

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

**Seventy-Fifth Session
May 13, 2009**

The Committee on Ways and Means was called to order by Vice Chair Sheila Leslie at 8:07 a.m. on Wednesday, May 13, 2009, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 5100 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:

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

GUEST LEGISLATORS PRESENT:

Senator Bernice Mathews, Washoe County Senatorial District No. 1

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Michael J. Chapman, Senior Program Analyst
Mark Krmpotic, Senior Program Analyst
Sarah Coffman Program Analyst
Scott Edwards, Program Analyst
Jeffrey A. Ferguson, Program Analyst
Heidi Sakelarios, Program Analyst
Julie Waller, Program Analyst
Linda Blevins, Committee Secretary
Vickie Kieffer, Committee Assistant

Vice Chair Leslie opened the hearing on Assembly Bill (A.B.) 9.

Assembly Bill 9: Creates the Legislative Committee on Senior Citizens, Veterans and Adults With Special Needs. (BDR 17-97)

Assemblywoman Kathy McClain, Clark County Assembly District No. 15, presented the following testimony in support of Assembly Bill (A.B.) 9:

I am here this morning on A.B. 9 which creates the Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs.

Assembly Bill 9 is from the interim study on issues relating to senior citizens and veterans that I chaired during the last interim. The committee was required to evaluate, review, and comment on issues relating to these populations, including health and human services, elder abuse and exploitation, financial and physical wellness initiatives, housing and transportation, public outreach, and advocacy. However, we tackled several other pressing issues relating to seniors including:

- Senior isolation and neglect.
- Challenges facing seniors living independently in the community.
- Assisted living and long-term care facilities.
- Adult guardianship programs.
- Nutrition services.
- Dental services.
- Mental health services.
- Social interaction and mobility services.
- Reduction of out-of-state placement of dementia patients.
- Long-term care geriatric psych units in the north and the south.
- Progressive and innovative programs to ensure independence and self-worth.

In addition, we spent one of the six full-day meetings dedicated to veterans. Some of the topics included:

- Veterans' benefits.
- Transition assistance programs.
- Counseling and outreach services.
- Veterans' medical system.
- Educational benefits and programs.
- Compensation and pension benefits.
- Long-term care for veterans.

The main thing we constantly ran across was the need for additional study of specific issues related to senior citizens and veterans, and that is why the number one priority of the interim committee was to request a standing statutory committee during the interim for further study and discussion on issues related to senior citizens, veterans, and other special adult populations.

We included other special adult populations to assist with issues for disabled adults because the standing committee for that population has sunset.

A statutory committee during the interim will also act as a clearinghouse for issues discussed in other senior- and/or veteran-oriented commissions and committees. This committee would provide legislative oversight and assistance in promoting bills requested by the various committees, such as the Nevada Silver Haired Legislative Forum, who has no BDR (bill draft request) authority; the Nevada Commission on Aging; the Nevada Veterans' Services Commission; and the Strategic Plan Accountability committees for the disabled adults and the seniors, as well as local non-profit organizations and other service providers that find some legislative need. These commissions only have authority to request BDRs through the appropriate agencies.

The on-going study of the issues that cross subject matter lines and the variety of legislative measures assigned to many different committees during a regular session is needed.

The support for senior and veteran issues highlights the need for this standing committee, much like the education and healthcare standing committees.

The Legislative Counsel Bureau has added a fiscal note and I would like to have Lorne Malkiewich, Director, Legislative Counsel Bureau, talk about that and the issue of the numerous studies proposed and the current statutory committees.

I know each of you support our veterans and our seniors, and I would appreciate your support for this important committee and approval of A.B. 9.

Lorne Malkiewich, Director, Legislative Counsel Bureau (LCB), was neutral on the creation of any statutory committees or interim studies; however, he addressed the issue of fiscal notes as they related to various statutory committees and interim studies. Mr. Malkiewich reminded the Committee that to achieve the required salary savings, LCB would not be filling many vacant positions and would be participating in the state furlough program. Therefore, the LCB would be unable to absorb costs associated with interim committees or studies, such as the one described in A.B. 9.

Mr. Malkiewich was concerned with the staff required to support the various interim studies and statutory committees. He requested the Committee consider the position of the LCB when passing bills that required interim studies or statutory committees.

Assemblyman Grady asked whether the LCB provided staff support for committees such as the Nevada Silver Haired Legislative Forum.

Mr. Malkiewich responded that a Las Vegas Office staff member was assigned to the Silver Haired Legislative Forum. The staff member would be able to assist with a portion of the responsibilities for the committee proposed in A.B. 9.

Assemblyman Hardy inquired whether a list had been prepared of the proposed interim studies and statutory committees to track the estimated costs for those proposals.

Mr. Malkiewich stated that Assemblywoman Koivisto had a list of the proposals for the interim. The reapportionment study was included in the LCB budget. The proposed statutory committees had to be monitored to ensure that staff was not overloaded.

Mr. Malkiewich suggested that to deal with the overload some of the interim studies should be converted into staff studies. Although the studies would still require staff time, there was less involved because meetings would not have to be organized and minutes would not have to be recorded and transcribed.

To clarify, Vice Chair Leslie recapped that Assemblywoman McClain was requesting a statutory committee in A.B. 9.

Assemblywoman McClain confirmed and noted that the bill allowed for six meetings in 2010 and three meetings in 2009. She believed this was an important project and was willing to donate her salary and time to support the committee. Travel would not be necessary since videoconferencing was available. Assemblywoman McClain agreed with Mr. Malkiewich's suggestion to share staff with the Silver Haired Legislative Forum.

Mr. Malkiewich remarked that the fiscal note was generated for nine meetings, as described by Assemblywoman McClain. The number of meetings could be decided by the Committee if it wanted to submit an appropriation request for A.B. 9.

Vice Chair Leslie believed the major concern was staff support, not the number of meetings.

Barry Gold, Director, Government Relations, AARP Nevada, supported A.B. 9. Mr. Gold provided written testimony attached as [Exhibit C](#).

Connie McMullen, Chair of the Strategic Plan Accountability Committee for Seniors, supported A.B. 9. Ms. McMullen provided written testimony attached as [Exhibit D](#).

Bruce Arkell, representing the Nevada Senior Corps Association (NSCA), provided supportive testimony for A.B. 9. Mr. Arkell advised the Committee that the NSCA was a new organization formed in response to the needs of the frail seniors in Nevada. The organization had discovered there were many services available designed to serve the needs of most communities. He was anxious to work with a standing committee to review these services.

Carl Martinez, a member of the Nevada Commission on Aging, supported A.B. 9. He believed it was important to the welfare of senior citizens to have a standing committee to review services and ensure information was relayed to the senior citizen communities.

Herbert Randall, private citizen, veteran, and vice president of the Nevada Silver Haired Legislative Forum, supported A.B. 9. He stated that Assemblywoman McClain had been very supportive of veterans and the senior citizen community. In his opinion, this piece of legislation would provide her with a vehicle to study the problems associated with senior citizens.

Tim Tetz, Executive Director, Office of Veterans' Services, requested the passage of A.B. 9. Mr. Tetz concurred with the testimony of the earlier speakers. In his opinion, the success of 2009 legislation for veterans' issues was in direct response to the interim committees assembled to study senior citizen and veterans' problems.

Ernie Nielsen, Washoe County Senior Law Project, expressed support for A.B. 9. He had been involved with senior citizen issues for many years and believed a committee with legislative leadership could educate the stakeholders on the essential issues and promote policies that would be effective in the future.

William Birkmann, representing the Nevada Alliance for Retired Americans, supported A.B. 9.

Vice Chair Leslie called for additional public testimony. There being none, Vice Chair Leslie closed the hearing on A.B. 9. She advised the Committee that A.B. 522 had been removed from the agenda.

Assemblyman Arberry resumed the Chair and opened the hearing on A.B. 345 (R1).

Assembly Bill 345 (1st Reprint): Makes various changes concerning certain exemptions from property taxes and governmental services taxes. (BDR 32-101)

Assemblywoman Kathy McClain, Clark County Assembly District No. 15, presented an overview of Assembly Bill (A.B.) 345 (R1). She noted that the bill came out of a study on issues related to seniors and veterans. She believed the bill was long overdue and that it corrected many inequities. Assemblywoman McClain requested Tim Tetz, Executive Director, Office of Veterans' Services, provide the Committee with details of the bill.

Mr. Tetz provided **Exhibit E** to the Committee for review and consideration. He explained that there were three components of A.B. 345 (R1) as follows:

1. The bill allowed veterans deemed by the Department of Veterans Affairs to be 100 percent unemployable to receive the same veterans' exemption as those who were 100 percent disabled.
2. The bill increased the veterans' base exemptions for veterans' not disabled, from \$2,000 to \$2,500.
3. The bill corrected an inequality in the *Nevada Revised Statutes* (NRS) where veterans deemed disabled by the Department of Defense were eligible for tax exemptions on personal property but not on the Department of Motor Vehicle (DMV) taxes.

Mr. Tetz stated that the fiscal note would be approximately \$2.9 million per year if eligible veterans aggressively pursued the exemptions.

Section 4 of the bill changed the base exemption from \$2,000 to \$2,500. Mr. Tetz pointed out that the current exemption was \$2,245, not \$2,000. The net effect to state revenue for fiscal year (FY) 2010 would be \$450,000.

Section 5 changed the disabled veteran exemption and allowed veterans receiving 100 percent individually unemployable benefits to use the same exemption as veterans who had a 100 percent service-connected disability. According to Mr. Tetz, there were approximately 2,200 veterans in Nevada who were 100 percent individually unemployable and who deserved to have the

100 percent exemption. The net effect of section 5 for FY 2010 would be about \$1.4 million.

Section 9 of the bill changed the base exemption for automobiles. The DMV fiscal note estimate for FY 2010 was \$1,098,930.

Mr. Tetz noted that section 10 contained an adjustment for the Department of Defense (DoD) disability rating. The DMV did not categorize exemptions based on class of exemption. The adjustment would allow veterans who had a DoD disability rating, but not a Department of Veterans Affairs (VA) disability, to be able to receive the DMV exemption.

Jude Hurin, Service Manager, Research and Development Division, Department of Motor Vehicles, stated that the Department was neutral on A.B. 345 (R1). The Department submitted a fiscal note based on the original wording of the bill and the cost to the Department.

Dino DiCianno, Executive Director, Department of Taxation, testified that the Department was neutral on A.B. 345 (R1) and had filed a fiscal note based on the original wording of the bill. In regards to the fiscal note, Mr. DiCianno requested the Committee consider that this was local government revenue, not State General Fund revenue. The only portion that would be affected was the state debt service which was a smaller amount.

Assemblyman Hardy asked whether the Committee had been supplied with all aspects of the current fiscal note.

Mr. DiCianno believed that information had been provided to the Committee.

There being no additional testimony, Chair Arberry closed the hearing on A.B. 345 (R1) and opened the hearing on A.B. 547.

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

Martha Barnes, Administrator, Division of Central Services and Records, Department of Motor Vehicles (DMV), provided a proposed amendment for Assembly Bill (A.B.) 547 (Exhibit F). The DMV was looking for cost savings in Central Services, budget account 4741, and requested approval to send postcard mailings to registered owners of motor vehicles rather than letters with return envelopes. The cost savings would be significant to the DMV.

There being no public testimony on the bill, Chair Arberry closed the hearing on A.B. 547 and opened the hearing on A.B. 548.

Assembly Bill 548: Revises the provisions governing the fees charged by certain governmental entities for accepting payments by credit cards, debit cards and electronic transfers of money. (BDR 31-1178)

Dave McTeer, Chief, Information Technology Division, Department of Administration, provided an overview of Assembly Bill (A.B.) 548 and distributed Exhibit G, an outline of the fees associated with credit card use.

According to Mr. McTeer, the bill was proposed to change sections of existing statute to authorize agencies to charge customers a fee for the acceptance of credit cards, debit cards, and other forms of electronic payment without

exceeding the cost to the state agency or local government for the transaction. The purpose of the bill was not to change the intent of the statute which was to ensure that there was not an additional revenue stream for the agencies. The new language in section 1 would limit the fees charged by state agencies in a fiscal year (FY) to not exceed the total amount of the fees charged to the agency in that fiscal year.

Mr. McTeer noted that [Exhibit G](#) explained the card types and associated fees. In summary, Mr. McTeer suggested that by changing the statute, the credit card process could be workable for agencies, local government, and the court system.

Mendy K. Elliott, Deputy Chief of Staff, Office of the Governor, stated that with regard to [A.B. 548](#), a mechanism was created whereby 20 percent of the funds would be paid by the agency for the first year. The purpose was to get an average, return to the Interim Finance Committee (IFC) to adjust the rate either annually or semi-annually, and allow the state to be moved into e-commerce.

Maxine Cortes, Court Administrator with the First Judicial District Court and the Justice Municipal Court, expressed support for [A.B. 548](#). The bill was not intended to create a profit for the agencies, but to cover the cost of credit card fees. Ms. Cortes pointed out that the language currently in statute stated "may charge." The court had not charged these fees to the defendants or other individuals paying fines and fees but would like to initiate a charge.

John McCormick, Rural Courts Coordinator, Administrative Office of the Courts, supported [A.B. 548](#).

Gail J. Anderson, Administrator, Real Estate Division, Department of Business and Industry, expressed support for [A.B. 548](#). Ms. Anderson stated that the Real Estate Division and its licensees looked forward to the opportunity to implement the use of credit cards.

Maureen Brower, representing the Southern Nevada Home Builders Association, testified in support of [A.B. 548](#). The bill would expedite the payment process for building fees and other charges for home builders.

Lisa A. Gianoli, representing Washoe County, expressed support for [A.B. 548](#).

Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services, testified in support of [A.B. 548](#). Mr. Gilliland provided written testimony attached as [Exhibit H](#).

Dino DiCianno, Executive Director, Department of Taxation, testified in support of [A.B. 548](#).

Rick Gimlin, Administrator, Administrative Services Division, Department of Public Safety, expressed support for [A.B. 548](#).

There being no additional public testimony, Chair Arberry closed the hearing on [A.B. 548](#) and opened the hearing on [A.B. 549](#).

