

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

Seventy-Fifth Session  
May 15, 2009

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 8:15 a.m. on Friday, May 15, 2009, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/75th2009/committees/](http://www.leg.state.nv.us/75th2009/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

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

**GUEST LEGISLATORS PRESENT:**

Senator Allison Copenig, Clark County Senatorial District No. 6  
Assemblyman Chad Christensen, Clark County Assembly District No. 13  
Assemblywoman Marilyn Kirkpatrick, Clark County Assembly District No. 1

**STAFF MEMBERS PRESENT:**

Mark Stevens, Assembly Fiscal Analyst  
Steve Abba, Principal Deputy Fiscal Analyst  
Brian M. Burke, Principal Deputy Fiscal Analyst  
Tracy Raxter, Principal Deputy Fiscal Analyst  
Bob Atkinson, Senior Program Analyst  
Rick Combs, Senior Program Analyst  
Sarah Coffman, Program Analyst  
Alexander Haartz, Program Analyst  
Julie Waller, Program Analyst  
Anne Bowen, Committee Secretary  
Vickie Kieffer, Committee Assistant

Vice Chair Leslie opened the hearing on Assembly Bill 519.

**Assembly Bill 519**: Creates a statutory commission to review continuation of state agencies, boards and commissions and tax exemptions, abatements and earmarked revenue sources. (BDR 17-1165)

Jodi Stephens, Legislative Director, Office of the Governor, testified in support of A.B. 519. She said the catalyst behind the bill was the Nevada Spending and Government Efficiency (SAGE) Commission recommendation number 17, Exhibit C.

Ms. Stephens introduced Bruce James, Chairman of the SAGE Commission, as well as Barbara Smith Campbell, member of the SAGE Commission, and Perry Comeaux, Deputy Director, SAGE Commission.

Ms. Stephens submitted Exhibit D, a proposed amendment to A.B. 519, recommended by the Nevada System of Higher Education. She explained Exhibit D would make the SAGE Commission a public body, subject to all open meeting laws.

Ms. Stephens also provided Exhibit E, "Proposed Amendments to A.B. 519," from the Office of the Governor. She said the proposed subsection 3 of section 5 would allow the statutory commission to appoint subcommittees and advisory committees. Ms. Stephens said the proposed subsection 4 of Exhibit E would allow the statutory commission to review and make recommendations regarding state agencies, boards, and commissions. The last recommendation in the amendment would put an expiration date on the statutory commission.

Bruce James, Chairman, SAGE Commission, testified in support of A.B. 519. Mr. James said he welcomed the opportunity to talk about the SAGE Commission and how it had arrived at its recommendation. He said the SAGE Commission was composed of 14 members, 7 Republicans and 7 Democrats, all business people.

Mr. James said the SAGE Commission wanted to examine the Executive Branch of government to ascertain how it was organized. He said in each session of the Legislature since the 1920s one or more new boards, committees, and commissions had been created. Over the years approximately 170 different entities had been added to the Executive Branch. Mr. James said the question was whether these entities were still doing the job that they had been established to do. He said in many cases an examination of those entities would reveal that they were no longer meeting those needs.

Mr. James said the SAGE Commission had investigated what other states were doing in this regard and had been particularly interested in Texas. Twenty-five years ago Texas established the Texas Sunset Commission. Every agency established in Texas was automatically eliminated after ten years unless the Texas Legislature renewed it. Approximately two years before the ten-year sunset date, the Texas Sunset Commission audited the agency to determine whether it was still performing as required.

Mr. James opined that of the 24 recommendations the SAGE Commission had made, the Commissioners believed the establishment of a sunset commission in Nevada was one of the most important. The recommendation was forwarded to the Governor based on the unanimous vote of the Commission. Seven Republicans and seven Democrats considered this a good recommendation for Nevada.

Barbara Smith Campbell, member of the SAGE Commission, testified in support of A.B. 519. Ms. Campbell referred to [Exhibit E](#), proposed subsection 4 of section 5, and said the printed version did not provide the complete amendment. She read the following into the record:

It is the intent of the Legislature that the Commission will evaluate, review, and make recommendations with respect to all statutorily created state agencies, boards, and commissions, tax exemptions, abatements, and earmarked revenues within 10 years.

Ms. Campbell said the SAGE Commission had drawn its information from the state of Texas. The Sunset Commission in Texas had been created approximately 21 years ago and over the life of that commission it had generated close to \$750 million in savings from the ten-year review. The SAGE Commission members felt strongly that the Legislature would appreciate input from a body created by the Legislature to examine various entities and receive a review from that body.

Assemblyman Conklin asked whether he had understood correctly that the Texas Sunset Commission had saved \$750 million from the ten-year review.

Ms. Campbell referred to [Exhibit C](#) and replied that Recommendation #17 had cited Texas as an example of significant savings through the sunset process.

Assemblyman Conklin asked whether Ms. Campbell knew what the annual budget for the state of Texas was, and Ms. Campbell replied that she did not, but could provide that information at a later time.

Assemblyman Conklin remarked that Nevada's biennial budget was approximately \$7 billion and the annual budget for Texas was significantly higher. Ms. Campbell agreed and added that Texas had a significantly larger number of agencies, boards, and commissions.

Assemblyman Conklin commented that if \$750 million was divided by 21 years and that figure was compared to the average size of the Texas budget, it seemed to be a rather small savings.

Ms. Campbell replied that any savings that could be realized would be a benefit. Assemblyman Conklin responded that while he agreed with Ms. Campbell in theory, he also believed that large numbers needed to be put in perspective.

Perry Comeaux, Deputy Director, Nevada SAGE Commission, stated the majority of the \$750 million saved had been identified and saved in the early years of the Texas Sunset Commission. He said the return had tapered off over time.

Vice Chair Leslie referred to the fiscal note for A.B. 519 and said it appeared as though the Legislative Counsel Bureau would staff the commission.

Mr. Comeaux referred to paragraph (c) of subsection 1 of section 5 of A.B. 519 which stated the sunset commission may "Request that the Legislative Counsel Bureau assist in the research, investigations, hearings and reviews of the Commission." He also pointed out that another section stated, "The Director of the Legislative Counsel Bureau or a person he has designated shall act as the nonvoting recording secretary."

Vice Chair Leslie said she was concerned about the additional burden the Legislative Counsel Bureau (LCB) would have to shoulder by staffing the proposed sunset commission.

Mr. Comeaux replied that he could not answer that question. He further stated that the bill did not establish the annual number of meetings for the sunset commission, as that determination would be made by the members of the commission. Mr. Comeaux noted the sunset commission would have 12 members, 6 appointed by the Governor, and 6 would be legislators appointed by the Legislature. Members of the commission would elect the Chair and Vice Chair, both of whom were required to be legislators.

Vice Chair Leslie said her concern was that the LCB salaries were being reduced rather significantly, as in all state agencies, and while she believed this was generally a good idea, it would add another burden to an already understaffed LCB.

Mr. Comeaux acknowledged that what Vice Chair Leslie said was true, but he believed a sunset commission could be very beneficial to the State.

Vice Chair Leslie commented that in light of the present economic situation, this might not be the best time to implement another commission.

