.B. 461 (R1) depicted the age of an "older person" as 60 years and older, while S.B. 45 (R2) depicted the age of an "older person" as 70 years and older. Assemblywoman McClain was unsure regarding whether or not the age should be amended to 70 years or older in A.B. 461 (R1).

Vice Chair Leslie suggested that because there would be a second amendment to the bill that the age for an "older person" be amended to 70 years and older. She noted that the age was depicted in subsection 4 of section 4 of the bill.

Assemblyman Ocegüera asked how first responders, such as firefighters or emergency medical technicians, would be notified that such a law had been passed. Assemblywoman McClain indicated that the stipulations for reporting possible elder abuse had always been included in the statutes. Assemblywoman McClain stated that with the proposed amendment, the bill would not add any new categories of persons required to report possible elder abuse.

Assemblyman Hardy understood that paragraphs (m) and (n) of subsection 4 of section 1 of the bill would remove clergymen and attorneys from the reporting requirements for elder abuse. Assemblywoman McClain stated that was correct, and that portion of the statute would remain the same.

Vice Chair Leslie called for a motion that included the proposed amendment to remove clergymen and attorneys from the bill, and to change the age of an "older person" to 70 years or older.

ASSEMBLYWOMAN MCCLAIN MOVED THAT THE COMMITTEE AMEND AND DO PASS A.B. 461 (R1) AS AMENDED, AND THAT THE AMENDMENT INCLUDE REMOVAL OF CLERGYMEN AND ATTORNEYS AND CHANGE THE AGE OF AN "OLDER PERSON" TO 70 YEARS OR OLDER.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

THE MOTION PASSED. (Chair Arberry and Assemblywomen Buckley and Gansert were not present for the vote.)

Vice Chair Leslie opened discussion of Assembly Bill (A.B.) 482 (R1).

Assembly Bill 482 (1st Reprint): Makes various changes relating to the repair of motor vehicles. (BDR 43-1124)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated that the Committee had heard testimony regarding A.B. 482 (R1) from Assemblyman Kelvin Atkinson, Clark County District No. 17, and a representative from the Department of Motor Vehicles (DMV) on April 29, 2009. The bill involved the budget closing for the DMV and the Consumer Affairs Division.

Mr. Stevens explained that the bill would transfer consumer complaints regarding motor vehicles to the DMV rather than the Consumer Affairs Division, as was included in the budget closings approved by the Committee. The provisions of the bill included an additional position for the DMV, which was included in the budget closing. Mr. Stevens explained that the bill contained the necessary language to assist the DMV in assuming those responsibilities from the Consumer Affairs Division. He reported that the fiscal impact had been included in the budget closing.

Vice Chair Leslie called for a motion.

ASSEMBLYWOMAN KOIVISTO MOVED THAT THE COMMITTEE DO PASS A.B. 482 (R1) AS AMENDED.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Chair Arberry and Assemblywomen Buckley and Gansert were not present for the vote.)

Vice Chair Leslie opened discussion on Assembly Bill (A.B.) 531.

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

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), explained that A.B. 531 was a bill from the Department of Administration which provided that the programs that could utilize court administrative assessments for the Executive Branch agencies would include the Victims of Domestic Violence program within the Attorney General's (AG's) Office. Mr. Stevens indicated that subsection 9 of section 1 of the bill stipulated that a portion of those dollars be distributed directly to the State General Fund to offset General Fund costs. The allocation was included in The Executive Budget.

Also, said Mr. Stevens, the Administrative Office of the Courts (AOC) had requested that the 51 percent that it was allocated for the administration of the courts, the development of a uniform system for judicial records, and continuing judicial education be allocated in one dollar amount that the AOC could use for all three programs. The AOC would then be allowed to transfer the funding within those three areas at its discretion.

Mr. Stevens referenced Exhibit L, an amendment to A.B. 531 that was proposed by the AOC and would clarify the intent of subsection 9 of section 1 of the bill. The clarification addressed that the money that would go directly to the General Fund would be from the unexpended portion of the 49 percent share rather than the 51 percent share allocated to the AOC.

Mr. Stevens said it should be made clear that from the 51 percent of court assessments received by the AOC, the Supreme Court received 48 percent and the budget for the Supreme Court was funded by both administrative assessments and General Fund. If additional court administrative assessment revenue was received over and above the budgeted amount, that revenue would be reserved and a like amount of General Funds would be reverted at the end of the fiscal year. Mr. Stevens also believed that should be clearly stated in the floor statement for the bill. He wanted to ensure that the proposed amendment, Exhibit L, would not impact that past practice.

Vice Chair Leslie agreed that such clarification would be wise and should be included in the floor statement pertaining to A.B. 531. She called for a motion.

Assemblywoman McClain asked whether the amendment was absolutely necessary. Mr. Stevens replied that he was not sure whether the amendment was necessary. The amendment would change subsection 9 of section 1 of the bill to read, "Any money not distributed or used pursuant to paragraph (b) of subsection 8 must be transferred to the uncommitted balance of the State General Fund." He stated that the 51 percent share of court assessments was currently distributed to the courts and the amendment might not be necessary. It appeared that the AOC was attempting to clarify that the stipulation did not pertain to the 51 percent share. If the Committee chose to not amend the bill, Mr. Stevens did not believe it would be problematic.