[Assembly Bill 549](#): Temporarily suspends the requirement to transfer money from the Abandoned Property Trust Account in the State General Fund to the Millennium Scholarship Trust Fund. (BDR S-1206)

Stephanie Day, Deputy Director, Budget Division, Department of Administration presented a brief summary of Assembly Bill (A.B.) 549. The bill implemented a resolution from the 24th Special Session of the Legislature to suspend the requirement to transfer money from the Abandoned Property Trust Account to the Millennium Scholarship Trust Fund for the fiscal year (FY) ending June 30, 2009. This was necessary because of the economic downturn to help balance the budget.

There being no questions or public testimony, Chair Arberry closed the hearing on A.B. 549 and opened the hearing on A.B. 550.

Assembly Bill 550: Requires the establishment of a commercial wedding program at the Boulder Dam-Valley of Fire State Park. (BDR 35-1309)

Assemblywoman Sheila Leslie, Washoe County Assembly District No. 27, presented an overview of Assembly Bill (A.B.) 550. Although a fee was included in the 2007 budget for the wedding services described in A.B. 550, the fee was never imposed. Assemblywoman Leslie explained that rather than approve the fee increase in the Division's budget again, the Subcommittee chose to put forward A.B. 550.

According to Assemblywoman Leslie, *Nevada Revised Statutes* (NRS) 407.0762 allowed the Division to retain any fee revenue in excess of authorized amounts in a fee overage account to be used to repair and maintain state parks. Because the fee was never implemented, there was no fee overage and the Division of State Parks lost revenue.

Basically, passage of the bill would allow the Division to increase the fee for commercial weddings from \$15 to \$150. Assemblywoman Leslie explained that the fee increase would provide funding for two new positions, an administrative assistant 1 and a commissioned park ranger 2, as well as one new vehicle and program operating costs. The new administrative assistant 1 position was needed because the existing administrative assistant 2 was fully occupied by the current workload. The commissioned park ranger 2 was needed to help monitor the commercial wedding activity in the park which included monitoring the park for non-paying wedding companies and ensuring commercial ventures were not causing undue damage to the park. The total cost for the program would be \$161,834 in FY 2009-10 and \$113,351 in FY 2010-11.

Assemblywoman Leslie provided information regarding commercial weddings in Valley of Fire State Park, noting there had been a significant increase in the number of commercial weddings in the Park. In 2007 there were over 1,200 weddings in the Park; however, in 2008 that number dropped to 1,064. However, in the first two weeks of April 2009, commercial weddings increased 81 percent over the same time period of 2008. The current \$15 fee was inadequate to cover the cost for facilitating commercial weddings. The Bureau of Land Management (BLM) currently charged \$180 for a commercial wedding permit at Red Rock Canyon.

The fee increase would only be applicable to commercial weddings provided through local wedding services and would not apply to private weddings. The wedding industry supported the fee increase during the 2007 Legislative Session; however, Assemblywoman Leslie had been informed that the Governor would not support the fee increase in A.B. 550.

Assemblywoman McClain agreed with the information provided by Assemblywoman Leslie and supported A.B. 550.

Assemblywoman Leslie noted the bill required a slight technical amendment.

Allen Biaggi, Director, State Department of Conservation and Natural Resources, could not support A.B. 550 and provided written testimony attached as [Exhibit I](#). He believed the Governor would not support the fee increase.

Because the passage of A.B. 550 would provide more money for the Division of State Parks, Assemblywoman Leslie thought it was a good idea to move the bill forward.

Assemblywoman Gansert wanted the Committee to consider the number of projected weddings and the cost. The net result would be a positive income for the Park.

Assemblywoman McClain asked whether the Budget Division wanted to provide input on the bill for the Committee.

Andrew Clinger, Director, Department of Administration, stated that the Governor generally opposed increased fees or taxes; however, Mr. Clinger had not spoken to the Governor on this bill.

Assemblywoman Smith believed there was a difference between voluntary fees, such as wedding fees, versus fees everyone was required to pay. Therefore, the Governor might support the bill.

Assemblywoman Gansert agreed with Assemblywoman Smith's opinion.

There being no additional testimony, Chair Arberry closed the hearing on A.B. 550 and opened the hearing on Senate Bill (S.B.) 312 (R1).

Senate Bill 312 (1st Reprint): Revises provisions governing the verification of motor vehicle liability insurance policies by the Department of Motor Vehicles. (BDR 43-286)

Senator Bernice Mathews, Washoe County Senatorial District No. 1, provided a brief overview of Senate Bill (S.B.) 312 (R1). Senator Mathews was accompanied by Martha Barnes, Administrator, Division of Central Services and Records, Department of Motor Vehicles (DMV).

Ms. Barnes explained that the DMV had an antiquated method of reporting the verification of motor vehicle liability insurance policies. The insurance companies were currently providing information to the DMV monthly via tape. The DMV wanted to update the system and change the language in the statutes to allow DMV to access insurance websites directly for insurance verification. This would provide immediate access to confirm insurance for individuals.

Chair Arberry asked whether law enforcement would be able to access insurance information during a traffic stop.

Ms. Barnes responded that law enforcement was already able to access the insurance information during a traffic stop; however, the information from the insurance company website would be more up-to-date.

Assemblywoman Leslie requested additional information regarding how this bill fit in with Assembly Bill (A.B.) 504 (R1) and the money already appropriated to the DMV.

Ms. Barnes explained that DMV was aware there was a problem with the system and had been researching what was available to improve the technology. The DMV had discussed the problems with a vendor, who proposed an implementation cost of \$1 million for the upgrade plus a \$700,000 annual cost. The DMV decided to eliminate the vendor and make the upgrades on its own with the assistance of the DMV information technology personnel (MVIT), keeping the money in the state.

When reviewing A.B. 504 (R1), DMV had discovered the bill was written from the law enforcement aspect, and there were problems with the language, from DMV's perspective. Much of the bill referred to out-of-state issues where DMV had no authority.

Ms. Barnes noted that A.B. 504 (R1) was a totally different bill than S.B. 312 (R1). She believed that A.B. 504 (R1) would require 1,300 hours of additional programming costs and cause DMV to receive the insurance information directly rather than DMV accessing the insurance company records. Ms. Barnes stated that the project in S.B. 312 (R1) would be effective in February 2010.

Assemblyman Goicoechea was under the impression that the two bills covered two separate programs and would be used separately. He believed both programs could be used by DMV.

Ms. Barnes responded that A.B. 504 (R1) appeared to be a good idea from the law enforcement perspective. If that legislation passed, DMV would be required to house the information which would be a significant programming cost to the DMV. Additionally, the Department of Information Technology (DoIT) charged DMV every time law enforcement accessed the DMV records. When the fiscal note was prepared for A.B. 504 (R1), the DoIT fee was not taken into consideration.

Assemblyman Goicoechea stated that if S.B. 312 (R1) was passed, the Legislature must ensure that A.B. 504 (R1) would create a stand-alone program.

Assemblyman Ocegüera was confused about the two issues. He asked whether DMV could access the insurance companies on the web to check information.

In response, Ms. Barnes stated that was what the current project allowed DMV to do; however, the tapes were coming into DMV until February 2010 when the DMV project would be implemented through S.B. 312 (R1).

Assemblyman Hogan thought that one of the differences of the two programs was that the system in A.B. 504 (R1) could gather information on out-of-state vehicle insurance so that law enforcement could collect fines. He asked whether the system in S.B. 312 (R1) could be expanded into that area.

Ms. Barnes explained that DMV was only authorized to access Nevada records. Law enforcement had greater authority than DMV.

Chair Arberry announced that generally they did not discuss a bill that was not scheduled and requested the Committee to not consider A.B. 504 (R1).

Jesse Wadhams of Jones Vargas law firm, representing the American Insurance Association, was in support of the insurance verification program. He expressed minor concern regarding verification of commercial and fleet policies.

Richard Perkins, representing InsureNet, Inc., reported that he had met recently with DMV to discuss having both systems running concurrently. He believed there was a need for S.B. 312 (R1) but had not had an opportunity to discuss the matter with Senator Mathews. The system in A.B. 504 (R1) might be better placed with the Department of Public Safety so as not to be in conflict with the DMV program.

There being no additional testimony on the issues, Chair Arberry closed the hearing on S.B. 312 (R1) and opened the hearing on A.B. 552.

Assembly Bill 552: Increases fee charged by State for collecting local sales and use taxes. (BDR 32-1188)

Andrew Clinger, Director, Department of Administration, presented an overview of Assembly Bill (A.B.) 552. The bill was necessary to implement the Governor's budget and was intended to increase the fee charged to local governments for collecting sales and use tax. Mr. Clinger provided [Exhibit J](#), a proposed amendment, and [Exhibit K](#), a spreadsheet showing revenue summary by county.

Mr. Clinger pointed out that the way the bill was drafted amended the section on the Local School Support Tax (LSST), which was not the intent. The intent was to exempt the LSST portion. He requested the opportunity to work with Fiscal Analysis Division staff and the bill drafters to amend A.B. 552 to restore the original intent of the bill.

Mr. Clinger called the Committee's attention to [Exhibit K](#). The spreadsheet showed the difference between the 0.75 percent commission and the 1.75 percent commission. The columns for fiscal year (FY) 2008 showed the actual amounts. For FY 2009 the Economic Forum's forecast for sales tax revenue was used and applied to every county in the state.

Moving to the column for FY 2009-10, Mr. Clinger pointed out the projection represented the collection of all components of the sales tax for the counties. The column titled "0.75 percent Commission" showed the projections for the current commission and the column titled "1.75 percent Commission" represented the recommended commission. For FY 2010 the total projected difference was \$12,929,411 using the 1.75 percent commission scenario. In FY 2011 the projected difference was \$13,477,302.

Carole Vilardo, representing the Nevada Taxpayers Association, testified in opposition to A.B. 552. She was aware of the economic situation but was opposed to increasing taxes to support other programs. She requested the Committee consider adding a sunset clause to the bill.

Ms. Vilardo recalled that the collection amount was 1.0 percent in the 1980s. At that time, an analysis performed by the Department of Taxation indicated that the cost of collection was 0.67 percent. Because of the budget circumstances at the time, the rate could not be dropped; however, the Legislature made the drop to 0.75 percent effective with the next biennium.

She requested the Committee consider reviewing the collection allowance which was not intended to be a revenue-raising measure.

Wes Henderson, representing the Nevada Association of Counties (NACO), testified in opposition to A.B. 552. The bill was estimated to cost the counties \$11 million over the biennium. For every dollar diverted from the counties, the counties must find a way to generate revenue to replace the money or make a cut in services. The counties were experiencing the same economic downturn as the state.

Robert S. Hadfield of Walker and Associates was opposed to A.B. 552. As the bill was originally written, the counties would be paying 87 percent of the Department of Taxation budget.

Lisa Foster, representing the City of North Las Vegas, testified in opposition to A.B. 552. She understood that the state needed to fill the budget gap, but the City of North Las Vegas was also experiencing an economic crisis. Tax assessments had dropped, and there was a high rate of foreclosures.

Lisa A. Gianoli, representing Washoe County, was opposed to A.B. 552. The fiscal situation in Washoe County was critical, and the county could not afford a tax increase.

J. David Fraser, Executive Director of the Nevada League of Cities and Municipalities, was opposed to A.B. 552. He referenced his previous presentation that showed similarities between what the state was experiencing and what local governments were experiencing in terms of revenue losses. Cities and counties throughout the state had made cuts to personnel and services. He agreed it was a difficult situation for everyone.

There being no further public testimony, Chair Arberry closed the hearing on A.B. 552 and opened the hearing on A.B. 523.

Assembly Bill 522: Makes various changes relating to energy. (BDR 58-1139)

This bill was removed from the agenda.

Assembly Bill 523: Implements the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008. (BDR 54-773)

Assemblyman Marcus Conklin, Clark County Assembly District No. 37, presented an introduction to Assembly Bill (A.B.) 523. Assemblyman Conklin provided **Exhibit L**, a proposed amendment and mock-up of A.B. 523. The exhibit included a section by section explanation of the bill.

Assemblyman Conklin provided background for the bill as follows:

Starting in 2004 the American Association of Residential Mortgage Regulators and the Conference of State Bank Supervisors developed what is known as the Nationwide Mortgage Licensing System.

The System became operational in January of last year with seven states participating. It is a registry of mortgage lending professionals similar to the nationwide registry depository for security brokerage dealers.

In July of 2008 the U.S. Congress enacted the Secure and Fair Enforcement of Mortgage Licensing Act, also known as the SAFE Act of 2008. This Act is Title V of the Housing and Economic Recovery Act of 2008.

The federal SAFE Act requires a residential mortgage loan originator to have a state-issued license and a unique identification number from the National Mortgage Licensing System (NMLS). It also requires employees of an insured depository institution and their subsidiaries who are exempt from state licensing to register and obtain a unique identification number. The Act establishes minimum licensing standards and renewal standards and requirements for state supervision of the mortgage lending industry. If a state fails to put a conforming system in place by the deadline of the Act, the Department of Housing and Urban Development (HUD) will administer a licensing system for originators operating in the state. In essence, we lose control of our mortgage licensing, and it is turned over to the federal government. A state whose legislature meets biennially has until July 30, 2010, to meet the minimum requirements.

I have provided a mock-up (of the bill). The mock-up adjusts the existing definition of mortgage agents in Chapter 645B of the *Nevada Revised Statutes* (NRS) to include residential mortgage loan originators. It repeals one section of Chapter 645B that allows mortgage agents to be licensed on behalf of a corporation or LLC because residential mortgage loan originators are only natural persons under the federal act.

The mock-up delegates some of the details to the commissioner to implement through regulation (sections 9 and 10). I should point out that to meet the federal requirements, Nevada's residential mortgage loan originators will need to pay into the recovery fund, post a surety bond, and maintain a minimum net worth. Assuming the Legislature enacts A.B. 149, which created the recovery fund, Nevada will satisfy that requirement.

There is a fiscal note on this bill. The mock-up addresses several of the issues raised in the fiscal note and the fiscal effect, I believe, will be significantly lessened.

The intent of this bill is compliance with the federal act to allow Nevada to maintain control over its licensing functions, rather than turning them over to HUD and the federal government. I urge your support.