Assemblyman Denis asked how it would be determined which agencies would be reviewed first and in what order.

Mr. Comeaux replied that A.B. 519 was very permissive in terms of allowing the sunset commission to establish its own procedures and criteria.

Assemblywoman Gansert said the fiscal note appeared to be \$18,000 and asked whether that was correct. She said she believed the work of the SAGE Commission had been impressive, and it was important to have professionals outside of the legislative body evaluate government processes.

Vice Chair Leslie requested that the Director of the Legislative Counsel Bureau, Lorne J. Malkiewicz, comment regarding her concerns.

Lorne J. Malkiewicz, Director, Legislative Counsel Bureau (LCB), remarked that A.B. 519 was a good example of bills with "squishy" fiscal notes that assigned duties to the LCB. He stated he was also concerned with the "open-endedness" of the bill which allowed a non-legislative committee to request studies, investigations, and other research from the LCB. All of the fiscal notes contained the same open-ended language, according to Mr. Malkiewicz.

Mr. Malkiewicz said a good example was what happened with the P-16 Advisory Council. There had been a bill to create the committee and have it staffed by the LCB. He stated the LCB had attempted to approximate the amount of staff needed and put a large fiscal note on it. The estimated cost was \$180,000 over the biennium, so the bill was amended to transfer responsibility over to the Governor's Office, which absorbed the cost. Mr. Malkiewicz explained that the council did not receive the \$180,000 appropriation, which resulted in inadequate staff; therefore, it had been unable to accomplish all of its goals.

Mr. Malkiewicz said if A.B. 519 passed and the LCB was told to staff the committee and absorb the cost, it would. However, the question was whether

the Committee wanted LCB staff spending time on this study, another study, or something else.

According to Mr. Malkiewich, to achieve the required budget cuts the LCB had a number of vacant positions. Research analysts, program analysts, and attorney positions had been held vacant, and those were the positions that would be staffing the interim committees.

Mr. Malkiewich said his primary concern was having the staff overextended in addition to taking a day of furlough leave each month.

Ms. Campbell commented that while she agreed with Lorne Malkiewich's comments and that caution was indicated regarding workload, she wanted to offer a thought from the private sector. In these economic times, the private sector was holding jobs vacant just as the public sector was, and Ms. Campbell believed this was the time when critical overview was needed the most.

Mr. James stated he concurred with what Ms. Campbell had said and commented that for every dollar invested in the sunset commission, Nevada should see a \$10 to \$20 return. He opined this was a perfect time and a perfect opportunity to investigate some of the entities and urged the Committee to consider A.B. 519.

Tray Abney, Reno-Sparks Chamber of Commerce, testified in support of A.B. 519. Mr. Abney stated that one of the long-term spending reforms he had identified as important was the implementation of SAGE Commission recommendations, one of which was the creation of a sunset commission.

Carole Vilardo, President, Nevada Taxpayers Association, testified in support of A.B. 519. Ms. Vilardo disclosed that she also served as a member of the SAGE Commission. She said one of the items a sunset commission would address was the earmarking issue. It was very important to have periodic review, because when a revenue source was earmarked, it was literally placed on automatic pilot and a redirection became very difficult, according to Ms. Vilardo.

Josh Griffin, representing the Nevada System of Higher Education (NSHE), testified in support of A.B. 519. Mr. Griffin referred to [Exhibit D](#) and stated the amendment affected paragraph (c) of subsection 1 of section 5 by inserting the words "statutorily created."

Ms. Campbell said if "statutorily created" was not in A.B. 519, the SAGE Commission would accept it as an amendment. She said the SAGE Commission had always accepted that any entity constitutionally created would not be part of the sunset committee review, only entities created by statute.

Assemblywoman Leslie asked Mr. Griffin whether the NSHE had any boards or commissions that needed to be reviewed.

Mr. Griffin replied that to his knowledge the sunset commission as created by A.B. 519 would have no jurisdiction over any committees or boards if they were not created statutorily.

Chair Arberry closed the hearing on A.B. 519 and opened the hearing on A.B. 555.

**Assembly Bill 555: Revises provisions governing the Senior Citizens' Property Tax Assistance Account. (BDR 38-1315)**

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated there had been a number of bill draft requests (BDRs) appearing before the Committee based either on actions taken because of budget reductions during the interim period or because of budget recommendations made by the money committees. Assembly Bill 555 revised the provisions governing the Senior Citizens' Property Tax Assistance Account. Mr. Stevens said statutorily it was a non-reverting account, and part of the budget reductions that were implemented during the interim period included a reversion from the account at the end of fiscal year (FY) 2009.

Mr. Stevens said A.B. 555 would remove the provision that the account did not revert, and the reversion could be made allowing the state to realize the money that was anticipated in the budget reductions that had been approved.

Chair Arberry closed the hearing on A.B. 555 and opened the hearing on A.B. 556.

**Assembly Bill 556: Eliminates the position of Weed Control Analyst within the State Department of Agriculture. (BDR 49-1314)**

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), commented that in the Department of Agriculture budget closings an agriculturalist 4 position had been eliminated from that budget. The position performed the duties of a weed control analyst. Mr. Stevens said that because the position was statutorily created, there was a conflict between how the money committees had closed the budget and the statute. Assembly Bill 556 had been drafted for the Committee's review.

Assemblyman Goicoechea said if the Committee did not pass the legislation the budget would be in conflict with statute.

Scott Marsh, Noxious Weed Program Coordinator, State Department of Agriculture, testified in support of A.B. 556. Mr. Marsh stated the agriculturalist 4 position was being eliminated because the Noxious Weed Program had been reorganized, and the program duties could be carried out without the position.

Chair Arberry closed the hearing on A.B. 556 and opened the hearing on A.B. 557.

**Assembly Bill 557: Makes a supplemental appropriation to the Department of Corrections for unanticipated shortfalls in Fiscal Year 2008-2009 for increased costs at various facilities. (BDR S-1260)**

Lori Bagwell, Deputy Director, Support Services, Department of Corrections (NDOC), testified in support of Assembly Bill 557. Ms. Bagwell presented Exhibit F, an amended version of A.B. 557.

Ms. Bagwell said the amendment eliminated the original appropriation in section 1 for terminal leave payments because the Nevada State Prison and the Tonopah Conservation Camp were not being closed as proposed in The Executive Budget. She said the supplemental request was being reduced from \$6,234,090 to \$2,872,874. Ms. Bagwell pointed out that to close the Department of Correction's budgets for FY 2009 required \$875,878 for utility

cost shortfalls, \$600,320 for revenue shortfalls because room and board payments were down, \$708,564 for shortfalls in the personnel budget, \$6,414 for operating shortfalls at the Ely State Prison, \$8,815 for maintenance shortfalls at the Ely State Prison, and \$672,883 for inmate-driven shortfalls.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), commented that A.B. 557 was a supplemental appropriation that was included in The Executive Budget. Mr. Stevens added that any savings generated would be removed from anticipated appropriations.

Chair Arberry closed the hearing on A.B. 557 and opened the hearing on A.B. 559.