Assemblywoman Smith asked about the inclusion of the Victims of Domestic Violence program to the list of recipients of court administrative assessment funding. Mr. Stevens explained that the bill would permit a portion of the 49 percent share of the court administrative assessment funding to be utilized by the Victims of Domestic Violence program within the AG's Office. He pointed out that The Executive Budget actually recommended that a small

portion of the court administrative assessment funding be allocated to that program over the upcoming biennium.

Ben Graham, representing the Administrative Office of the Courts (AOC), explained that the amendment addressed an issue that was identified by the AOC's budget person. Mr. Graham stated that he had reviewed the language and the amendment with the Legislative Counsel Bureau (LCB), and staff believed that the amendment was appropriate and a good explanation. However, said Mr. Graham, if the amendment was creating confusion, it would be withdrawn.

Mr. Stevens stated that Legislative Counsel Bureau (LCB) staff did not want to create a problem because of misinterpretation of the language of the bill. He did not believe that the bill intended to include funding from the 51 percent share for the General Fund. It was clear that the 51 percent was the share allocated to the Judicial Branch, and The Executive Budget did not have any portion of that share going to the General Fund. The allocation to the General Fund would be realized from the 49 percent.

Vice Chair Leslie believed it would be better to clarify the language. She called for a motion.

ASSEMBLYMAN OCEGUERA MOVED THAT THE COMMITTEE
AMEND AND DO PASS A.B. 531 AS AMENDED.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Chair Arberry, Assemblywomen Buckley
and Gansert, and Assemblyman Hardy were not present for the
vote.)

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Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), advised that the budget closing for the Public Employees' Retirement System (PERS) would be heard next by the Committee.

Vice Chair Leslie opened discussion of Budget Account (BA) 4821.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM – BA 101-4821
BUDGET PAGE – PERS-1

Mr. Stevens stated that the budget for the Public Employees' Retirement systems (PERS) was not reviewed by the Executive Branch per statute, but was reviewed by the Legislature each session. There were some issues for consideration by the Committee, the first of which was that the PERS budget did not include decision units Enhancement (E) 670 through E672, which addressed the proposed salary reductions, suspension of merit increases, and suspension of longevity pay. Mr. Stevens pointed out that PERS was a quasi-state agency that served both state and local governments, and the budget was not reviewed by the Governor. Mr. Stevens wanted to ensure that the Committee was aware that the aforementioned decision units were not included in the PERS budget.

From a funding perspective, Mr. Stevens explained that the Committee could include the decision units in the PERS budget. The decision for the Committee was whether it wished to make adjustments to the PERS budget that would

mirror decisions made for state agencies in the areas of salary, merit, and longevity.

Mr. Stevens stated that the next issue for Committee consideration was the additional cost of the continuing critical labor shortage provisions. He pointed out that there was an amendment to Assembly Bill 488 that would address the issue and would provide for the continuation of the critical labor shortage provisions through June 2015. The approval of a position under the critical labor shortage provisions would be required to be made in a public meeting. Mr. Stevens stated that the appointing authority, whether the Board of Examiners, the Supreme Court, the Board of Regents, or the elected school boards, would be required to designate the positions for which a critical labor shortage existed.

According to Mr. Stevens, the appointing authority would be required to make findings based upon the approved criteria, whether that was turnover rates, difficulty in filling the position or the history and success of the efforts to recruit, and the number of position openings. Those findings must be reported to the Interim Retirement and Benefits Committee of the Legislature. Mr. Stevens indicated that PERS was required to conduct an experience study utilizing the System's actuary for the period of July 2009 through June 2014.

With the amendments to A.B. 488, Mr. Stevens stated that the fiscal impact of continuing the provisions of the critical labor shortage had been removed for approximately the next five years.

Other closing issues included decision unit Enhancement (E) 849, said Mr. Stevens, which would provide for \$56,681 in the first year of the biennium and \$93,097 in the second year of the biennium to finance step increases for the non-classified positions within PERS. Mr. Stevens explained that included the executive officer, operations officer, investments officer and assistant investment officer, administrative analyst, administrative assistant, and the information technology manager. Those were the non-classified positions within PERS that were currently compensated on a nine-step salary schedule.

Mr. Stevens pointed out that decision unit E849 also provided for a tenth step to bring the number of steps in the PERS non-classified compensation schedule in line with the number of steps provided for classified state employees. He stated that the decision unit would also provide merit salary increases for those positions over the upcoming biennium. Mr. Stevens said the decision for the Committee was whether it wished to provide funding for ten steps in the compensation schedule and whether it wished to approve funding for merit salary increases.