David Goldwater, representing the Advisory Council on Mortgage Investments and Mortgage Lending, testified in support of A.B. 523. The Council was created by the Legislature to work with the industry and the regulators to elevate the professionalism of mortgage brokers, mortgage agents, hard-money lenders, and mortgage bankers. Mr. Goldwater noted that in the mock-up "independent contractors" had been deleted from the definition of a mortgage agent. He suggested the Committee consider restoring the definition to the original verbiage.

William Uffelman, representing the Nevada Bankers Association, supported A.B. 523. He suggested that if Nevada had implemented this law years earlier,

the current economic crisis might have been averted. On page 3 of the mock-up, lines 5 to 9, was intended to be the exemption for servicers, those people who collected the mortgage payments.

Assemblyman Conklin advised the Committee that he would be working with Mr. Goldwater to ensure the language was edited to include "independent contractors."

Chair Arberry requested additional public comments. There being no response to the request, Chair Arberry closed the hearing on A.B. 523 and advised the Committee they should consider the introduction of bill draft request (BDR) 18-1169.

- **BDR 18-1169**—Revises state fair housing statutes to conform to federal provisions to allow the Nevada Equal Rights Commission to clarify the classes of individuals protected from housing discrimination. (Later introduced as [Assembly Bill 559](#).)

ASSEMBLYWOMAN LESLIE MOVED FOR COMMITTEE
INTRODUCTION OF BILL DRAFT REQUEST 18-1169.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

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

* * * * *

Chair Arberry announced the Committee would be hearing budget closing reports.

Assemblywoman Sheila Leslie, Washoe County Assembly District No. 27, Chair for the Joint Subcommittee on Human Services/CIP's, read the following closing report for the Department of Health and Human Services, Division of Mental Health and Developmental Services:

THE JOINT SUBCOMMITTEE FOR HUMAN SERVICES/CIP'S DEVELOPED RECOMMENDATIONS FOR THE BUDGETS WITHIN THE DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL SERVICES (MHDS), INCLUDING MHDS ADMINISTRATION, MHDS INFORMATION SYSTEMS, NORTHERN NEVADA ADULT MENTAL HEALTH SERVICES (NNAMHS), SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES (SNAMHS), RURAL CLINICS, LAKE'S CROSSING CENTER, SIERRA REGIONAL CENTER (SRC), DESERT REGIONAL CENTER (DRC), RURAL REGIONAL CENTER (RRC), FAMILY PRESERVATION PROGRAM, SOUTHERN NEVADA FOOD SERVICES, THE SUBSTANCE ABUSE PREVENTION AND TREATMENT AGENCY, AND THE ALCOHOL TAX PROGRAM. IN CLOSING THESE BUDGETS, THE SUBCOMMITTEE'S CLOSING ACTIONS ARE PROJECTED TO PROVIDE MENTAL HEALTH SERVICES TO APPROXIMATELY 15,067 INDIVIDUALS, AND A DEVELOPMENTAL SERVICES CASELOAD OF APPROXIMATELY 5,625 INDIVIDUALS BY THE END OF THE 2009-11 BIENNIUM.

DIVISION-WIDE ISSUES

THE SUBCOMMITTEE'S CLOSING RECOMMENDATIONS FOR MHDS RESULT IN GENERAL FUND INCREASES, BEFORE ADJUSTMENTS FOR CHANGES IN THE FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP), OF \$1.38 MILLION IN FY 2010 AND \$2.11 MILLION IN FY 2011 (BIENNIAL TOTAL OF \$3.49 MILLION). HOWEVER, THE SUBCOMMITTEE'S CLOSING ACTIONS ALSO APPROVED INCREASES IN TITLE XIX MEDICAID REIMBURSEMENTS DUE TO THE INCREASE IN FMAP RESULTING FROM BOTH THE PASSAGE OF THE 2009 AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA) AND THE PROJECTED INCREASE IN FEDERAL FY 2011. THESE ADJUSTMENTS IN THE FMAP PROVIDE GENERAL FUND SAVINGS EXCEEDING THE AMOUNTS RECOMMENDED BY THE GOVERNOR OF \$8.32 MILLION IN FY 2010 AND \$7.10 MILLION IN FY 2011 (BIENNIAL TOTAL OF \$15.42 MILLION). THE COMBINED ACTIONS OF THE SUBCOMMITTEE RESULT IN OVERALL GENERAL FUND DECREASES OF \$6.94 MILLION IN FY 2010 AND \$4.99 MILLION IN FY 2011 (BIENNIAL TOTAL OF \$11.93 MILLION). A ONE-PAGE SUMMARY OF THE GENERAL FUND CHANGES DISPLAYING THE IMPACTS OF SUBCOMMITTEE ACTIONS AND THE IMPACT OF THE FMAP ADJUSTMENTS IS ATTACHED AFTER THIS CLOSING SPEECH DOCUMENT.

FOR THE DIVISION AS A WHOLE, THE GOVERNOR RECOMMENDED ELIMINATING A TOTAL OF 225.34 POSITIONS FROM THE DIVISION. THE SUBCOMMITTEE'S CLOSING ACTIONS RESTORED A TOTAL OF 31.48 POSITIONS, WHICH WILL BE DISCUSSED FURTHER IN THE APPROPRIATE SECTIONS OF THIS CLOSING SPEECH.

MENTAL HEALTH AGENCIES - COMMON ISSUES

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO IMPLEMENT VARIOUS INITIATIVES IN THE MENTAL HEALTH AGENCY BUDGETS TO ENHANCE MEDICAID AND MEDICARE REIMBURSEMENTS, THIRD-PARTY INSURANCE AND CLIENT CO-PAYS IN ORDER TO REDUCE GENERAL FUND SUPPORT. THESE INITIATIVES INCLUDE:

- ESTABLISHING A CENTRALIZED BILLING OFFICE TO EFFECTUATE MORE EFFICIENT AND CONSISTENT BILLING PROCEDURES FOR REVENUE COLLECTIONS.
- FUNDING TO CONTRACT FOR BILLING CLEARINGHOUSE SERVICES, WHICH WILL ENSURE A REDUCTION IN BILLING CLAIM ERRORS AND REJECTIONS AND IMPROVE REIMBURSEMENT TURNAROUND TIME.
- COMPREHENSIVE TRAINING FOR DIVISION STAFF TASKED WITH PREPARING BILLING CLAIMS TO BECOME CERTIFIED CODE SPECIALISTS IN ORDER TO IMPROVE THE ACCURACY OF CODING FOR RENDERED SERVICES.
- IMPROVE THE "FRONT END" CLIENT INTAKE AND ELIGIBILITY PROCESSES IN ORDER TO BETTER ENSURE ALL SERVICES PROVIDED ARE CODED AND BILLED CORRECTLY BY DIRECT-CARE STAFF.

AS SOME OF THESE INITIATIVES HAVE ALREADY BEEN IMPLEMENTED, THE SUBCOMMITTEE CONCURRED WITH FISCAL STAFF'S RECOMMENDATION TO INCREASE THE GOVERNOR'S RECOMMENDED INCREASE IN REVENUES FROM \$2.51 MILLION TO \$2.97 MILLION IN FY 2010 AND FROM \$2.61 MILLION TO \$3.32 MILLION IN FY 2011, BASED UPON REALIZED INCREASES IN FY 2009 REVENUES.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO INCREASE GENERAL FUND APPROPRIATIONS BY \$1.15 MILLION IN FY 2010 AND \$2.36 MILLION IN FY 2011 FOR PROJECTED INFLATIONARY INCREASES IN MEDICATION COSTS. OVERALL MEDICATION FUNDING FOR THE DIVISION INCREASES FROM \$22.4 MILLION CURRENTLY AUTHORIZED IN FY 2009 TO \$23.1 MILLION IN FY 2010 AND \$24.3 MILLION IN FY 2011.

MHDS ADMINISTRATION (101-3168) MHDS-52: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE NORTHERN NEVADA MEDICAL DIRECTOR POSITION, WHOSE DUTIES WILL BE ABSORBED BY THE STATEWIDE MEDICAL DIRECTOR. A QUALITY ASSURANCE SPECIALIST FUNDED WITH FEDERAL FUNDS IS ELIMINATED, WITH THE POSITION SAVINGS USED TO SUPPORT A MANAGEMENT ANALYST POSITION CURRENTLY SUPPORTED WITH GENERAL FUNDS. THE SUBCOMMITTEE ALSO CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THREE HEALTH PROGRAM SPECIALIST POSITIONS AND AN ADMINISTRATIVE ASSISTANT RESPONSIBLE FOR DISASTER RESPONSE AND HOSPITAL EVACUATION PLANNING AND TRAINING, DUE TO A REDUCTION IN THE FEDERAL GRANT SUPPORTING THESE POSITIONS. LASTLY, THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO TRANSFER COSTS FOR THE SUICIDE PREVENTION HOTLINE TO THE HEALTH AND HUMAN SERVICES DIRECTOR'S OFFICE OF SUICIDE PREVENTION TO BETTER REFLECT THE COSTS OF THE PROGRAM IN ONE COST CENTER.

SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES (101-3161) MHDS-7: WHILE THE GOVERNOR RECOMMENDS A NUMBER OF BUDGET REDUCTIONS THAT INCLUDED ELIMINATING A TOTAL OF 136.41 POSITIONS, THE SUBCOMMITTEE TOOK SEVERAL CLOSING ACTIONS WHICH RESTORED 24.51 OF THOSE POSITIONS AS FOLLOWS:

- APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE A TOTAL OF 4.51 POSITIONS APPROVED BY THE 2007 LEGISLATURE TO SUPPORT THE EXPANSION OF THE PROGRAM FOR ASSERTIVE COMMUNITY TREATMENT (PACT) AND SERVICE COORDINATION FOR 85 SUPPORTED LIVING ARRANGEMENTS.
- APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE A MAINTENANCE REPAIR SPECIALIST, A PERSONNEL TECHNICIAN, AN I.T. TECHNICIAN AND A HALF-TIME ACCOUNTING ASSISTANT APPROVED BY THE 2007 LEGISLATURE TO MEET ADMINISTRATIVE AND FACILITY SUPPORT NEEDS.

- APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE 4.04 SENIOR PSYCHIATRIST POSITIONS AND UTILIZE THE SAVINGS TO PURCHASE CONTRACT PSYCHIATRIST SERVICES.
- IN LIEU OF APPROVING THE GOVERNOR'S RECOMMENDATION TO MODIFY INPATIENT BEDS-TO-STAFF RATIOS, WHICH RESULTED IN ELIMINATING A TOTAL OF 96.81 POSITIONS, THE SUBCOMMITTEE VOTED TO RESTORE 17.51 OF THESE POSITIONS IN ORDER TO FURTHER STRENGTHEN THE AGENCY'S ABILITY TO ENSURE ADEQUATE CLIENT CARE. THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT TO THE AGENCY TO SUBMIT SEMI-ANNUAL REPORTS TO THE IFC IDENTIFYING THE IMPACTS EXPERIENCED BY SNAMHS ASSOCIATED WITH THE INPATIENT STAFFING REDUCTIONS, INCLUDING A COMPARATIVE HISTORY OF CLIENT AND/OR STAFF ALTERCATIONS.
- IN LIEU OF APPROVING THE GOVERNOR'S RECOMMENDATION TO ELIMINATE A TOTAL OF 17.54 POSITIONS ASSOCIATED WITH THE CONTINUED CLOSURE OF THE NORTH LAS VEGAS OUTPATIENT CLINIC, THE SUBCOMMITTEE RECOMMENDS RESTORING SEVEN OF THESE POSITIONS. THE RESTORATION OF THESE POSITIONS WILL AID THE AGENCY IN BETTER STAFFING ITS REMAINING OUTPATIENT FACILITIES AT THE DOWNTOWN LAS VEGAS, EAST SAHARA, HENDERSON AND WEST CHARLESTON LOCATIONS.

THE SUBCOMMITTEE ALSO VOTED TO ACCEPT FISCAL STAFF'S RECOMMENDATION TO REPLACE GENERAL FUNDS OF \$125,000 WITH UNITEDHEALTH SETTLEMENT FUNDS THAT ARE AVAILABLE IN FY 2010 FOR SUPPORTING THE COMMUNITY TRIAGE CENTER.

NORTHERN NEVADA ADULT MENTAL HEALTH SERVICES (101-3162) MHDS-21:

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ELIMINATE A TOTAL OF 36.15 POSITIONS AS FOLLOWS:

- THREE POSITIONS APPROVED BY THE 2007 LEGISLATURE FOR FY 2009 CASELOAD INCREASES IN THE MEDICATION CLINICS ARE ELIMINATED, AND A HALF-TIME POSITION APPROVED DURING THE 2007 LEGISLATURE TO SUPPORT TWO MENTAL HEALTH COUNSELORS IN THE RENO MOBILE OUTREACH PROGRAM IS ALSO ELIMINATED.
- A TOTAL OF 12.53 POSITIONS APPROVED BY THE 2007 LEGISLATURE FOR FY 2009 CASELOAD INCREASES FOR PSYCHIATRIC AMBULATORY SERVICES (PAS) ARE ALSO ELIMINATED.
- A TOTAL OF 13.11 POSITIONS ARE ELIMINATED TO MODIFY THE INPATIENT BEDS-TO-STAFF RATIOS IN THE DINI-TOWNSEND HOSPITAL.
- FIVE POSITIONS ARE ELIMINATED AS A RESULT OF THE CLOSURE OF THE OLD STEAM-HEAT PLANT ON THE NNAMHS CAMPUS.