**Assembly Bill 559: Revises provisions governing discrimination in housing.  
(BDR 18-1169)**

Dennis Perea, Administrator, Nevada Equal Rights Commission, Department of Employment, Training and Rehabilitation (DETR) testified in support of Assembly Bill 559. Mr. Perea submitted Exhibit G, a handout entitled "Nevada Equal Rights Commission," and read the following statement into the record:

I am here today to speak on A.B. 559 and answer any questions you may have.

A.B. 559 seeks to make Nevada antidiscrimination law and housing substantially equivalent to the federal Fair Housing Act. This legislation, if passed, would allow the Nevada Equal Rights Commission to partner with the federal Department of Housing and Urban Development (HUD) and local fair housing agencies to better serve Nevada's citizens. Currently, cases filed with the HUD are investigated out of HUD's San Francisco office. Our belief is local government is the best government and we can provide better customer service being local.

A.B. 559 will not deny federal expertise to Nevada residents. The expertise, resources, and experience of HUD are not lost to the states which become fair housing assistance programs (FHAP). The HUD shares their expertise and helps to develop similar capacity in state and local agencies. For instance, fair housing agency staff attend the HUD training academy, which is five weeks of intensive training in Washington D.C. Fair housing agencies work very closely with the HUD staff to develop the knowledge, skills, and abilities to effectively investigate and analyze housing cases, and to implement systems, policies, and procedures that replicate the federal process. The HUD acts as a mentor to fair housing agencies, especially during the first few years to ensure that the state and local entities develop the capacity and expertise to successfully handle cases with HUD's guidelines for quality and timeliness.

There are also training opportunities for the Nevada Equal Rights Commission's assigned deputy attorney general to learn more about housing litigation, and capacity-building funds can be spent on that training. That training is provided at the John Marshall Law School.

Currently the HUD receives approximately 80 new Nevada complaints of housing discrimination per year, and the overarching goal is to achieve voluntary resolution of housing discrimination complaints. The Commission will continue to emphasize voluntary compliance and negotiated settlements; that commitment in the bill is clearly stated. The HUD estimates that probable cause is found in approximately 5 percent of all cases, and only a few of those actually go to court, in the neighborhood of two to four cases per year.

Design and construction cases are often the most complex housing cases. In the event that the HUD gives the state interim certification as a substantially equivalent (agency), the HUD will require that any design and construction cases arising in Nevada prior to the state receiving final certification will be referred to the HUD for investigation. The HUD three-year interim certification of a new fair-housing assistance program is provisional. The HUD will extend a permanent certification only if the state or local entity demonstrates the ability to successfully manage a housing discrimination program to the federal standards.

The federal provisional interim certification goes hand-in-hand with the Legislature's requirement of a Letter of Intent from the Commission indicating that the housing program will be discontinued if not successful and self-supporting at the end of the 2010-2011 biennium.

Similar legislation was put forth in the 2005 Legislature. There were many concerns raised, and Maureen Cole, Deputy Administrator, will speak to the changes and efforts to mitigate those concerns.

Assemblywoman Leslie inquired about the fiscal note of approximately \$140,000 in the second year of the biennium that was not in the budget for the Commission.

Mr. Perea responded that fiscal note had been attached by the Office of the Attorney General and had not been reviewed by the Commission.

Assemblywoman Leslie commented that if funds were not in the budget for the fiscal note, the bill would not pass.

Maureen Cole, Assistant Administrator, Nevada Equal Rights Commission, Department of Employment, Training and Rehabilitation, testified in support of A.B. 559. Ms. Cole read the following statement into the record:

One of the concerns that was raised in 2005, when similar legislation was considered, was the fear that expanding the Commission's housing discrimination program would lessen its ability to handle employment cases, which are the bulk of our caseload. The fact is, that revenue from the federal Department of Housing and Urban Development (HUD) will make the housing program virtually self-supporting and will not drain resources from other areas.

The federal cuts along with the State General Fund reductions have caused the Commission to reduce staff from 22.5 full-time

equivalents (FTEs) to 19 FTEs. While we are very grateful that the cuts were not deeper, the effects of those reductions on the handling of employment cases have already occurred, and they will continue indefinitely regardless of what happens with A.B. 559.

This reality exists separate and apart from the issue of substantial equivalency to the federal Fair Housing Act. The HUD funds will pay for dedicated housing program staff whose full-time responsibilities will be housing discrimination. We believe there are funds available to cover the additional allocation to the Attorney General's Office as well.

The current staff will continue to be tasked to employment and public accommodation cases. Expansion of the housing program, while federal funds are available, will have no negative impact whatsoever on employment and public accommodation cases.

Another objection raised in 2005 was the specter of exposing the state to unlimited liability in terms of attorneys' fees and court costs if the state did prevail in a case of housing discrimination in the administrative process or in state court. That concern has been addressed in A.B. 559 with the addition of language that prohibits the award of attorneys' fees and costs against the state unless the losing party petitions and can prove that the Attorney General initiated the case in what would constitute a violation of Rule 11 of the Nevada Rules of Civil Procedure. That rule sanctions attorneys for initiating baseless, frivolous, or otherwise improper litigation.

In 2005 the record shows that there was some testimony offered in opposition to that bill which indicated a feeling that political pressure is more likely to occur on the state level than it is on the federal level. While evidently some people perceive this issue to be a factor in other states, the Commission does not see it as a current problem nor does it anticipate it will become a problem down the line.

I have worked for the Commission for around ten years, and I have never seen or heard a single instance in which directions or even suggestions have been given to staff as to how to decide a case, handle a case, except to reject a case.

Currently, there are approximately 108 fair housing assistance program (FHAP) organizations operating in concert with the HUD throughout the United States. The Commission believes that this number speaks to the fundamental soundness of the FHAP.

What A.B. 559 will do is to provide an accessible, convenient, and local means for individuals to make complaints of housing discrimination and to have those complaints investigated and resolved. By the same token, landlords, property owners and managers, and others who may be named as respondents in such complaints will find it easier and more convenient to answer those complaints and to participate in the investigation and resolution of those charges.

While we anticipate that many cases will be resolved through negotiation and conciliation, those cases that must go to hearing or trial will do so in Nevada with Nevada hearings officers, Nevada judges, and attorneys who are familiar with the Nevada legal system.

While the Commission has no complaint at all with the way the HUD has handled housing discrimination complaints, the fact is San Francisco is a long way from anyplace in Nevada.

Utilizing the same or similar language to the federal Fair Housing Act eliminates doubt or confusion about what, or what is not, an unlawful housing practice, who is covered, what the enforcement mechanisms are, or what the penalties are for violations.

In summary, the changes proposed by A.B. 559 to Nevada's fair housing law are necessary because they signify that Nevada is serious about eradicating discrimination in housing, as well as in employment and public accommodations. Simply put, it is the right thing to do.

In tough economic times, complaints of discrimination in all areas increase because people have fewer options. Families who have lost their homes through unemployment, reduced income, or mortgage rate adjustments are looking for affordable housing and may have to take whatever they can find regardless of the treatment they receive, or they may be denied housing altogether. The proposed amendments in A.B. 559 will give families in such circumstances an easily accessed and meaningful way to try to resolve these problems.