Continuing his presentation, Mr. Stevens said that PERS was projecting a surge in retirements within state government over the months of June and July of 2009. Mr. Stevens stated that PERS anticipated that 80 percent of state employees who were eligible to retire, and 40 percent of employees able to purchase service credit, would do so and retire in the next few months. He said PERS was requesting overtime funds totaling \$83,024 to accommodate the additional workload related to anticipated retirements during June and July of 2009. Mr. Stevens stated that Fiscal Analysis Division staff had reviewed the assumptions developed by PERS and recommended approval of the request. Approval of the request would allow PERS to pay the additional staff costs and maintain its budgeted reserve balance of \$200,000.

Vice Chair Leslie asked whether representatives from PERS would like to come forward and speak to the budget closing items; however, no further testimony was forthcoming.

Vice Chair Leslie referred to the first decision for the Committee, which was whether it wished to implement the same salary and benefit reductions as had been implemented for state workers. Mr. Stevens pointed that whatever decision was made by the Committee would be from a funding perspective, because PERS was controlled by the PERS Board, and it was a matter of how the funding should be budgeted.

Vice Chair Leslie thanked Mr. Stevens for that clarification. She believed that it would be very difficult for the Committee not to make the same reductions for PERS staff as it had for other state employees.

Assemblyman Ocegüera asked about budget savings should the Committee recommend comparable reductions for PERS staff, similar to other state employees. Mr. Stevens stated that he did not have that information available, and he would work with PERS staff to determine the dollar amounts in the base budget. He pointed out that decision unit E849 included \$56,681 in FY 2010 and \$93,097 in FY 2011 to finance step increases for non-classified positions within PERS.

Assemblyman Ocegüera asked whether it would equate to the request for \$83,024 in overtime funds to address anticipated retirements. Mr. Stevens believed that it would come close to that amount.

Vice Chair Leslie called for a motion.

ASSEMBLYMAN GOICOECHEA MOVED THAT THE COMMITTEE MAKE ADJUSTMENTS IN THE PERS BUDGET THAT WOULD MIRROR DECISIONS MADE FOR STATE AGENCIES IN THE AREAS OF SALARY, MERIT INCREASES, AND LONGEVITY PAY.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED. (Chair Arberry, Assemblyman Hardy, and Assemblywoman Gansert were not present for the vote.)

Vice Chair Leslie indicated that the next decision for the Committee was whether it wished to provide for ten steps in the compensation schedule for non-classified PERS employees. She believed that the Committee should consider approval of that request to maintain consistency but not approve funding for merit salary increases for non-classified positions within PERS.

Vice Chair Leslie called for a motion.

ASSEMBLYWOMAN MCCLAIN MOVED THAT THE COMMITTEE APPROVE THE ADDITION OF A TENTH STEP IN THE COMPENSATION SCHEDULE FOR NON-CLASSIFIED POSITIONS WITHIN PERS AND NOT APPROVE FUNDING FOR MERIT SALARY INCREASES FOR THOSE POSITIONS.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Chair Arberry and Assemblywoman Gansert were not present for the vote.)

Vice Chair Leslie stated that the Committee would consider the issue of the request from PERS for overtime funds totaling \$83,024 to accommodate the additional workload related to anticipated retirements during June and July of 2009.

Assemblyman Ocegüera said the probability was that the funding would be saved through salary reductions. Vice Chair Leslie indicated that the Committee was required to approve the request for overtime funds.

Mr. Stevens explained that based on the actions of the Committee, there would be some reductions in the salary category, but there would also be an increase in overtime pay, and PERS needed legislative approval to pay that overtime. He said perhaps the reduction in salary would offset the funding for overtime, but if the funding was not added back into the PERS budget, the budget for overtime would be short.

ASSEMBLYWOMAN MCCLAIN MOVED THAT THE COMMITTEE
APPROVE THE REQUEST FROM PERS FOR OVERTIME FUNDING
AS RECOMMENDED BY STAFF.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Chair Arberry and
Assemblywoman Gansert were not present for the vote.)

BUDGET CLOSED.

Vice Chair Leslie asked whether there was further testimony to come before the Committee, and there being none, the Chair adjourned the hearing at 6:41 p.m.

RESPECTFULLY SUBMITTED:

Carol Thomsen
Committee Secretary

APPROVED BY:



Assemblywoman Sheila Leslie, Vice Chair

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>May 6, 2009</u>		Time of Meeting: <u>4:14 p.m.</u>	
Bill	Exhibit	Witness / Agency	Description
***	A		Agenda
***	B		Attendance Roster
AB 349	C	Assemblywoman Parnell	Email from Dr. Ritch
AB 355	D	Gregory Hafen	Proposed Amendment
AB 504	E	Richard Perkins	Packet of information from NLETS
AB 504	F	Richard Perkins	Packet of information from InsureNet
AB 64	G	Mark Stevens	Proposed Amendment
AB 65	H	Mark Stevens	Proposed Amendment
AB 279	I	Mark Stevens	Proposed Amendment
AB 359	J	Mark Stevens	Proposed Amendment
AB 458	K	Mark Stevens	Proposed Amendment
AB 531	L	Mark Stevens	Proposed Amendment