- TWO PSYCHIATRIC CASEWORKER POSITIONS, ONE ASSIGNED TO SERVICE COORDINATION AND THE OTHER DESIGNATED TO ASSIST CLIENTS WITH EMPLOYMENT OPPORTUNITIES AND ON-CAMPUS CANTEEN OPERATIONS, ARE ELIMINATED DUE TO DIFFICULTIES IN RECRUITMENT AND RETENTION. THE RESPONSIBILITIES ASSIGNED TO THESE TWO POSITIONS HAVE BEEN REDISTRIBUTED TO OTHER STAFF.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE FUNDING FOR 7 SUPPORTED LIVING ARRANGEMENTS (SLA'S) THAT WERE APPROVED BY THE 2007 LEGISLATURE AS PART OF THE FY 2009 CASELOAD INCREASES. THE SUBCOMMITTEE ALSO APPROVED FISCAL STAFF'S RECOMMENDATION TO REPLACE GENERAL FUNDS OF \$246,805 WITH UNITEDHEALTH SETTLEMENT FUNDS THAT ARE AVAILABLE IN FY 2010 TO SUPPORT THE COMMUNITY TRIAGE CENTER AND THE RENO MOBILE OUTREACH PROGRAM. LASTLY, THE SUBCOMMITTEE VOTED TO ISSUE A LETTER OF INTENT TO NNAMHS DIRECTING THE AGENCY TO APPROACH IFC, SHOULD APPROVED MEDICATION FUNDING BE INSUFFICIENT TO MEET CLIENT DEMANDS, IN ORDER TO AVOID RATIONING OF MEDICATIONS OR DENY MEDICATIONS TO INDIVIDUALS NEEDING THESE SERVICES.

RURAL CLINICS (101-3648) MHDS-106: THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO CLOSE 11 OF THE AGENCY'S 21 CLINICS, WHICH INCLUDED ELIMINATING A TOTAL OF 23.28 POSITIONS THROUGHOUT THE STATE. INSTEAD, THE SUBCOMMITTEE VOTED TO APPROVE AN ALTERNATIVE PLAN THAT RESTORES 9 OF THE 11 CLINICS RECOMMENDED FOR CLOSURE (BATTLE MOUNTAIN, CALIENTE, FERNLEY, HAWTHORNE, LAKE TAHOE, LOVELOCK, MOAPA, SILVER SPRINGS AND TONOPAH). HOWEVER, THE CLINIC IN DAYTON, CLOSED IN SEPTEMBER 2008, WOULD REMAIN CLOSED, AND FUNDING FOR THE WENDOVER CLINIC WILL CEASE EFFECTIVE JULY 1, 2009. THE ALTERNATIVE PLAN INVOLVES A NET ADD-BACK TO THE BUDGET OF 7.47 POSITIONS, ACHIEVED BY ELIMINATING 9.55 POSITIONS NOT PREVIOUSLY RECOMMENDED FOR ELIMINATION; THE RESTORATION OF 11.02 POSITIONS RECOMMENDED FOR ELIMINATION BY THE GOVERNOR, WHICH INCLUDES THE RECLASSIFICATION OF EIGHT OF THESE POSITIONS; AND THE CREATION OF SIX NEW POSITIONS. ADDITIONALLY, THE ALTERNATIVE PLAN INCLUDES FUNDING SUPPORT FOR CONTRACT PSYCHIATRISTS, NURSES AND COUNSELORS TO SUPPLEMENT THE STATE STAFF IN ORDER TO MAINTAIN ACCESS TO MENTAL HEALTH CARE SERVICES IN THESE COMMUNITIES. IN ORDER TO IMPLEMENT THE ALTERNATIVE PLAN, THE SUBCOMMITTEE RECOMMENDS GENERAL FUND APPROPRIATIONS OF \$250,000 IN FY 2010 AND \$758,055 IN FY 2011, AND THE USE OF SUPPLEMENTAL TITLE XX FUNDS OF \$773,362 IN FY 2010 AND \$168,882 IN FY 2011, WHICH ARE PROVIDED THROUGH THE FERNLEY FLOOD RELIEF ACT.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ELIMINATE TWO POSITIONS APPROVED

BY THE 2005 LEGISLATURE TO SUPPORT OUTPATIENT COUNSELING CASELOAD GROWTH AT THE TIME, BUT HAVE REMAINED VACANT DUE TO DIFFICULTIES IN RECRUITING FOR THE POSITIONS. THE SAVINGS RESULTING FROM THE ELIMINATION OF THE TWO POSITIONS WILL BE UTILIZED TO PURCHASE CONTRACT COUNSELING SERVICES, PRIMARILY IN THE ELKO AREA.

LAKE'S CROSSING CENTER (101-3645) MHDS-98: THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE SIX POSITIONS APPROVED BY THE 2007 LEGISLATURE, AS WELL AS A SIX-BED REDUCTION IN THE DINI-TOWNSEND ANNEX DUE TO FACILITY SPACE AND DESIGN ISSUES. THE ELIMINATION OF THE POSITIONS, AS WELL AS THE SIX-BED REDUCTION, WILL STILL LEAVE LAKE'S WITH A COMBINED 80 NURSING AND FORENSIC POSITIONS, WHICH IS CONSISTENT WITH THE HISTORIC STAFFING RATIO USED FOR THIS AGENCY. THE SUBCOMMITTEE ALSO APPROVED FUNDING FOR 1.51 PSYCHIATRIC CASEWORKER POSITIONS TO SUPPORT THE CONDITIONAL RELEASE PROGRAM APPROVED IN SENATE BILL 380 BY THE 2007 LEGISLATURE.

SUBSTANCE ABUSE PREVENTION AND TREATMENT AGENCY (101-3170) MHDS-64: THE GOVERNOR RECOMMENDED GENERAL FUND REDUCTIONS FOR SUBSTANCE ABUSE TREATMENT SERVICES OF \$401,556 IN FY 2010 AND \$374,068 IN FY 2011, AS WELL AS REDUCTIONS IN GENERAL FUNDS OF \$100,000 EACH YEAR FOR METHAMPHETAMINE EDUCATION. THE SUBCOMMITTEE CONSIDERS TREATMENT SERVICES MORE CRITICAL, AND THEREFORE DID NOT SUPPORT THE RECOMMENDATION AND INSTEAD RESTORED THE FUNDING FOR TREATMENT SERVICES. HOWEVER, INSTEAD OF ADDING BACK GENERAL FUND APPROPRIATIONS FOR TREATMENT SERVICES, THE SUBCOMMITTEE CHOSE TO FURTHER REDUCE FUNDING FOR METHAMPHETAMINE EDUCATION PROGRAMS. AS A RESULT, AVAILABLE FUNDING FOR METHAMPHETAMINE EDUCATION PROGRAMS IS REDUCED FROM \$1 MILLION EACH YEAR TO \$498,444 IN FY 2010 AND \$528,932 IN FY 2011. THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ELIMINATE A HEALTH PROGRAM SPECIALIST POSITION FUNDED WITH FEDERAL SUBSTANCE ABUSE PREVENTION GRANT FUNDS AND REDIRECT THE SALARY SAVINGS TO THE STATEWIDE PREVENTION COALITIONS.

DEVELOPMENTAL SERVICES – COMMON ISSUES

WHILE THE SUBCOMMITTEE APPROVED THE MAJORITY OF THE GOVERNOR'S RECOMMENDATIONS TO REDUCE FUNDING FOR VARIOUS PROGRAMS IN THE THREE REGIONAL CENTER BUDGETS, FUNDING FOR TWO PROGRAMS WAS RESTORED AS FOLLOWS:

- THE SUBCOMMITTEE RECOMMENDS GENERAL FUND APPROPRIATIONS OF \$180,600 EACH YEAR TO PROVIDE MONTHLY ALLOTMENTS OF \$1,075 TO 14 FAMILIES PARTICIPATING IN THE SELF-DIRECTED AUTISM

PROGRAM—8 FAMILIES AT RURAL REGIONAL CENTER AND 6 FAMILIES AT SIERRA REGIONAL CENTER.

- THE SUBCOMMITTEE RECOMMENDS GENERAL FUND APPROPRIATIONS OF \$216,150 IN FY 2010 AND \$266,150 IN FY 2011 IN ORDER TO MAINTAIN FUNDING TO FAMILIES PARTICIPATING IN THE PURCHASE OF SERVICES AND RESPITE PROGRAM AT PREVIOUS LEGISLATIVELY-APPROVED FUNDING LEVELS.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO REDUCE FUNDING FOR THE FOLLOWING PROGRAMS:

- ELIMINATE 1.51 CUSTODIAN POSITIONS, AS WELL AS AN ADMINISTRATIVE ASSISTANT AT SIERRA REGIONAL CENTER THAT ARE NO LONGER NEEDED DUE TO A COMBINATION OF CLIENTS NO LONGER LIVING PERMANENTLY IN THE CAMPUS COTTAGES AND THE PREVIOUS REDUCTIONS IN AGENCY STAFF. IN ADDITION, A TOTAL OF 9 POSITIONS – 3 AT DESERT REGIONAL CENTER AND 6 AT SIERRA REGIONAL CENTER – ARE ELIMINATED THAT WERE APPROVED BY THE 2007 LEGISLATURE IN ORDER TO ESTABLISH CRISIS PREVENTION INTERVENTION TEAMS AT THE RESPECTIVE AGENCIES.
- ELIMINATE A CONTRACT WITH THE UNIVERSITY OF NEVADA—RENO CENTER FOR EXCELLENCE IN DEVELOPMENTAL DISABILITIES, WHICH PROVIDED FOR THE COLLECTION OF QUALITY IMPROVEMENT DATA, INCLUDING PERSONAL OUTCOME INTERVIEWS, AND REDUCE CONTRACT FUNDING WITH THE COUNCIL ON QUALITY LEADERSHIP USED FOR TRAINING AND CONSULTING WITH AGENCY STAFF ON ACCREDITATION ISSUES.
- REDUCE PARTICIPATION IN THE SELF-DIRECTED FISCAL INTERMEDIARY PROGRAM BY 49 FAMILIES AS A RESULT OF CHANGING ELIGIBILITY FROM 500 PERCENT TO 300 PERCENT OF FEDERAL POVERTY LEVEL. IN ADDITION, THE MONTHLY ALLOCATIONS TO LEVEL 1 FAMILIES PARTICIPATING IN THE PROGRAM THAT WERE REDUCED BY \$198 DURING THE 2007-09 BIENNIUM WILL CONTINUE AT THE REDUCED AMOUNT DURING THE 2009-11 BIENNIUM.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATIONS FOR AN INCREASE OF 254 SUPPORTED LIVING ARRANGEMENTS STATEWIDE, AND AN INCREASE OF 61 JOBS AND DAY TRAINING PLACEMENTS STATEWIDE. LASTLY, THE SUBCOMMITTEE AUTHORIZED FISCAL STAFF TO MAKE NECESSARY ADJUSTMENTS TO REDUCE GENERAL FUND APPROPRIATIONS BY \$136,658 IN FY 2010 AND \$459,803 IN FY 2011 IN THE REGIONAL CENTER BUDGETS, WITH CORRESPONDING INCREASES IN THE MEDICAID BUDGET, IN ORDER TO ADDRESS A SHORTFALL OF STATE SUPPORT FOR MEDICAL COSTS FOR NEW PLACEMENTS IN THE HOME AND COMMUNITY BASED WAIVER PROGRAM.

DESERT REGIONAL CENTER (101-3279) MHDS-75: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE FUNDING FOR THE

TRANSITION OF 12 INDIVIDUALS CURRENTLY RESIDING IN PRIVATE INSTITUTIONAL FACILITIES FUNDED IN THE MEDICAID BUDGET TO COMMUNITY PLACEMENTS FUNDED IN THE DESERT REGIONAL CENTER BUDGET. THE 2007 LEGISLATURE APPROVED THE TRANSITIONING OF 18 INDIVIDUALS FROM INSTITUTIONAL SETTINGS TO COMMUNITY PLACEMENTS DURING THE 2007-09 BIENNIUM, BUT DELAYED THE TRANSITION OF 12 INDIVIDUALS DURING THE INTERIM PERIOD IN ORDER TO ACHIEVE BUDGET SAVINGS IN THE DESERT REGIONAL CENTER BUDGET. THE SUBCOMMITTEE ALSO VOTED TO APPROVE FISCAL STAFF'S RECOMMENDATION TO REDUCE GENERAL FUND SUPPORT BY \$17,195 FOR REPLACEMENT FURNISHINGS FOR THE CAMPUS COTTAGES BY PURCHASING THE FURNITURE FROM PRISON INDUSTRIES, AND TO REDUCE APPROPRIATIONS BY \$61,450 IN FY 2010 AND \$60,101 IN FY 2011 DUE TO PREPARED MEALS AND RAW FOOD COSTS BEING OVERSTATED IN THE EXECUTIVE BUDGET.

RURAL REGIONAL CENTER (101-3167) MHDS-41; SIERRA REGIONAL CENTER (101-3280) MHDS-87: THE SUBCOMMITTEE CLOSED THE REMAINDER OF THE RRC AND SRC BUDGETS AS RECOMMENDED BY THE GOVERNOR, WITH MINOR OR TECHNICAL ADJUSTMENTS.

FAMILY PRESERVATION PROGRAM (101-3166) MHDS-39: THE SUBCOMMITTEE AGREED WITH THE GOVERNOR'S RECOMMENDATION TO SERVE AN ADDITIONAL 33 FAMILIES IN THE FAMILY PRESERVATION PROGRAM, WHICH INCREASES THE TOTAL NUMBER OF FAMILIES SERVED TO 528 BY THE END OF THE 2009-11 BIENNIUM. THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO MAINTAIN THE MONTHLY ASSISTANCE PAYMENT OF \$374 TO EACH FAMILY DURING THE UPCOMING BIENNIUM.

SOUTHERN NEVADA FOOD SERVICE (101-3159) MDHS-1: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THIS BUDGET AND TRANSFER THE RESPECTIVE COST OF PREPARED MEALS, SNACKS AND RAW FOOD FOR INDEPENDENT COOKING PROGRAMS TO SNAMHS, DESERT REGIONAL CENTER AND THE DESERT WILLOW TREATMENT CENTER. ELIMINATING THIS ACCOUNT INCLUDES TRANSFERRING THREE DIETICIAN POSITIONS TO THE INSTITUTIONS.

THE SUBCOMMITTEE CLOSED THE BUDGETS FOR **MENTAL HEALTH INFORMATION SYSTEMS (101-3164, MHDS-33)** AND THE **ALCOHOL TAX PROGRAM (101-3255, MHDS-73)** AS RECOMMENDED BY THE GOVERNOR WITH MINOR OR TECHNICAL ADJUSTMENTS.

(Attachment included as [Exhibit M.](#))

Assemblywoman Leslie commented that the budget decisions were very difficult, but she believed a plan was devised that would maintain most of the rural mental health clinics.