Finally, the proposals in A.B. 559 permit Nevada to receive otherwise untapped federal funds to augment the General Fund revenue by adopting and enforcing state law that is substantially equivalent to the federal Fair Housing Act.

Assemblyman Hardy stated in his opinion that "substantially equivalent" meant not equivalent. He asked the difference between what was being proposed that was "substantially equivalent" to the federal guidelines.

Ms. Cole responded that there were only a few minor differences; for example, under the federal scheme a case litigated in federal court must adhere to the federal court rules of evidence, whereas in state court the HUD would allow the use of state rules of evidence.

Mr. Perea commented that the Nevada Equal Rights Commission believed that it was good public policy to add sexual orientation and gender identity and expression to the bill.

[Exhibit H](#), a Letter from Christopher Brancart, Attorney at Law, regarding A.B. 559 was submitted to the Committee.

Chair Arberry closed the hearing on A.B. 559 and opened the hearing on A.B. 560.

**Assembly Bill 560: Reorganizes the Regional Training Programs for the Professional Development of Teachers and Administrators. (BDR 34-1300)**

Assemblywoman Debbie Smith, Washoe County Assembly District No. 30, testified in support of Assembly Bill 560. Assemblywoman Smith said A.B. 560 was needed to coincide with the way the K-12 budget was closed for the regional training programs for the professional development of teachers and administrators. Because of the budget situation, the funding for regional training programs had been cut by 60 percent. The Regional Training Programs had been reduced from four to three to reduce administrative costs. Assemblywoman Smith noted the regions had been realigned, which resulted in moving some counties into a new region.

Janice Grant, representing the Western Nevada Regional Training Program (WN RTP), testified regarding A.B. 560. Ms. Grant read the following statement into the record:

My name is Janice Grant and I am a teacher on special assignment from the Churchill County School District, serving as a regional trainer for the Western Nevada Regional Training Program. I am here with Dr. Steve Pradere. Both of us have been with the program for ten years since its inception.

Today you are faced with some pretty serious decisions in regard to the reconfiguration of the Western Nevada Regional Training Program, and we understand that. We are not here this morning for money. What we are here to ask is for you to have some consideration to the following thoughts in regard to reconfiguring the region.

I ask why would you eliminate a region that has provided ongoing professional development in a job-embedded, sustained way that has been aligned to school improvement plans, district improvement plans, and is based on the standards.

I would ask why you would eliminate a region that several sessions ago listened to Senator Raggio when he asked us, "Please link your work to student achievement." We have been able to do that.

I would ask why you would eliminate a region that has been a strong resource for the state department. My thoughts are this: it is not about our work and it is not about funding. It has been made about personalities. Our director is the lowest paid regional director in the state. However, there are eight full-time regional trainers, six part-time regional trainers, one administrative assistant, and our director, who are left without jobs because there is no provision in the current legislation for any of us to move on to any of the other regions.

If that is the case, this could be about (the) budget. I believe, though, this is truly a case of a few disgruntled voices stating their opinion. This is to be expected when you are working with 5 school districts and 53 schools. Not everyone is going to like you. I believe if there is a problem with an employee within the region, then either the director or our governance board, which is in place and is a strong group, will take care of it.

As was echoed at the opening of this discussion, there has been a lot of support for our program. As you move forth to consider this change, I would ask you to consider the impact this will have on our state, on our teachers, on our students, and on our administrators.

Our students will continue to benefit from the professional development that their teachers have received, and they will continue to be able to succeed. Our administrators will benefit from the side-by-side coaching they have had at the leadership academy through the Western Regional Training Program and continue to lead in an excellent manner.

Our region and the other three regions can operate at a 60 percent budget as proposed in A.B. 560. We can do that. Our directors have all submitted budgets with even a smaller scenario. Our request this morning is for your consideration not to eliminate the Western Regional Training Program, but to include us in the funding. Allow us to continue the work that we started ten years ago.

Dr. Steve Pradere, Evaluation Analyst, Western Nevada Regional Training Program (WN RTP), testified regarding A.B. 560. Dr. Pradere thanked the Legislature for funding the Regional Professional Development Programs (RPDP) because it was important for the teachers of Nevada to have that training.

Dr. Pradere said he had two concerns about the reconfiguration of the RPDPs. The first was that in the WN RTP, staff had worked directly with WestEd, a research, development, and service agency. There was an observation protocol used by all schools in the Western Region to measure quality instruction. The WestEd protocol was also used in the Northwestern and Northeastern regions. Dr. Pradere said the protocol was a way to scientifically determine what was occurring in the classrooms.

The problem with the closing of the WN RTP, according to Dr. Pradere, was that the Western Region provided training to the Northwestern and Northeastern regional training centers and that would be lost. Each remaining district would be required to contract with WestEd directly to utilize the protocol.

Dr. Pradere said his second concern was in the area of assessment. He said that when the state assessed schools, it took a great deal of time for those schools to receive the information. Within the WN RTP and through the use of the map assessment, schools could predict or identify students within 24-hours who were underperforming or were behind in school work. Dr. Pradere said those underperforming students could then receive immediate intervention and get back on track.

According to Dr. Pradere, the WN RTP had a very strong infrastructure, and if A.B. 560 passed, he was afraid that infrastructure would be lost. The expertise in the other regions, while sufficient, did not exist at the level necessary to meet the needs of the school districts in the WN RTP.

Robbin Pedrett, Principal, Churchill County High School, testified in opposition to A.B. 560.

Ms. Pedrett said she wanted to speak directly to the services that the Western Nevada Regional Training Program had provided in the ten years she had been involved with them.

Ms. Pedrett said Churchill County High School's Adequate Yearly Progress (AYP) status was on a three-year hold in mathematics and special education. She said the high school had used the services of WN RTP to determine what curriculum content was missing.

According to Ms. Pedrett, Churchill County High School had 1,314 students with only 3 administrators; therefore, the administrators were unable to be instructional leaders for teachers. In 2008, Churchill County High School lost 15 teachers because of the retirement package, requiring 15 new teachers in the high school. To support the curriculum development for the new teachers the school counted heavily upon the WN RTP. Ms. Pedrett said preliminary data indicated that in 2009 special education students were succeeding in math, but not in reading.

Ms. Pedrett said she had attempted to find secondary reading teachers but she was unable to hire any because very few teachers received degrees in secondary reading. Most reading degrees were in elementary education. The Western Nevada Regional Training Program (WN RTP) employed reading specialists with Masters Degrees in reading, and Churchill County High School used their assistance. Ms. Pedrett also noted that the school's curriculum was not aligned.

Ms. Pedrett said she commended the WN RTP because of its expertise and also because of its connection with WestEd. According to Ms. Pedrett, the expertise of the WN RTP was essential for Churchill County to be able to meet the challenges to be successful. She also believed that being connected with Elko County was going to be too far a distance for the Churchill County High School to receive adequate help.

According to Ms. Pedrett, because of decreased funding in every area of the state, students were being released from other institutions and being placed into public schools. In 2009, Churchill County High School had three students that came from institutions, and the school's teachers had not been trained to handle the special needs of students with severe disabilities. The high school looked to outside resources, such as the WN RTP, because local agencies could not provide funding.

Ms. Pedrett said the high school often used the assistance of WN RTP in writing improvement plans. She said her concern for the rural districts was that their resources were already limited and were becoming more limited with the additional cuts.

In conclusion, Ms. Pedrett stated that the Churchill County High School would not be able to meet the needs of its students, and its AYP status would be significantly affected with the reorganization of the regional training program that eliminated the WN RTP.

Assemblywoman Buckley said she wanted to thank Ms. Pedrett on behalf of the state for everything she was doing for children. She said the Legislature was doing its best to restore as much funding as possible.

Robbin Pedrett said she appreciated Assemblywoman Buckley's comment and appreciated anything that could be done to help.

Randy Robison, representing the Nevada Association of School Superintendents, testified in support of A.B. 560.

Mr. Robison said he appreciated the testimony that had preceded him because it helped to articulate some of the challenges that would be faced in school districts across the state. Notwithstanding, Mr. Robison said he knew the realignment would help people to find the best within themselves in terms of creativity and meeting responsibilities.

Chair Arberry closed the hearing on A.B. 560 and opened the hearing on A.B. 558.

**Assembly Bill 558: Makes an appropriation for the continuation of programs dedicated to promoting citizen volunteerism. (BDR S-1291)**

Shawn Lecker-Pomaville, CEO, Nevada Volunteers, testified in support of Assembly Bill 558. Ms. Lecker-Pomaville submitted Exhibit I, "Nevada Volunteers Biennial Report At-A-Glance."

Ms. Lecker-Pomaville explained that Nevada Volunteers was the agency's new name, but it was still the Nevada Commission for National and Community Service, which primarily administered AmeriCorps programs for the State of Nevada.

Ms. Lecker-Pomaville said the \$365,000 being requested in A.B. 558 would return \$7.5 million to Nevada in the upcoming biennium. That was the return on the State of Nevada taxpayer's dollar of 19 to 1, and it made the program a priority and one Ms. Lecker-Pomaville did not think Nevada could ignore. AmeriCorps members provided essential services, such as tutoring, mentoring, outreach to the homeless, distribution of food and clothing, restoration of rivers, removal of hazardous fire fuels, and cleanup after the Fernley flood and the Angora fire. AmeriCorps members and the volunteers they served also recruited in districts every day and addressed unmet community needs. Ms. Lecker-Pomaville pointed out that the demand on nonprofits grew as the economic crisis deepened.

Ms. Lecker-Pomaville said that beyond the 19 to 1 return on the investment, there were more values to consider. She said every single AmeriCorps member recruited an average of 23 volunteers, and those volunteers brought in another \$9 million in free services. That \$9 million in free services was in addition to the \$7 million of actual federal and private dollars.

Another critical piece was the higher education award that AmeriCorps members earned in return for one-year of service. In the last biennium, \$923,000 in higher education awards went to citizens who served in Nevada. Ms. Lecker-Pomaville said that it was an important piece of information to know, as the state struggled with funding higher education. Research indicated that a population engaged in volunteering increased social capital. Nevada, according to Ms. Lecker-Pomaville, ranked last in the national ranking on volunteering. Nevada's volunteer rate was 17.7 percent. Several initiatives had been launched to help increase the number of Nevadans who served throughout the state. Ms. Lecker-Pomaville said a statewide Nevada specific volunteer match system was growing with help from AmeriCorps members.

Ms. Lecker-Pomaville stated the American Recovery and Reinvestment Act (ARRA) had recently provided stimulus funds of \$250,000. As of June 1, 2009, 39 AmeriCorps members would be added to Nevada Volunteers. Ms. Lecker-Pomaville said Nevada Volunteers was poised to expand AmeriCorps threefold over the next five years, but without the match, the agency could not take advantage of those opportunities. She believed the cost of losing AmeriCorps in Nevada was far greater than the modest match required.

Assemblywoman Buckley complimented the AmeriCorps program and said when she was not in the Legislature she was the director of the nonprofit Legal Aid Center of Southern Nevada. The Legal Aid Center of Southern Nevada had received its first AmeriCorps volunteer last year, and Assemblywoman Buckley remarked that she was an amazing young woman who had come to the United States when she was six, grew up in a very poor neighborhood, went to Sunrise Acres elementary school, and graduated at the top of her class at Valley High School. She was selected as the AmeriCorps volunteer of the year, and she had just been accepted to Harvard University. Assemblywoman Buckley said AmeriCorps groomed Nevada's future leaders.

Assemblywoman Leslie noted the fiscal note for A.B. 558 was not in the budget and wondered whether there had been a request to put it in the budget.

Ms. Lecker-Pomaville replied that the Executive Branch had denied the request for funding in the budget. She stated AmeriCorps and the request for funding appeared before the Legislature every two years, but she was hoping to have the state commission become a permanent part of the budget and the system.

Assemblywoman Leslie said in this session the problem was that there was no money and asked what the direct consequence would be if the Legislature could not provide the \$365,000 appropriation. Ms. Lecker-Pomaville replied that the direct consequence would be the loss of a minimum of \$7.5 million from the federal government. She said AmeriCorps would rather consider negotiating another amount rather than receiving nothing from the state.

Assemblywoman Leslie asked whether Ms. Lecker-Pomaville had another number in mind, and Ms. Lecker-Pomaville stated \$200,000 would be the minimum amount that would work. She added that receiving only \$200,000 would require cutting several positions as well as seeking other funding opportunities.

Matt Johnson, Program Director, Nevada Conservation Corps, testified in support of A.B. 558. Mr. Johnson said he was a former AmeriCorps volunteer in Nevada, and he served approximately ten years ago while attending college. That experience allowed Mr. Johnson to pay for school, pursue an advanced degree, and engage in a career in natural resources.

Mr. Johnson said that potentially, with the loss of Nevada Volunteers or even a reduction in funding, tens of thousands of hours of service would be lost to the state.

Assemblywoman Smith commented on the importance of volunteerism but pointed out that volunteerism still cost money.

Chair Arberry closed the hearing on A.B. 558 and opened the hearing on A.B. 522.

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

Assemblywoman Marilyn Kirkpatrick, Clark County Assembly District No. 1, testified in support of Assembly Bill 522. Assemblywoman Kirkpatrick submitted Exhibit J, Proposed Amendment 5032 to Assembly Bill 522.

Assemblywoman Kirkpatrick stated that the Assembly Committee on Commerce and Labor had given her the task of working on a portion of the energy bill. Assembly Bill 522 originally contained plans for the new commission that was being created, a deferral rate to help Nevada residents to buy-down on their utility rate, a rebate program, and a weatherization program. Assemblywoman Kirkpatrick explained that the Nevada Senate had a bill that discussed the commission, as well as smaller industry products. The Assembly was charged with the task of the abatements, according to Assemblywoman Kirkpatrick.