ASSEMBLYWOMAN MCCLAIN MOVED TO APPROVE THE BUDGET CLOSING REPORT.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

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

* * * * *

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

THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION COMPLETED ITS REVIEW OF THE BUDGETS FOR THE DEPARTMENT OF PUBLIC SAFETY AND DEVELOPED THE FOLLOWING CLOSING RECOMMENDATIONS.

DPS - DIRECTOR'S OFFICE (201-4706) PUBLIC SAFETY-1: THE SUBCOMMITTEE SUPPORTED THE GOVERNOR'S RECOMMENDED BUDGET WITH THE ELIMINATION OF FUNDING FOR HONOR GUARD TRAINING IN FY 2011 AND TECHNICAL ADJUSTMENTS.

DPS – OFFICE OF PROFESSIONAL RESPONSIBILITY (201-4707) PUBLIC SAFETY-7: THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDED BUDGET, WITH TECHNICAL ADJUSTMENTS TO ALLOW THE OFFICE OF PROFESSIONAL RESPONSIBILITY TO REMAIN AT LEASED SPACE.

DPS – ADMINISTRATIVE SERVICES (201-4714) PUBLIC SAFETY-11: THE SUBCOMMITTEE SUPPORTED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE AN ACCOUNTING ASSISTANT POSITION RESPONSIBLE FOR SCANNING FISCAL DOCUMENTS INTO A DATABASE AND OTHER TECHNICAL ADJUSTMENTS.

DPS – CAPITOL POLICE (BA 710-4727) DPS -18: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATIONS FOR THIS ACCOUNT, INCLUDING THE ELIMINATION OF TWO DPS OFFICERS, WITH ONE OFFICER, CONSIDERED TO BE A RELIEF POSITION, ASSIGNED TO THE GRANT SAWYER BUILDING IN LAS VEGAS AND THE OTHER, THE SECOND (DAY-SHIFT) OFFICER ASSIGNED TO THE SUPREME COURT BUILDING IN CARSON CITY, AS WELL AS TECHNICAL ADJUSTMENTS.

DPS – FORFEITURES (BA 101-4703) DPS-39: THE SUBCOMMITTEE APPROVED FORFEITURE FUNDS IN THIS ACCOUNT IN THE AMOUNT OF \$114,328 IN FY 2010 AND \$213,437 IN FY 2011 RELATED TO THE GOVERNOR'S RESTORATION OF 14 PAROLE AND PROBATION OFFICERS, AS WELL AS AN ADDITIONAL 13 OFFICERS APPROVED BY THE SUBCOMMITTEE TO MAINTAIN LEGISLATURE-APPROVED OFFENDER-TO-OFFICER SUPERVISION RATIOS. THE

SUBCOMMITTEE DID NOT APPROVE A BUDGET AMENDMENT RECOMMENDING \$88,330 IN FORFEITURES TO FUND SPECIALTY EQUIPMENT ASSOCIATED WITH 10 OFFICERS PROPOSED FOR THE FUGITIVE APPREHENSION UNIT, SINCE THE OFFICERS ARE TO BE FUNDED IN FY 2011 WITH FEDERAL GRANTS PROVIDED UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA). THE SUBCOMMITTEE INDICATED THAT THE AGENCY MAY APPROACH THE INTERIM FINANCE COMMITTEE TO ADD THE POSITIONS AND RELATED NON-PERSONNEL EQUIPMENT VIA FORFEITURES, IF FEDERAL FUNDS ARE AWARDED.

DPS – EMERGENCY MANAGEMENT DIVISION (BA 101-3673)

DPS-44: THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO CONSOLIDATE THE DIVISION OF EMERGENCY MANAGEMENT'S OPERATING ACCOUNT WITH ITS PASS-THROUGH GRANTS ACCOUNT, EMERGENCY MANAGEMENT ASSISTANCE GRANTS.

THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE ONE COMMUNICATIONS SYSTEMS SPECIALIST, DUE TO THE AVAILABILITY OF FEDERAL FUNDS TO SUPPORT THIS POSITION. THE SUBCOMMITTEE APPROVED TECHNICAL ADJUSTMENTS TO CHANGE THE FUNDING FOR THIS POSITION FROM GENERAL FUNDS TO DEPARTMENT OF ENERGY AGREEMENT IN PRINCIPLE GRANT FUNDS, WHICH WILL SUSTAIN THE POSITION THROUGH THE 2009-11 BIENNIUM.

THE SUBCOMMITTEE APPROVED THE ADDITION OF ONE NEW GRANTS AND PROJECTS ANALYST III POSITION NOT RECOMMENDED BY THE GOVERNOR, WHICH IS FEDERALLY FUNDED VIA THE HOMELAND SECURITY GRANT PROGRAM AND WAS APPROVED BY THE INTERIM FINANCE COMMITTEE ON APRIL 20, 2009, TO ADDRESS RESOURCE MANAGEMENT, INCLUDING MUTUAL AID AGREEMENTS AND INCIDENT MANAGEMENT BEFORE, DURING, AND AFTER EMERGENCY EVENTS. IN ADDITION TO THESE DUTIES, THIS POSITION WILL ABSORB FUNCTIONS ASSOCIATED WITH THE DEPARTMENT OF FORESTRY'S MUTUAL AID COORDINATOR, WHICH WAS ELIMINATED FOR THE 2009-11 BIENNIUM.

DPS – EMERGENCY MANAGEMENT ASSISTANCE GRANTS

(BA 101-3674) DPS-62: THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO CONSOLIDATE THE DIVISION OF EMERGENCY MANAGEMENT'S OPERATING ACCOUNT WITH ITS PASS-THROUGH GRANTS ACCOUNT, EMERGENCY MANAGEMENT ASSISTANCE GRANTS.

DPS – FIRE MARSHAL (BA 101-3816) DPS- 70: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATIONS TO ELIMINATE SIX POSITIONS IN THIS ACCOUNT. THE POSITIONS INCLUDE ONE PROFESSIONAL ENGINEER SUPERVISOR, TWO PLANS EXAMINERS, TWO FIRE AND LIFE SAFETY/HAZARDOUS MATERIALS INSPECTORS, AND ONE DPS OFFICER THAT HAVE BEEN HELD VACANT DUE TO A DECLINE IN AUTHORIZED REVENUES, AS WELL AS WORKLOADS

DUE TO THE ECONOMIC DOWNTURN. THE SUBCOMMITTEE DID APPROVE THE GOVERNOR'S RECOMMENDATION INCLUDED IN THIS DECISION UNIT TO PROVIDE \$100,000 IN CONTRACT PLAN REVIEW SERVICES IN ORDER TO ADDRESS INCREASED WORKLOADS ASSOCIATED WITH ECONOMIC RECOVERY OR SEASONAL FLUCTUATIONS, WITH TECHNICAL ADJUSTMENTS TO SEPARATE THIS FUNDING WITHIN A SPECIAL CATEGORY FOR FISCAL INTEGRITY AND MONITORING PURPOSES.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE ONE EDUCATION AND INFORMATION OFFICER, VACANT SINCE SEPTEMBER 2008, AND ONE ADMINISTRATIVE ASSISTANT THAT HAS BEEN VACANT SINCE FEBRUARY 2009.

THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO CONSOLIDATE EXPENDITURE CATEGORIES VIA DECISION UNIT E-253 IN ORDER TO MAINTAIN TRANSPARENCY AND ENCOURAGE FISCAL OVERSIGHT, BUT ALL OTHER ITEMS WERE APPROVED AS RECOMMENDED BY STAFF, WITH TECHNICAL ADJUSTMENTS.

DPS – NHP K-9 PROGRAM (BA 101-4705) DPS-81: THE SUBCOMMITTEE APPROVED CLOSING THIS ACCOUNT AS RECOMMENDED BY THE GOVERNOR, WITH TECHNICAL ADJUSTMENTS TO EXPAND THE USE OF EXPENDITURE CATEGORIES TO INCREASE FISCAL INTEGRITY AND PROMOTE OVERSIGHT FOR THIS PROGRAM. IN ADDITION, THE SUBCOMMITTEE APPROVED A LETTER OF INTENT FOR THIS PROGRAM TO REPORT TO THE INTERIM FINANCE COMMITTEE ON ITS USE OF OVERTIME, ACCRUED COMPENSATORY TIME, AND GENERAL PERFORMANCE IN IDENTIFYING AND SEIZING ILLICIT DRUGS TRANSPORTED THROUGH NEVADA.

DPS — HIGHWAY PATROL (BA 201-4713) DPS-83: THE SUBCOMMITTEE APPROVED CLOSING THIS ACCOUNT AS RECOMMENDED BY THE GOVERNOR, WITH TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF. IN ADDITION, THE SUBCOMMITTEE DIRECTED THAT LANGUAGE BE INCLUDED IN THE APPROPRIATIONS ACT IN ORDER TO PROVIDE THE AGENCY WITH AUTHORITY TO EXPEND ONE-SHOT FUNDING OVER THE 2009-11 BIENNIUM.

DPS — HIGHWAY SAFETY GRANTS ACCOUNT (BA 201-4721) DPS-93: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ADD ONE NEW ADMINISTRATIVE ASSISTANT FOR THE NORTHERN COMMERCIAL UNIT USING FEDERAL FUNDS, IN ORDER TO PROVIDE CONSISTENT ADMINISTRATIVE SUPPORT BENEFITING OTHER UNITS AND ALLOWING EXISTING LAW ENFORCEMENT STAFF TO SPEND GREATER TIME SUPERVISING THEIR LAW ENFORCEMENT PERSONNEL RATHER THAN COMPLETING DATA ENTRY. THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO ADD TWO COMMERCIAL VEHICLE SAFETY INSPECTORS, AS THE AGENCY REPORTED THAT FEDERAL FUNDING WAS NOT AWARDED FOR THIS PURPOSE.

DPS – DIGNITARY PROTECTION (101-4738) PUBLIC SAFETY-101:
THE SUBCOMMITTEE SUPPORTED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE ONE DPS OFFICER POSITION FROM THE DIGNITARY PROTECTION DETAIL, WITH MINOR TECHNICAL ADJUSTMENTS.

DPS – DIVISION OF INVESTIGATIONS (BA 101-3743) DPS-108:
THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO CONSOLIDATE THE NARCOTICS CONTROL ACCOUNT WITH THE DIVISION OF INVESTIGATIONS, IN ORDER TO ENSURE THAT FUNDS APPROVED BY THE LEGISLATURE WERE STRICTLY USED BY THE AGENCY FOR THE OPERATION OF NARCOTICS TASK FORCES. THE SUBCOMMITTEE DID APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE SIX OFFICERS FOR THIS ACCOUNT IN ORDER TO ACHIEVE GENERAL FUND REDUCTIONS OF APPROXIMATELY \$1.1 MILLION OVER THE BIENNIUM. THE SUBCOMMITTEE DID NOT APPROVE ADDING FEDERAL FUNDS TO RESTORE THE POSITIONS FOR THE 2009-11 BIENNIUM VIA A BUDGET AMENDMENT, BUT DIRECTED THE AGENCY TO APPROACH THE INTERIM FINANCE COMMITTEE DURING THE BIENNIUM TO ADD BACK OFFICERS IF FEDERAL FUNDING IS AWARDED UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA).

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO TRANSFER ONE UNCLASSIFIED INTELLIGENCE ANALYST AND RENT EXPENSES FROM THE OFFICE OF HOMELAND SECURITY, AS WELL AS THE POSITION'S SUBSEQUENT DOWNGRADE TO A MANAGEMENT ANALYST I.

DPS – NARCOTICS CONTROL (BA 101-3744) DPS-129: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THREE OFFICERS, IN ORDER TO ACHIEVE GENERAL FUND REDUCTIONS OF APPROXIMATELY \$544,000 OVER THE BIENNIUM. THE SUBCOMMITTEE DID NOT APPROVE ADDING FEDERAL FUNDS TO RESTORE THE POSITIONS FOR THE 2009-11 BIENNIUM VIA A BUDGET AMENDMENT, BUT DIRECTED THE AGENCY TO APPROACH THE INTERIM FINANCE COMMITTEE DURING THE BIENNIUM TO ADD BACK OFFICERS IF FEDERAL FUNDING IS AWARDED UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA).

DPS – PAROLE AND PROBATION (BA 101-3740) DPS-146: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE 81 POSITIONS AND RESTORE 14 OFFICERS FOR OFFENDER SUPERVISION, TOTALING GENERAL FUND REDUCTIONS OF APPROXIMATELY \$8 MILLION OVER THE BIENNIUM. THE SUBCOMMITTEE ALSO APPROVED AN ADDITIONAL 13 OFFICERS OVER THE BIENNIUM IN ORDER TO MAINTAIN LEGISLATURE-APPROVED OFFENDER-TO-OFFICER SUPERVISION RATIOS BASED UPON THE MOST RECENTLY PROJECTED CASELOAD REQUIREMENTS. THE SUBCOMMITTEE APPROVED THE ADDITION OF \$587,044 IN FY 2011 TO RESTORE THE CASELOAD-DRIVEN OFFICERS, WHICH WAS PARTIALLY OFFSET BY GENERAL FUND REDUCTIONS IN EACH

YEAR OF THE BIENNIUM DUE TO APPROVAL OF A BUDGET AMENDMENT TO CORRECT GENERAL FUND REQUIREMENTS ASSOCIATED WITH THE POSITION ADJUSTMENTS RECOMMENDED BY THE GOVERNOR IN EACH YEAR. CERTAIN NON-PERSONNEL EXPENSES AND SPECIALTY EQUIPMENT FOR THESE OFFICERS WERE APPROVED TO BE FUNDED WITH TRANSFERS FROM THE FORFEITURES ACCOUNT IN THE AMOUNT OF \$114,328 IN FY 2010 AND \$213,437 IN FY 2011.

THE SUBCOMMITTEE DID NOT APPROVE THE ADDITION OF TEN OFFICERS VIA A BUDGET AMENDMENT, WHICH WOULD HAVE EXPANDED THE PAROLE AND PROBATION FUGITIVE APPREHENSION UNIT USING FEDERAL FUNDS PROVIDED THROUGH THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA). DUE TO THE UNCERTAINTY OF THE FUNDING SOURCE, AS WELL AS THE RECOMMENDATION TO ADD THESE POSITIONS TO FY 2011, THE SUBCOMMITTEE DIRECTED THE AGENCY TO APPROACH THE INTERIM FINANCE COMMITTEE IN ORDER TO ADD POSITIONS FOR THIS PURPOSE, SHOULD FUNDING BE AWARDED.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO RELOCATE THE AGENCY'S RENO OFFICE FROM DOWNTOWN RENO IN FY 2010 DUE TO THE TERMINATION OF THE EXISTING LEASE. IN ADDITION TO TECHNICAL ADJUSTMENTS, THE SUBCOMMITTEE APPROVED LANGUAGE TO BE ADDED TO THE APPROPRIATIONS ACT IN ORDER TO ALLOW THE AGENCY TO BALANCE FORWARD ONE-SHOT FUNDING FOR THIS PURPOSE, SHOULD THE RELOCATION BECOME DELAYED BEYOND THE FIRST YEAR OF THE BIENNIUM.

DPS – PAROLE BOARD (BA 101-3800) DPS-158: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO PROVIDE \$25,000 IN FY 2010 FOR THE AGENCY TO CONDUCT A REVIEW OF ITS STANDARDS AND TO HAVE THE PAROLE BOARD'S RISK ASSESSMENT INSTRUMENT VALIDATED PURSUANT TO STATUTE. THE AGENCY DID NOT APPROVE \$24,000 TO REPROGRAM THE NEVADA OFFENDER INFORMATION TRACKING SYSTEM, AS A BUDGET AMENDMENT WAS ALSO RECOMMENDED TO COMPLETE IDENTICAL PROGRAMMING REVISIONS, WHICH INCLUDED UPDATED COSTS ASSOCIATED WITH THE PROGRAMMING SERVICES. DUE TO THE PROPOSED INCREASE INCLUDED IN THE BUDGET AMENDMENT, THE AGENCY PRIORITIZED THE PROGRAMMING CHANGES, AND THE SUBCOMMITTEE APPROVED THE REVISIONS IDENTIFIED BY THE AGENCY TO BE CRITICAL TO ITS OPERATIONS, WITH A TOTAL INCREASE IN GENERAL FUNDS OF \$40,800 IN FY 2010 AND \$6,120 IN FY 2011. THE SUBCOMMITTEE ALSO APPROVED A SECOND BUDGET AMENDMENT FOR THE PAROLE BOARD ACCOUNT, IN ORDER TO CORRECT SALARY LEVELS RELATED TO FIVE EMPLOYEES HIRED AFTER THE PAYROLL INFORMATION WAS FINALIZED FOR THE EXECUTIVE BUDGET. ALL OTHER ITEMS WERE APPROVED BY THE SUBCOMMITTEE WITH TECHNICAL ADJUSTMENTS.

DPS – CRIMINAL HISTORY REPOSITORY (101-4709) PUBLIC SAFETY-164: THE SUBCOMMITTEE RECEIVED REVISED PROJECTIONS FOR MAJOR SOURCES OF REVENUE RECEIVED BY THE CRIMINAL HISTORY REPOSITORY, INCLUDING CIVIL APPLICANT FINGERPRINT FEES, POINT-OF-SALE FIREARMS FEES AND CIVIL NAME CHECK FEES, WHICH INDICATE DECLINING REVENUE IN EACH FISCAL YEAR BASED ON LOWER ACTIVITY LEVELS. THE DECLINE IN REVENUE RESULTS IN A DECREASE IN THE PROJECTED RESERVE BELOW THE LEVEL NECESSARY TO MEET OPERATING CASH-FLOW REQUIREMENTS. IN RESPONSE TO DECLINING REVENUE, THE SUBCOMMITTEE SUPPORTED THE ELIMINATION OF TWO FINGERPRINT TECHNICIANS, AS PROPOSED BY THE AGENCY TO MAINTAIN THE RESERVE AT A LEVEL THAT WILL ALLOW THE AGENCY TO MEET ITS OPERATING REQUIREMENTS. THE AGENCY INDICATED TO THE SUBCOMMITTEE THAT IT CAN MEET ITS LEVEL OF SERVICE WITHOUT THESE POSITIONS.

DPS – TECHNOLOGY DIVISION (201-4733) PUBLIC SAFETY-174: THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THREE INFORMATION TECHNOLOGY PROFESSIONALS, WITH TECHNICAL ADJUSTMENTS.

DPS – TRAINING DIVISION (101-3775) PUBLIC SAFETY-211: THE GOVERNOR RECOMMENDED THE CONSOLIDATION OF THE PEACE OFFICERS' STANDARDS AND TRAINING COMMISSION WITH THE DEPARTMENT OF PUBLIC SAFETY TRAINING DIVISION TO RE-ESTABLISH THE CONSOLIDATED TRAINING FUNCTION UNDER THE DEPARTMENT OF PUBLIC SAFETY. THE GOVERNOR'S RECOMMENDATION INCLUDED THE ELIMINATION OF ONE LIEUTENANT POSITION FROM THE TRAINING DIVISION BASED ON THE DUPLICATION OF POSITIONS RESULTING FROM THE CONSOLIDATION. THE SUBCOMMITTEE DID NOT SUPPORT THE GOVERNOR'S RECOMMENDATION TO CONSOLIDATE THE PEACE OFFICERS' STANDARDS AND TRAINING COMMISSION WITH THE TRAINING DIVISION, BASED ON CONCERNS OVER THE ABILITY OF THE DEPARTMENT OF PUBLIC SAFETY TO MEET THE TRAINING NEEDS OF RURAL LAW ENFORCEMENT AGENCIES AND TO MEET THE CURRENT STATUTORY REQUIREMENTS OF THE POST COMMISSION, IF COMBINED. THE RECOMMENDATION BY THE SUBCOMMITTEE RESULTED IN THE ADDITION OF GENERAL FUNDS OF \$34,450 IN FY 2010 AND \$35,704 IN FY 2011, AND HIGHWAY FUNDS OF \$109,215 IN FY 2010 AND \$111,878 IN FY 2011, BASED ON THE RESTORATION OF THE LIEUTENANT AND THE ELIMINATION OF A COST ALLOCATION RECOMMENDED FOR THE COMBINED TRAINING FUNCTION.

THE SUBCOMMITTEE SUPPORTED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE SOUTHERN TRAINING ACADEMY, INCLUDING THE ELIMINATION OF ONE DPS OFFICER AND ONE ADMINISTRATIVE ASSISTANT. THE SUBCOMMITTEE RECOMMENDED A LETTER OF INTENT TO HAVE THE AGENCY REPORT ON ITS ABILITY TO MEET ITS BASIC ACADEMY TRAINING REQUIREMENTS WITH THE CLOSURE OF THE SOUTHERN TRAINING ACADEMY.

THE SUBCOMMITTEE ALSO REVIEWED ALL REMAINING BUDGETS FOR THE DEPARTMENT: 101-4708 JUSTICE ASSISTANCE ACT; 101-4710 CHILD VOLUNTEER BACKGROUND CHECKS; 101-4734 JUSTICE ASSISTANCE GRANT TRUST; 101-4736 JUSTICE GRANTS; 101-3672 HOME DISASTER ASSISTANCE PROGRAM; 101-4729 STATE EMERGENCY RESPONSE COMMISSION; 101-4687 TRAFFIC SAFETY; 101-4688 HIGHWAY SAFETY PLANNING & ADMIN; 201-4689 BICYCLE SAFETY PROGRAM; AND 201-4691 MOTORCYCLE SAFETY PROGRAM AND RECOMMENDS THESE BUDGETS BE CLOSED AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN LESLIE MOVED TO ACCEPT THE BUDGET CLOSING REPORT.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Conklin and Assemblywoman Gansert were not present for the vote.)

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

THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT HAS REVIEWED THE BUDGETS FOR THE DEPARTMENT OF BUSINESS AND INDUSTRY FOR THE 2009-11 BIENNIUM. THE FOLLOWING SUBCOMMITTEE RECOMMENDATIONS RESULT IN GENERAL FUND SAVINGS OF \$76,810 IN FY 2009-10 AND A GENERAL FUND INCREASE OF \$426,185 IN FY 2010-11, COMPARED TO THE GOVERNOR'S RECOMMENDATION. A SUMMARY OF THE GENERAL FUND ADJUSTMENTS IS ATTACHED TO THE CLOSING PACKET.

DIRECTOR'S OFFICE (101-4681) B&I-1: THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO TRANSFER AN ADDITIONAL \$115,000 EACH YEAR FROM THE INDUSTRIAL DEVELOPMENT REVENUE BOND (IDRB) ACCOUNT TO THE DIRECTOR'S OFFICE IN ORDER TO SUPPLEMENT THE DEPARTMENT'S COST ALLOCATION.

INSURANCE REGULATION (101-3813) B&I-8: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ESTABLISH A NEW ADMINISTRATION FEE FOR THE INSURANCE REGULATION ACCOUNT AND TO REDUCE THE GENERAL FUND APPROPRIATION IN THIS ACCOUNT TO \$100 IN EACH YEAR OF THE 2009-11 BIENNIUM. THE ADMINISTRATION FEE WILL BE CHARGED TO ALL NEW LICENSEES AND ALL RENEWING LICENSEES, BEGINNING ON JULY 1, 2009. INSURANCE PRODUCERS WILL PAY AN ADMINISTRATION FEE OF \$60, CAPTIVE INSURERS WILL PAY \$250, AND INSURANCE CARRIERS WILL PAY \$1,300. ADDITIONALLY, INSURANCE CARRIERS WILL PAY A PRO-RATED

FEE OF \$650 FOR CALENDAR YEAR 2009, WHICH WILL BE PAID IN OCTOBER 2009. THE SUBCOMMITTEE ALSO VOTED TO APPROVE THE DIVISION'S REVISED COST ALLOCATION METHODOLOGY, WHICH IS BASED ON THE PROJECTED TIME AND EFFORT EACH EMPLOYEE IN THE INSURANCE REGULATION ACCOUNT SPENDS WORKING ON ACTIVITIES IN THE DIVISION'S OTHER SEVEN ACCOUNTS.

THE SUBCOMMITTEE VOTED TO ISSUE A LETTER OF INTENT REQUIRING THE DIVISION OF INSURANCE TO REPORT TO THE INTERIM FINANCE COMMITTEE ON A QUARTERLY BASIS, BEGINNING IN OCTOBER 2009, ON THE NUMBER OF INSURERS RENEWING LICENSES MONTHLY AND THE NUMBER OF NEW INSURERS APPLYING FOR LICENSURE EACH MONTH.

AS A RESULT OF THE ELIMINATION OF GENERAL FUNDS IN THIS ACCOUNT AND THE PRO-RATED ADMINISTRATION FEE REVENUE CHARGED TO INSURANCE CARRIERS BEGINNING IN OCTOBER 2009, THE DIVISION WILL EXPERIENCE A CASH FLOW PROBLEM DURING THE FIRST PART OF FISCAL YEAR 2010. THE SUBCOMMITTEE VOTED TO AUTHORIZE THE DIVISION TO RECEIVE A GENERAL FUND ADVANCE FOR FISCAL YEAR 2010. THE ADVANCE MUST BE REPAID BEFORE THE END OF FISCAL YEAR 2010.

THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO RESTORE 4.49 POSITIONS WITH ADMINISTRATION FEE REVENUE. THE SUBCOMMITTEE ALSO APPROVED 10 OF THE 14 NEW POSITIONS RECOMMENDED BY THE GOVERNOR NECESSARY TO MEET THE CURRENT WORKLOAD OF THE DIVISION, ELIMINATE THE BACKLOG AND TO ENSURE COMPLIANCE WITH ACCREDITATION AND STATUTORY REQUIREMENTS FOR THE DIVISION.

THE STATE'S ACCREDITATION BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (NAIC) WAS SUSPENDED IN SEPTEMBER 2008. THE DIVISION BELIEVES THE STATE'S ACCREDITATION WILL BE RESTORED DURING NAIC'S JUNE 2009 MEETING. THE SUBCOMMITTEE VOTED TO REQUIRE THE DIVISION TO PROVIDE A STATUS REPORT ON THE STATE'S ACCREDITATION AT THE FIRST INTERIM FINANCE COMMITTEE MEETING FOLLOWING THE NAIC'S JUNE 2009 MEETING.

SELF INSURED – WORKERS' COMPENSATION (101-4684) B&I-49: ALTHOUGH THE SUBCOMMITTEE VOTED TO CLOSE THIS ACCOUNT AS RECOMMENDED BY THE GOVERNOR WITH ONLY TECHNICAL ADJUSTMENTS RECOMMENDED BY STAFF, THE SUBCOMMITTEE ALSO VOTED TO ISSUE A LETTER OF INTENT REQUIRING THE DIVISION TO REPORT TO THE INTERIM FINANCE COMMITTEE ON THE DIVISION'S TOTAL ANNUAL COSTS FOR ADMINISTERING THE SELF-INSURED WORKERS' COMPENSATION PROGRAM AND HOW THESE EXPENDITURES SHOULD BE COST ALLOCATED BETWEEN THIS ACCOUNT AND THE INSURANCE REGULATION ACCOUNT (BA 3813). BECAUSE THE SELF-INSURED WORKERS' COMPENSATION ACCOUNT IS INCLUDED IN THE DIVISION'S COST ALLOCATION PLAN, FUNDS ARE TRANSFERRED FROM THIS ACCOUNT TO THE INSURANCE

REGULATION ACCOUNT. ADDITIONALLY, THE DIVISION OF INDUSTRIAL RELATIONS TRANSFERS FUNDING DIRECTLY TO THE INSURANCE REGULATION ACCOUNT FOR THE ADMINISTRATIVE COSTS ASSOCIATED WITH THE SELF-INSURED WORKERS' COMPENSATION. AS A RESULT, THERE IS CONCERN THAT THE DIVISION OF INDUSTRIAL RELATIONS MAY BE PAYING MORE THAN ITS APPROPRIATE SHARE OF THE ADMINISTRATIVE COSTS IN THE INSURANCE REGULATION ACCOUNT.