Assemblywoman Kirkpatrick noted that section 1 of A.B. 522 referenced the Commission, which would be created if the Senate bill passed; however, there had to be transitory language in case the entire package did not pass. She said the intent was for the Office of Energy (Energy Office) to stay in place and for data processing and management of some of the programs to remain with the current Energy Office. A new commission would be created to deal with promoting energy zones so that in the long-term Nevada could be self-sufficient, and Nevada residents could benefit by buying back their utility rates.

Assemblywoman Kirkpatrick referred to section 28 of the bill which dealt with abatements. This section would increase the thresholds for abatements that were currently being offered to ensure that Nevada's education system was being made whole, as well as ensuring the jobs created were for Nevada residents. Assemblywoman Kirkpatrick said section 28 mirrored an existing program that would expire on June 30, 2009. The Legislature had the ability to extend the program, and Assemblywoman Kirkpatrick said she wanted also to ensure a higher threshold for the program. Currently, a company wanting to do business in Nevada was only required to stay five years to qualify for abatements. Assembly Bill 522 would require that business to stay ten years.

At the present time a business had to provide 75 jobs if it was located in a county with over 60,000 residents and was making a \$1 million investment. Assemblywoman Kirkpatrick said because of research in other states, the investment amount had been increased to \$10 million. Another requirement was that 30 percent of the workers must be Nevada residents. Assemblywoman Kirkpatrick said the language was similar to language used in Idaho which seemed to be working well. In counties under 60,000, 50 jobs per project were being requested within the construction phase. Assemblywoman Kirkpatrick said studies had shown that the real jobs began with the construction phase.

Currently, statute allowed an abatement of 50 percent; A.B. 522 increased the abatement to 55 percent. Assemblywoman Kirkpatrick said the remaining 45 percent would be split with local governments. It was new money, so the state would keep 20 percent to continue to reinvest in the businesses. As an example, if the additional property tax was \$600,000 in the first year when most improvements were made, the state would get \$250,000, but the local government would still get approximately \$310,000, plus the additional jobs. Assemblywoman Kirkpatrick said the plan was patterned after the Alaska plan where that state used its natural resources to benefit Alaska residents.

Assemblywoman Kirkpatrick wanted to make it very clear that the abatement was for renewables and did not include geothermal. The property tax abatements were not extended to geothermal.

Chair Arberry asked when the provisions in A.B. 522 would take effect if the bill passed. Assemblywoman Kirkpatrick replied the bill would take effect July 1, 2009, which would allow the state to continue with the program currently in place.

Assemblyman Goicoechea said he wondered how local government would be able to interact with the state and the developer.

Assemblywoman Kirkpatrick said at the time of application the Energy Office would notify the local government, which would have 30 days to request a presentation.

Assemblyman Goicoechea asked whether local government ultimately had the last word on any development, and Assemblywoman Kirkpatrick replied that was correct.

Assemblywoman Leslie asked how the Energy Commission was to be funded.

According to Assemblywoman Kirkpatrick, the Energy Commission would be financed one of two ways, either through some of the property tax revenue that was collected or through a mill tax increase as proposed by the Senate.

Assemblywoman Leslie asked whether the mill tax was designated specifically for the Energy Commission, and Assemblywoman Kirkpatrick replied that was correct. Assemblywoman Leslie said her concern was that the Energy Commission would not be able to hire any staff unless there was a plan to pay for it because it was not in the budget.

Assemblywoman Leslie quoted the first page of [Exhibit J](#) in subsection 3 of section 1.2, as follows: "The Commissioner may, within the limits of legislative appropriations or authorizations." She said she was not aware of any legislative appropriation or authorization, because she did not see it in the proposed amendment ([Exhibit J](#)). Assemblywoman Leslie asked whether it was in a Senate bill.

Assemblywoman Kirkpatrick replied that the funding was outlined in Senate Bill 358 (R1). The reference in [Exhibit J](#) was a mechanism to be used in case S.B. 358 (R1) did not pass. She explained that if the Senate bill did not pass, the Assembly would write an amendment that would allow approximately 3 percent of the 20 percent property tax collected to be used for administration. The intention was to set up a system similar to one used by the Colorado River Commission.

Assemblyman Conklin stated he wanted to go on the record as being in support of A.B. 522. He commended everyone who had worked on the project for their hard work.

Assemblyman Denis asked whether A.B. 522 changed the duties of the Energy Director, and Assemblywoman Kirkpatrick replied that while the bill did not change the duties of the Energy Director, it did change some of the duties of the Office of Energy. She further explained that Nevada did not have a data collection center, which left the Legislature and the Executive Branch with no

idea of everything that was going on in the state. The duties of the Energy Office had been narrowed to benefit Nevada.

Assemblyman Chad Christensen, Clark County Assembly District No. 13, testified in support of A.B. 522. Assemblyman Christensen submitted [Exhibit K](#), "Property Tax Incentives for Renewables" from the Interstate Renewable Energy Council (IREC).

Assemblyman Christensen said the process of being competitive, state by state, worked much like the National Football League (NFL) draft, where teams were making choices and everyone was watching what everyone else was doing. Assemblyman Christensen said the key for Nevada was to be competitive.

Referring to page 1 of [Exhibit K](#), Assemblyman Christensen pointed out Nevada did not offer tax incentives for renewables. He added that there were countless incentives available in the country. The three primary incentives were tax credits for renewables, property tax incentives for renewables, and sales tax incentives for renewables. Assemblyman Christensen said Nevada was competitive in the property tax incentives for renewables and sales tax incentives for renewables.

Alfredo Alonso, Lewis and Roca, testified in support of proposed amendment 5032 to A.B. 522. Mr. Alonso said energy was a complicated matter and getting it right took some time. He also stated the current abatement which was going to expire in June 2009 made Nevada competitive with other states. Mr. Alonso pointed out all of the western states were doing the same thing, but he believed Nevada was out in front because it was close to rail and transmission lines that went both north and south.

Rose McKinney James, The Solar Alliance, testified in support of A.B. 522.

Tom Clark, Sempra Energy, testified in support of A.B. 522.

Fred Schmidt, Ormat Technologies, testified in opposition to A.B. 522. Mr. Schmidt stated that he supported the concepts in the bill, but there was one aspect he considered deficient and that was because geothermal was not included. Mr. Schmidt said geothermal energy was a renewable resource and should be treated equitably with all renewable resources.

Chair Arberry asked whether Mr. Schmidt would be submitting an amendment to the bill, and he replied that all that was necessary was to add geothermal to the definition of renewable energy.

Assemblyman Conklin commented that there were incentives already in place for geothermal energy, and Mr. Schmidt replied that was correct.

Assemblyman Conklin pointed out there were incentives for geothermal energy that no other renewable received, just by its very nature, and asked Mr. Schmidt if that was that correct.

Mr. Schmidt replied that he was not aware of such incentives, but geothermal energy was currently covered in statute by the sales tax abatement; however, geothermal was not covered by a property tax incentive. Mr. Schmidt said A.B. 522 would continue that discrepancy, so geothermal would not qualify for any abatement in property taxes.

Assemblyman Conklin said he was attempting to establish that the part of the bill Mr. Schmidt wanted to amend was in current statute and did not include geothermal, and Mr. Schmidt agreed that was correct.