TRANSPORTATION AUTHORITY (226-3922) B&I-57: THE SUBCOMMITTEE VOTED TO DELAY THE ELIMINATION OF A COMPLIANCE ENFORCEMENT INVESTIGATOR 2 POSITION UNTIL THE SECOND YEAR OF THE 2009-11 BIENNIUM, RESULTING IN ADDITIONAL HIGHWAY FUND COSTS OF \$68,795 IN FY 2009-10. THE GOVERNOR RECOMMENDED ELIMINATION OF THIS POSITION IN BOTH YEARS OF THE BIENNIUM, REDUCING THE TOTAL NUMBER OF INVESTIGATORS FROM FIVE TO FOUR. HOWEVER, THE GOVERNOR'S RECOMMENDATION WOULD LEAVE THE AGENCY WITH THREE INVESTIGATORS IN FY 2009-10 BECAUSE ANOTHER INVESTIGATOR WILL BE ABSENT FOR APPROXIMATELY ONE YEAR DUE TO A RECENT DEPLOYMENT TO IRAQ WITH THE NATIONAL GUARD. THE SUBCOMMITTEE'S RECOMMENDATION WOULD LEAVE THE AGENCY WITH FOUR INVESTIGATORS IN EACH YEAR OF THE 2009-11 BIENNIUM.

MANUFACTURED HOUSING DIVISION (271-3814) B&I-67: THE GOVERNOR RECOMMENDED MERGING THE MANUFACTURED HOUSING DIVISION WITH THE NEVADA HOUSING DIVISION. THE MERGER WOULD RESULT IN THE ELIMINATION OF TWO NON-GENERAL FUND POSITIONS WITHIN THE MANUFACTURED HOUSING DIVISION, FOR A BUDGET SAVINGS OF \$164,319 IN FY 2010 AND \$165,209 IN FY 2011. THE SENATE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO MERGE THE DIVISIONS, WHILE THE ASSEMBLY DID NOT. THE ASSEMBLY CLOSED THE BUDGET WITHOUT THE MERGER AND VOTED TO RESTORE THE TWO POSITIONS THAT WOULD BE ELIMINATED IF THE MERGER WENT FORWARD.

ADDITIONALLY, THE SUBCOMMITTEE DENIED THE GOVERNOR'S RECOMMENDATION TO REPLACE ONE VEHICLE IN FY 2010 AND TWO VEHICLES IN 2011, BASED ON THE LOW MILEAGE OF THE VEHICLES TO BE REPLACED. THE SUBCOMMITTEE ALSO REDUCED RECOMMENDED FUNDING TO CONTRACT FOR THE CONVERSION OF MICROFICHE IMAGES OF TITLE DOCUMENTS FROM \$72,320 TO \$57,320 IN FY 2010.

CONSUMER AFFAIRS (101-3811) B&I-96: THE SUBCOMMITTEE DID NOT APPROVE THE CONTINUATION OF THE REGISTRATION FOR THE TRAVEL INDUSTRY DURING THE 2009-11 BIENNIUM AND APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE CONSUMER AFFAIRS RECOVERY FUND (BA 3807) AND TRANSFER THE ESTIMATED ENDING CASH BALANCE OF \$25,120 TO THE GENERAL FUND IN FY 2010.

A TOTAL OF 18 POSITIONS ARE ELIMINATED (8-10 LAYOFFS). THE OMBUDSMAN OF CONSUMER AFFAIRS FOR MINORITIES IS

ALSO SCHEDULED TO SUNSET JUNE 30, 2009, BRINGING THE POSITION REDUCTION TOTAL TO 19. THE PROJECTED TIMELINE FOR CLOSURE OF THE AGENCY IS JUNE 30, 2009. HOWEVER, THE SUBCOMMITTEE VOTED TO RETAIN TWO POSITIONS, AN ACCOUNTING ASSISTANT AND AN ADMINISTRATIVE ASSISTANT 3, TO ANSWER CONSUMER CALLS AND ASSIST IN REDIRECTING CONSUMER COMPLAINTS RECEIVED BY THE DIVISION. THESE TWO POSITIONS WILL BE LOCATED IN THE SOUTHERN NEVADA BUSINESS AND INDUSTRY'S DIRECTOR'S OFFICE.

THE POSITIONS' COSTS AND TERMINAL LEAVE AND RELATED PAYOUTS WILL BE FUNDED IN THE AMOUNT OF \$296,383 FROM THE \$527,944 RECOMMENDED BY THE GOVERNOR FOR THE CONSUMER AFFAIRS' BUDGET IN FY 2010 AND A GENERAL FUND ADD-BACK OF \$115,027 IN FY 2011. THE JOINT SUBCOMMITTEE RECOMMENDED THAT A LETTER OF INTENT BE ISSUED DIRECTING THE DIVISION TO REPORT TO THE INTERIM FINANCE COMMITTEE AT THE END OF FY 2010 REGARDING THE CALL VOLUME TO JUSTIFY WHETHER THE CONTINUATION OF TWO POSITIONS FOR FY 2011 WILL BE WARRANTED.

SUBSEQUENT TO THE SUBCOMMITTEE CLOSING, STAFF WAS INFORMED BY THE DIVISION THAT THE EXISTING ACCOUNTING ASSISTANT IN CAD ACCEPTED A PROMOTION IN ANOTHER DIVISION WITHIN THE DEPARTMENT. THEREFORE, THE COMMITTEE MAY WISH TO AMEND THE SUBCOMMITTEE'S RECOMMENDATION TO INSTEAD RESTORE AN ADMINISTRATIVE ASSISTANT 2 POSITION, AT AN ESTIMATED GENERAL FUND SAVINGS OF \$7,802 IN FY 2010 AND \$10,994 IN FY 2011.

THE GOVERNOR'S BUDGET FURTHER RECOMMENDED, AND THE SUBCOMMITTEE APPROVED, THE TRANSFER OF THE INVESTIGATIONS OF AUTO REPAIR AND SALES COMPLAINTS FUNCTION, ALONG WITH ONE POSITION, FROM THE CONSUMER AFFAIRS DIVISION TO THE DEPARTMENT OF MOTOR VEHICLES (DMV). BUDGET AMENDMENT 113 WAS APPROVED TO TRANSFER ONE COMPLIANCE INVESTIGATOR POSITION FROM CONSUMER AFFAIRS TO DMV IN ORDER TO CONTINUE DECEPTIVE TRADE PRACTICE INVESTIGATIONS RELATED TO THE REPAIR OF MOTOR VEHICLES BY GARAGEMEN OR AUTO BODY SHOPS. THE POSITION AND RELATED COSTS TOTALING \$76,953 IN FY 2010 AND \$77,742 IN FY 2011 ARE RECOMMENDED TO BE FUNDED IN DMV WITH HIGHWAY FUND AUTHORIZATION.

REAL ESTATE ADMINISTRATION (101-3823) B&I-11: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THREE VACANT ADMINISTRATIVE ASSISTANT POSITIONS FROM THE REAL ESTATE DIVISION'S LICENSING SECTION – TWO IN LAS VEGAS AND ONE IN CARSON CITY – PROVIDING A GENERAL FUND SAVINGS OF \$232,222 OVER THE 2009-11 BIENNIUM. THE LOSS OF THESE THREE VACANT POSITIONS WILL NOT ADVERSELY IMPACT THE DIVISION, BECAUSE THERE HAS BEEN A DECREASE IN LICENSING ACTIVITY DUE TO THE NATIONAL ECONOMIC DOWNTURN. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION TO ELIMINATE ONE VACANT PROGRAM OFFICER 1 POSITION, PROVIDING A GENERAL FUND SAVINGS OF \$94,945 OVER THE 2009-11

BIENNIUM. THE DUTIES OF THIS POSITION HAVE BEEN REDISTRIBUTED TO EXISTING STAFF.

THE SUBCOMMITTEE APPROVED THE REAL ESTATE ADMINISTRATION BUDGET WITH ADJUSTMENTS TO ALIGN THE DIVISION'S LATEST REAL ESTATE LICENSE TESTING FEE REVENUE AND EXPENDITURE PROJECTIONS WITH THE AMOUNTS CONTAINED IN THE EXECUTIVE BUDGET. THESE ADJUSTMENTS REDUCE THE DIVISION'S TRANSFERS TO THE GENERAL FUND BY \$231,803 OVER THE 2009-11 BIENNIUM. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION TO PROVIDE GENERAL FUNDS OF \$6,147 IN EACH YEAR OF THE 2009-11 BIENNIUM TO COVER THE DIVISION'S COSTS ASSOCIATED WITH IMPLEMENTING A PILOT PROGRAM TO ALLOW THE AGENCY TO ACCEPT CREDIT CARDS AS A FORM OF PAYMENT AND CHARGE A "CONVENIENCE FEE" TO RECOUP THE COSTS LEVIED BY CREDIT CARD COMPANIES. THIS PILOT PROGRAM REQUIRES THE PASSAGE OF ASSEMBLY BILL (A.B.) 548, WHICH WAS REQUESTED BY THE DEPARTMENT OF ADMINISTRATION. THE SUBCOMMITTEE HAS AUTHORIZED STAFF TO REMOVE THE GENERAL FUND APPROPRIATION FOR THE CREDIT CARD SYSTEM IF A.B. 548 IS NOT PASSED BY THE 2009 LEGISLATURE.

COMMON INTEREST COMMUNITIES (101-3820) B&I-128: THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO ADD ONE NEW AUDITOR 2 POSITION FOR THE COMMON INTEREST COMMUNITIES ACCOUNT, FUNDED WITH FEE REVENUE AND RESERVE REDUCTIONS. THIS NEW POSITION WILL FOCUS ON RESEARCHING AND IDENTIFYING NON-PAYING ASSOCIATIONS, AND PERFORM FINANCIAL AUDITS FOR INVESTIGATIONS. THE SUBCOMMITTEE REQUESTED THAT THE AGENCY REPORT TO THE INTERIM FINANCE COMMITTEE SEMI-ANNUALLY EACH FISCAL YEAR DURING THE 2009-11 BIENNIUM CONCERNING THE PERFORMANCE INDICATORS RELATED TO THIS NEW POSITION.

FINANCIAL INSTITUTIONS – INVESTIGATIONS (101-3805) B&I-143: AFTER REVIEWING THE HIGH RESERVE LEVEL IN THE INVESTIGATION ACCOUNT, THE SUBCOMMITTEE RECOMMENDS TRANSFERRING RESERVE FUNDING OF \$513,805 IN FY 2009-10 TO THE GENERAL FUND. AS A RESULT, THE AGENCY'S RESERVE LEVEL AT THE END OF FY 2010-11 IS PROJECTED TO BE \$305,715, WHICH WILL BE SUFFICIENT TO MAINTAIN ONGOING OPERATING EXPENSES IN THIS ACCOUNT.

SPECIAL HOUSING ASSISTANCE, DIVISION OF HOUSING (101-3839) NOT INCLUDED IN THE EXECUTIVE BUDGET: THE SUBCOMMITTEE APPROVED STAFF'S RECOMMENDATION TO INCLUDE BUDGET ACCOUNT 3839, SPECIAL HOUSING ASSISTANCE, AS A LEGISLATIVELY-APPROVED BUDGET FOR THE 2009-11 BIENNIUM.

MORTGAGE LENDING (101-3910) B&I-172: THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO MERGE THE MORTGAGE LENDING DIVISION WITH THE FINANCIAL INSTITUTIONS DIVISION. AS A RESULT, THE

MORTGAGE LENDING COMMISSIONER AND AN ACCOUNTING ASSISTANT 3 POSITION WERE RESTORED.

THE SUBCOMMITTEE ALSO RECOMMENDS RESTORING FOUR VACANT FINANCIAL EXAMINER POSITIONS RECOMMENDED FOR ELIMINATION BY THE GOVERNOR, IN ORDER TO ENSURE THE AGENCY MEETS ITS ANNUAL EXAMINATION REQUIREMENTS, AND ISSUING A LETTER OF INTENT DIRECTING THE DIVISION TO PROVIDE SEMI-ANNUAL REPORTS WHICH IDENTIFY THE AGENCY'S REVENUE AND EXPENDITURE ACTIVITY WITH THE CORRESPONDING IMPACT TO ITS OPERATING RESERVE LEVEL. THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ELIMINATE TEN OTHER VACANT POSITIONS INCLUDING: FIVE FINANCIAL EXAMINER POSITIONS, TWO COMPLIANCE INVESTIGATOR POSITIONS, AND THREE ADMINISTRATIVE ASSISTANTS.

OCCUPATIONAL SAFETY AND HEALTH ENFORCEMENT (210-4682) B&I-186:

THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO PROVIDE CELL PHONES FOR THE OSHA MECHANICAL UNIT INSPECTORS AND SUPERVISORS, AT AN ANNUAL COST OF \$7,834. THE SUBCOMMITTEE ALSO APPROVED RECOMMENDED EQUIPMENT, INCLUDING INDUSTRIAL HYGIENE AND OFFICE EQUIPMENT, AND 57 DESKTOP AND 4 LAPTOP COMPUTERS IN ACCORDANCE WITH DOIT'S RECOMMENDED FIVE-YEAR REPLACEMENT POLICY, FOR A TOTAL OF \$159,425 IN FY 2010 AND \$71,025 IN FY 2011. THE JOINT SUBCOMMITTEE REDUCED THE GOVERNOR'S RECOMMENDATION TO REPLACE SIX VEHICLES OVER THE 2009-11 BIENNIUM TO TWO VEHICLES IN FY 2010 AND ONE VEHICLE IN FY 2011, WHICH RESULTED IN SAVINGS OF WORKERS' COMPENSATION FUNDING OF \$45,938 IN FY 2010 AND \$71,025 IN FY 2011.

SAFETY CONSULTATION & TRAINING (210-4685) B&I-193: THE SUBCOMMITTEE SUPPORTED THE GOVERNOR'S RECOMMENDATION TO INCREASE THE AGENCY'S MULTI-MEDIA PROGRAM FUNDING BY \$25,000 EACH FISCAL YEAR. THE JOINT SUBCOMMITTEE FURTHER APPROVED THE GOVERNOR'S RECOMMENDATION FOR THE PURCHASE OF REPLACEMENT EQUIPMENT, INCLUDING 9 LAPTOP COMPUTERS, 2 FAX MACHINES, 2 PRINTERS AND 27 DESKTOP COMPUTER SYSTEMS, AT A COST OF \$30,778 IN FY 2010 AND \$43,633 IN FY 2011. ADDITIONALLY, THE SUBCOMMITTEE POSTPONED A RECOMMENDED VEHICLE REPLACEMENT IN THE AMOUNT OF \$23,318 FROM FY 2010 TO FY 2011, WHEN THE VEHICLE IS PROJECTED TO EXCEED 80,000 MILES.