Mr. Schmidt said he did not want to take the Committee's time to go over the whole history but said that geothermal was the lowest cost renewable resource in the system today, which averaged \$60 per megawatt hour last year. It currently cost \$80 to \$90 per megawatt hour, according to Mr. Schmidt. He maintained geothermal industries would not be built in Nevada if they could be built in Utah, Idaho, or Oregon, at those same prices, but with abatements to help drive down the cost to the ratepayers.

Assemblyman Grady commented that geothermal purveyors came to Nevada because the hot water was here.

Mr. Schmidt responded that the state received tax money from the leases that had been sold from the Bureau of Land Management (BLM). The state also received taxes from the net proceeds and from sales taxes. He further stated geothermal currently contributed more in taxes than any other renewable industry and that would continue. Mr. Schmidt said if Nevada wanted to be competitive, it needed to keep the law consistent regarding renewable energy.

Charles Benjamin, Director, Western Resource Advocates, testified in support of A.B. 522. Mr. Benjamin commended the drafters of the language in the bill and also remarked that there were a formidable set of tasks waiting for the new commissioner. He stated that every year the residents of Nevada sent billions of dollars out-of-state through utility bills to purchase coal and natural gas. If the state could be more efficient in the use of energy, that money could stay here, circulate in the State of Nevada, and aid in funding schools and infrastructure. Eventually, according to Mr. Benjamin, Nevada would be able to replace coal and natural gas facilities with renewable energy generated within the state, providing more jobs, creating wealth, and reducing the carbon footprint of the state.

Wes Henderson, Government Affairs Coordinator, Nevada Association of Counties (NACO), testified in support of A.B. 522. Mr. Henderson introduced Joni Eastley, Nye County Commissioner, and Norman Frey, Churchill County Commissioner. Mr. Henderson submitted [Exhibit L](#), a handout entitled "Nevada Association of Counties Position Statement."

Norm Frey, Churchill County Commissioner, testified in conditional support of A.B. 522. Mr. Frey commented that the scope of the bill was very large and mentioned that 20 years of property tax abatement was a long time from a county perspective. He said the counties had initially been looking at 5 years of property tax abatements.

Mr. Frey said it appeared that the amendment offered consultation with the counties after the abatement had been granted, and the counties would rather have an opportunity to consult before the granting of the abatements. He recognized that the bill was broad in scope and changing rapidly. Mr. Frey said he was going to primarily address the issue of geothermal abatements.

Churchill County currently had in operation enough geothermal power in its six power plants to provide electricity for over one half million people. Mr. Frey said those consumers were primarily in California with California energy companies receiving the advantage of the green energy tax credits. He maintained Nevada needed to keep some of those advantages here in

Nevada. Churchill County had six operating plants, and in the next five to seven years, \$2 billion would be invested in geothermal. Mr. Frey said the leases had been issued by the Bureau of Land Management (BLM), and the business was very competitive.

Mr. Frey said Nevada was competitive in the business environment that it provided. Mr. Fred commented that Assemblywoman Kirkpatrick had said the counties could increase building fees, but that would put the counties at odds with a very important industry in the rural communities.

Mr. Frey remarked that he was not adverse to abatements for geothermal or for the other industries, but he wanted them kept reasonable so the counties and the state could benefit.

According to Mr. Frey, there were costs to the community associated with developing renewable resources. There were nuisance complaints from neighbors around some of the geothermal plants; there were also noise complaints and road construction complaints. He said there were also negotiation issues. Churchill County had a geothermal abatement policy and time was spent negotiating with the geothermal industry. Mr. Frey said Churchill County was working on a negotiation with one of the geothermal plants over monitoring the resource because the state did not have a monitoring program. He said those issues were items the counties spent money on and to take away the funds upfront damaged the community.

Two new plants had recently opened in Churchill County which provided 300 jobs. The employees of those plants were primarily coming from the Gulf Coast and Oklahoma. Mr. Frey commented that sometimes when the workers were away from home, they needed adult supervision. He said while the county appreciated those employees renting rooms in the community and eating in the local restaurants and bars, sometimes the sheriff's office had to intervene. Small communities were not set up to handle 300 workers coming in from one to two locations. Mr. Frey said those issues were dealt with at the county level on a daily basis.

Joni Eastley, Nye County Commissioner, testified regarding A.B. 522. Ms. Eastley stated Nye County was an 18,000 square mile county with 10 communities spread over the county. Nye County was the third largest county in the United States, and the largest county in Nevada. Ms. Eastley said Nye County currently had approximately 35 applications for renewable energy projects, which were predominantly on public land administered by the Bureau of Land Management. Ninety-eight percent of the 18,000 square mile county was controlled, owned, or managed by the federal government. Ms. Eastley said Nye County would derive no property tax benefit from any projects taking place on lands administered by the federal government. She pointed out that left 2 percent of the available land for Nye County to receive some type of economic benefit.

Ms. Eastley said the county government had been very hopeful when the federal projects were initiated that while there would be no property tax benefits, the county would realize some sales tax benefit. She said the Nye County Commissioners were dismayed when hearing figures such as 75 percent abatements on sales tax. Ms. Eastley noted 55 percent was significantly more palatable to the counties.

Ms. Eastley said Nye County conditionally supported Assemblywoman Kirkpatrick's bill and thanked her for all of her hard work. She

noted that with the exception of the town of Pahrump, where there was a regional planning district, there was no planning and zoning process in the remainder of Nye County. Unless there was a provision in the bill, because this was a Dillon's Rule state, the counties had only the authority delegated through the statutes. The counties did not have the opportunity to initiate development agreements with any of the providers. Ms. Eastley said the counties would not have the opportunity to get its share of taxes through the development agreement process because the counties did not have development agreements. Ms. Eastley requested that the Committee consider providing mechanisms for counties like Nye or Esmeralda to derive some financial benefit that was not going to be gained as a result of the abatements.

Assemblywoman Buckley requested clarification of the counties' position that geothermal, because it was a mature industry with many plants already in communities, should not receive abatements.

Mr. Frey responded that the geothermal industry should not receive abatements above what it already received.

Assemblywoman Buckley asked what the counties' position was regarding the rest of the bill.

Ms. Eastley said the counties wanted to ensure that within the bill there was authority delegated to the county that could be used to negotiate development agreements with the various entities outside of regional planning districts.

Assemblywoman Buckley asked whether there was anything else beside those two points. Mr. Frey requested input for a county commission before, not after, the Commission on Economic Development made its decision.

Mr. Henderson said California was currently considering a tax abatement for renewable energy; however, before the abatement could be enacted, it would have to be approved by the voters. Idaho had 100 percent abatement on real estate, fixtures, and property; however, it assessed a 3 percent gross receipts tax on energy producers.

Mr. Henderson said NACO had some concerns with the proposed amendment, but NACO supported renewable energy as well as economic development. He said he understood the role abatements played in both processes; however, NACO would like to have the chief executive officer of a county notified. On page 5, line 27 of [Exhibit J](#) it stated "may within 30 days of the final approval of the abatement," and Mr. Henderson said he believed it should read "within 30 days of the notification of the application." He said there was also concern about the 20-year length of the abatements. Mr. Henderson pointed out that the bill required the companies to stay in business for 10 years, but the state was granting a 20-year abatement.