ATHLETIC COMMISSION (101-3952) B&I-220: THE SUBCOMMITTEE DID NOT SUPPORT THE GOVERNOR'S RECOMMENDATION FOR A ONE-TIME TRANSFER FROM THE AMATEUR BOXING RESERVE TO THE GENERAL FUND IN THE AMOUNT OF \$155,865 IN FY 2011. THE SUBCOMMITTEE INDICATED IT DID NOT WANT TO REDUCE FUNDING THAT SUPPORTS YOUTH PROGRAMS. ADDITIONALLY, THE SUBCOMMITTEE SUGGESTED THAT THE ATHLETIC COMMISSION EXPAND ITS OUTREACH EFFORTS TO IMPROVE THE UTILIZATION OF THE AMATEUR BOXING PROGRAM

FUNDING. THE SUBCOMMITTEE AGREED WITH THE GOVERNOR'S RECOMMENDATION TO REINSTATE GENERAL FUND SUPPORT OF \$25,000 PER YEAR FOR THE PART-TIME PHYSICIAN CONTRACT, WHICH PROVIDES NECESSARY MEDICAL EXPERTISE TO THE COMMISSION. WITH THE REINSTATEMENT OF THIS FUNDING, THE CONTRACT TOTAL HAS BEEN RESTORED TO THE FY 2009 LEGISLATIVELY-APPROVED LEVEL OF \$75,000 PER YEAR. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION TO REINSTATE GENERAL FUNDS IN THE AMOUNT OF \$16,492 EACH FISCAL YEAR FOR RANDOM DRUG AND STEROID TESTING. HOWEVER, THE APPROVED FUNDING WAS REDUCED BY \$5,400 PER YEAR, BASED ON THE PROJECTED NUMBER OF TESTS AND UPDATED COSTS.

LABOR COMMISSIONER (101-3900) B&I-226: THE JOINT SUBCOMMITTEE DID NOT AGREE WITH THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THREE POSITIONS IN THE LABOR COMMISSIONER'S BUDGET, BUT INSTEAD VOTED TO RESTORE ALL THREE POSITIONS, RESULTING IN A GENERAL FUND ADD-BACK OF \$121,404 IN FY 2010 AND \$122,951 IN FY 2011.

EMPLOYEE MANAGEMENT RELATIONS BOARD (101-1374) B&I-231: THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO CHANGE THE EMPLOYEE MANAGEMENT RELATIONS BOARD'S FUNDING SOURCE FROM GENERAL FUND TO FEE-BASED BY ASSESSING FEES TO LOCAL GOVERNMENTAL EMPLOYERS, WITH THE PROVISION THAT THE STATE FUND THE ANNUAL FEE TO BE ASSESSED TO SCHOOL DISTRICTS AND CHARTER SCHOOLS IN THE DISTRIBUTIVE SCHOOL ACCOUNT (DSA). THE INITIAL LOCAL GOVERNMENT EMPLOYER ASSESSMENT IS ESTIMATED TO BE \$6 PER EMPLOYEE IN FY 2010 AND \$5 PER EMPLOYEE IN FY 2011. THE K-12/HIGHER EDUCATION JOINT SUBCOMMITTEE VOTED TO APPROVE STATE FUNDING IN THE AMOUNT OF \$271,128 IN FY 2010 AND \$225,940 IN FY 2011 IN THE DSA FOR THE ESTIMATED ASSESSMENT TO SCHOOL DISTRICT AND CHARTER SCHOOL EMPLOYER GROUPS.

TAXICAB AUTHORITY (245-4130) B&I-236: THE SUBCOMMITTEE APPROVED THE TAXICAB AUTHORITY BUDGET AS RECOMMENDED BY THE GOVERNOR. HOWEVER, THE SUBCOMMITTEE RECOMMENDS ISSUING A LETTER OF INTENT DIRECTING THE TAXICAB AUTHORITY TO WORK WITH REPRESENTATIVES FROM AGING SERVICES TO IDENTIFY POTENTIAL IMPROVEMENTS THAT COULD BE MADE TO THE SENIOR RIDE PROGRAM, INCLUDING MORE EFFECTIVE WAYS TO UTILIZE FUNDING. IN ADDITION, IF RESERVES ARE ADEQUATE, THE LETTER OF INTENT DIRECTS THE AGENCIES TO CONSIDER INCREASING TRANSFERS TO THE AGING SERVICES BUDGET IN SUPPORT OF THE SENIOR RIDE PROGRAM TO IMPLEMENT RECOMMENDED PROGRAM MODIFICATIONS.

THE FOLLOWING BUDGETS WERE CLOSED BY THE SUBCOMMITTEE WITH TECHNICAL ADJUSTMENTS AND, WHERE

APPLICABLE, ADJUSTMENTS TO THE DEPARTMENT'S REVISED
AG AND SWCAP COST ALLOCATION PLAN:

- INSURANCE EXAMINERS (223-3817) B&I-19
- CAPTIVE INSURERS (101-3818) B&I-23
- INSURANCE RECOVERY (101-3821) B&I-31
- INSURANCE EDUCATION & RESEARCH (101-3824) B&I-33
- NATIONAL ASSOC. OF INSURANCE COMMISSIONERS
(101-3828) B&I-40
- INSURANCE COST STABILIZATION (101-3833) B&I-43
- TRANSPORTATION SERVICES AUTHORITY ADMIN. FINES
(226-3923) B&I-64
- MOBILE HOME LOT RENT SUBSIDY (630-3842) B&I-78
- MOBILE HOME PARKS (271-3843) B&I-84
- MANUFACTURED HOUSING EDUCATION AND RECOVERY
(271-3847) B&I-91
- CONSUMER AFFAIRS RECOVERY FUND (101-3807)
B&I-107
- REAL ESTATE EDUCATION AND RESEARCH (216-3826)
B&I-119
- REAL ESTATE RECOVERY ACCOUNT (216-3827) B&I-126
- FINANCIAL INSTITUTIONS (101-3835) B&I-136
- FINANCIAL INSTITUTIONS – AUDIT (101-3882) B&I-145
- INDUSTRIAL DEVELOPMENT BOND PROGRAM (101-4683)
B&I-150
- HOUSING DIVISION (503-3841) B&I-153
- HOUSING – LOW INCOME HOUSING TRUST FUND (101-
3838) B&I-161
- WEATHERIZATION (101-4865) B&I-167
- DIVISION OF INDUSTRIAL RELATIONS (210-4680) B&I-179
- MINE SAFETY & TRAINING (210-4686) B&I-200
- NEVADA ATTORNEY FOR INJURED WORKERS (101-1013)
B&I-206
- DAIRY COMMISSION (233-4470) B&I-212

ASSEMBLYWOMAN LESLIE MOVED TO APPROVE THE BUDGET
CLOSING REPORT WITH TWO CORRECTIONS:

1. CONSUMER AFFAIRS SHOULD BE INCLUDED IN THE
BUDGET AS AGREED UPON BY THE SENATE.
2. RESTORATION OF THE ADMINISTRATIVE ASSISTANT 2
POSITION IN BUDGET ACCOUNT 101-3811.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

Chair Arberry commented that he was not in agreement with the Employee-Management Relations Board issue. Chair Arberry disclosed that his business was regulated by the Mortgage Lending Division and he would abstain from the vote.

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

Chair Arberry requested Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), to provide information regarding the bills on which the Committee would be voting.

Assembly Bill 92: Revises the provisions governing the benefits of a retired justice or judge. (BDR 1-400)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), distributed a proposed amendment (**Exhibit N**) for Assembly Bill (A.B.) 92 to the Committee. The bill involved the critical labor shortage provisions with regards to senior justices and judges. The proposed amendments would tighten the definition of who could come in as a retired district judge or justice and participate in the program. The Public Employees' Retirement Board would be required to conduct an experience study of the Judicial Retirement System between July 1, 2009, and June 30, 2014, to determine the cost. The issue would be revisited by the 2015 Legislature.

ASSEMBLYWOMAN MCCLAIN MOVED TO AMEND AND DO PASS
A.B. 92.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley, Assemblyman Ocegüera, and Assemblyman Conklin were not present for the vote.) (Assemblywoman Leslie abstained.)

Assembly Bill 401: Extend the bonding capacity of the Nevada System of Higher Education. (BDR S-884)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), provided an overview of Assembly Bill (A.B.) 401. The bill extended the date until January 2029 for the authority for the Nevada System of Higher Education (NSHE) to issue revenue bonds. The bill also included the cleanup language to change the names of the community colleges.

ASSEMBLYWOMAN MCCLAIN MOVED TO DO PASS A.B. 401.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

Assembly Bill 111 (1st Reprint): Revises provisions governing certain residential facilities for groups and homes for individual residential care. (BDR 40-99)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), provided an overview of Assembly Bill (A.B.) 111 (R1). Mr. Stevens provided a mock-up amendment attached as **Exhibit O**.

Assemblywoman McClain explained that the fiscal note was created by the provisions for the endorsement for facilities that provided two levels of care. The mock-up removed those provisions.

ASSEMBLYWOMAN LESLIE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 111 (R1).

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

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

Assembly Bill 550: Requires the establishment of a commercial wedding program at the Boulder Dam-Valley of Fire State Park. (BDR 35-1309)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), provided an overview of Assembly Bill (A.B.) 550. Mr. Stevens explained that a proposed amendment would make technical adjustments to the bill.

ASSEMBLYWOMAN KOIVISTO MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 550.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

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

Assembly Bill 422: Makes various changes regarding the financing of local improvements with revenue pledged from sales and use taxes. (BDR 21-54)

Assemblywoman Debbie Smith, Washoe County Assembly District No. 30 provided an overview of Assembly Bill (A.B.) 422 and the proposed amendment attached as **Exhibit P**. Subsection 1 of section 3 of the mock-up gave the local government some leeway in using an independent auditor to review claims from the developer. Subsection 2 of section 1 changed the relocation restriction to a three-mile radius rather than within the municipality.

Assemblywoman Smith noted that section 4 addressed the issue of preventing bid shopping. This would allow the developer to select the general contractor, but the general contractor would have to bid.

Section 5 clarified that reporting requirement applied to existing tourism improvement districts. Paragraph (b) of subsection 1 of section 5 required the information regarding the reporting to go to the Department of Taxation to be shared with the Fiscal Analysis Division of the Legislative Counsel Bureau (LCB) in a confidential manner. Section 5 also modified the reporting requirements.

Section 7 required that the consultants retained by local government to do the feasibility study to be selected from a list of out-of-state consultants developed by the Commission on Tourism. According to Assemblywoman Smith, section 7 also deleted the Local School Support Tax (LSST) from the money abated.

Assemblywoman Smith stated that section 9 clarified that the Labor Commissioner had the authority to enforce the prevailing wage provisions of these projects.

Assemblyman Hardy asked whether the deleted section 4 would be replaced by a conceptual amendment in the "black box" of the mock-up.

Assemblywoman Smith responded that was correct. All of the involved parties had agreed to the amendment. The language was being prepared. She believed that all of the parties were in agreement with the provisions of the bill and the proposed amendments.

Assemblyman Grady asked whether the bill contained language regarding follow-up.

Assemblywoman Smith replied that on that issue the only language was how the revenue was generated. This bill clearly required compliance and reporting from LCB as to whether the 50 percent preponderance was met.

ASSEMBLYWOMAN LESLIE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 422.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley, Assemblyman Ocegüera, and Assemblyman Conklin were not present for the vote.) (Assemblywoman Gansert reserved the right to change her vote on the Assembly Floor.)

* * * * *

Chair Arberry requested the Committee consider introduction of the following bill draft request (BDR):

- **BDR 34-1300**—Reorganizes the Regional Training Programs for the Professional Development of Teachers and Administrators. (Later introduced as [Assembly Bill 560](#).)

ASSEMBLYWOMAN SMITH MOVED FOR COMMITTEE
INTRODUCTION OF BILL DRAFT REQUEST 34-1300.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

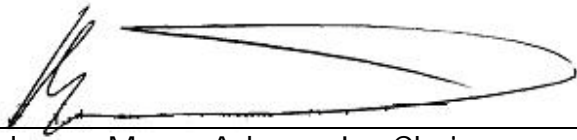
* * * * *

There being no additional business, the Committee recessed at 11:02 a.m. and, because of time constraints, was not reconvened. The meeting was adjourned at 8:15 a.m. on May 14, 2009.

RESPECTFULLY SUBMITTED:

Linda Blevins
Committee Secretary

APPROVED BY:

A handwritten signature in black ink, appearing to be 'Morse Arberry Jr.', written over a horizontal line.

Assemblyman Morse Arberry Jr., Chair

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>May 13, 2009</u>		Time of Meeting: <u>8:07 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 9	C	Barry Gold, Director, Government Relations, AARP Nevada	Written testimony
A.B. 9	D	Connie McMullen, Chairman, Strategic Plan Accountability Committee	Written testimony
A.B. 345(R1)	E	Tim Tetz, Executive Director, Office of Veterans' Services	Fiscal considerations
A.B. 547	F	Martha Barnes, Administrator, Division of Central Services and Records, DMV	Proposed amendment
A.B. 548	G	Dave McTeer, Chief, Information Technology Div., Department of Administration	Credit card fee exhibit
A.B. 548	H	Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services	Prepared testimony
A.B. 550	I	Allen Biaggi, Director, State Department of Conservation and Natural Resources	Prepared testimony
A.B. 552	J	Andrew Clinger, Director, Department of Administration	Proposed amendment
A.B. 552	K	Andrew Clinger, Director, Department of Administration	Chart of increased fees
A.B. 523	L	Assemblyman Marcus Conklin, Clark County Assembly District No. 37	Proposed amendment
	M	Assemblywoman Sheila Leslie	Budget closing report attachment
A.B. 92	N	Mark Stevens, Fiscal Analysis Division	Proposed amendment
A.B. 111	O	Mark Stevens, Fiscal Analysis Division	Mock-up
A.B. 422	P	Assemblywoman Debbie Smith, Washoe County Assembly District No. 30	Proposed amendment