Mr. Henderson said another point was about the redistribution of the non-abated property taxes, because now that the state would receive a portion of those taxes, it ended up being a net 75 percent abatement from the counties. He also was concerned about creating a reclamation fund in the event some of the projects failed and the counties had to clean up abandoned projects.

Assemblyman Goicoechea referred to paragraph (e) of subsection 1 of section 28, in the bill and said the way he read it, that at the point the director submitted the application to the commissioner, the commissioner would forward a copy to the county or other jurisdiction. He indicated the counties would

prefer at that point that the industry and the affected unit of government would get together to negotiate. He asked whether his interpretation was correct.

Mr. Henderson responded that the way the bill currently read, the notice went to the County Assessor and the County Treasurer, and the counties would prefer the notice went to the chief executive of the county. In counties that had a county manager, the county manager would be the chief executive, and in counties without a county manager, the chair of the board of county commissioners, would be the chief executive. Mr. Henderson said that notification would get the counties, the Commission on Economic Development (NCED), and the companies in a dialog at the front end of the process.

Assemblyman Goicoechea commented that the way he read it, he believed that was the case, but he felt the bill might need clarification. He explained his interpretation of what was written was that the counties could request a presentation before there was any decision made on the application.

Mike Skaggs, Executive Director, Commission on Economic Development (NCED) testified in support of A.B. 522. Mr. Skaggs assured the Committee that the NCED supported A.B. 522 and would continue to support the transition of duties. The NCED performed the economic impact analysis as well as a portion of the preparatory work, and Mr. Skaggs said the agency would continue to support the process as it transitioned to a different body for approvals.

Dino DiCianno, Executive Director, Department of Taxation, discussed the A.B. 522 fiscal note. He said that based on the proposed amendment, the collection of a mill levy by the Department had been removed, and thus that part of the fiscal note would no longer be applicable. Mr. DiCianno said that a computer system change because of the change in the abatement would still apply, resulting in a cost of slightly more than \$50,000. Mr. DiCianno also noted that a provision on page 9 of the proposed amendment would require the Department to prescribe certain benefits, which he believed was in error because it was not something done by the Department. He believed that would be a responsibility of the commissioner and said that Assemblywoman Kirkpatrick agreed.

In response to questions from Assemblyman Conklin concerning this issue, Mr. DiCianno was unsure how to correct the language but believed that it could be easily fixed by the Legislative Counsel because those duties should fall to the commissioner and reiterated that he had advised Assemblywoman Kirkpatrick of the problem.

Chuck Alvey, President, Economic Development Authority of Western Nevada (EDAWN), testified in support of A.B. 522. Mr. Alvey said he believed the agency's public relations had been successful in promoting Nevada as a renewable energy state, especially in the case of geothermal. While he respected the concerns of Churchill County, Mr. Alvey said he believed geothermal abatements for property taxes should be included in the bill.

Paul McKenzie, Executive Treasurer-Secretary, Building and Construction Trades Council of Northern Nevada, testified regarding A.B. 522. Mr. McKenzie stated that members of the Building and Construction Trades Council of Northern Nevada were as "green" as anyone else in Nevada and also wanted renewable energy to come to the state. Mr. McKenzie said the issue facing the construction industry as it experienced some of the highest unemployment in

recent history was that the jobs being created were not jobs that employed Nevada workers.

The Building and Construction Trades Council of Northern Nevada opposed the portion of A.B. 522 that set wages at the state average wage for construction on renewable energy projects. Mr. McKenzie said prevailing wage was the appropriate wage to place on a job that was receiving state funding. Because the average wage figured in the bill was based upon all types of industries, from fast-food to mining, Mr. McKenzie said it was not a true depiction of the average wage of a construction worker in Nevada.

Mr. McKenzie said he understood that in an effort to recruit renewable energy projects to the state certain concessions needed to be made, but he believed an average wage should be based upon the same types of job.

Chair Arberry asked whether Mr. McKenzie was saying that Nevadans were not getting the work on renewable energy projects, but at the same time employees from other states who came to Nevada to do those jobs were not receiving the prevailing wage.

Mr. McKenzie replied that was correct, workers from other states were not receiving prevailing wages, but were making a wage comparable to what they would make in the state they came from. He added that the majority of out-of-state workers came from the southeast United States where the prevailing wage for that type of work was \$6.75 per hour, which was lower than Nevada's minimum wage.

Jack Mallory, Director of Government Affairs, International Union of Painters and Allied Trades (IUPAT), District Council 15, testified regarding A.B. 522.

Mr. Mallory related a story about a solar project developed and built in the El Dorado Valley of southern Nevada. The developer and the contractor of the project had imported virtually the entire workforce from a foreign country and completed the project at an average wage of \$9.50 per hour.

According to Mr. Mallory, the IUPAT wholeheartedly supported development of green energy and recognized it was an area where there were continuing technological advances.

Mr. Mallory agreed with Mr. McKenzie's testimony and said the IUPAT could be more supportive if the bill did not request the average statewide wage. He said he had no problem with the average wage for similar classification of worker in a geographic area. It was understood that an electrician working in Churchill County would probably not make as much per day as an electrician working in Las Vegas, according to Mr. Mallory. His objection was for using the average statewide hourly wage which included people who flipped hamburgers and people who changed sheets in a hotel room. Mr. Mallory maintained there was a highly technical aspect to the jobs related to renewable energy.

Chair Arberry asked whether there were workers in Nevada trained for the new green technology or whether the companies were bringing their own workforce because there was a lack of trained workers in the state.

Mr. Mallory replied that Nevada had both the technology and trained workers.

Chair Arberry closed the hearing on A.B. 522.

Assemblywoman Kirkpatrick made several final comments regarding A.B. 522. She agreed with Mr. DiCianno that the provision directing the Department of Taxation to prescribe certain benefits was incorrect. She also agreed with Assemblyman Goicoechea that the counties had to play an important role in the abatement process and noted that Mr. Skaggs had a letter from the Attorney General's Office which indicated the local governments had the authority to enter into a development agreement with the companies.

Finally, she noted the bill would protect Nevada's workers because of the provisions in the proposed amendment that 30 percent of the workers must come from Nevada and that more than the average statewide wage, which was currently \$19.69 per hour, plus healthcare benefits would have to be provided by the companies.

Chair Arberry opened the hearing on S.B. 62 (R1).

**Senate Bill 62 (R1): Revises provisions governing special education.  
(BDR 34-426)**

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, testified in support of Senate Bill 62 (R1).

Dr. Rheault said the Department of Education had proposed S.B. 62 (R1) at the request of several rural school districts. The bill basically requested that school districts be allowed to have flexibility in the state special education units. Dr. Rheault said it was the same flexibility currently allowed with the federal special education funding.

According to Dr. Rheault there was no fiscal note attached to the bill. The bill was voluntary and would allow a school district to use up to 15 percent of the special education unit funding for early intervention services. Dr. Rheault pointed out the flexibility would only apply to units already in the budget that school districts would receive normally.

Dr. Rheault said the bill was a response to a need for early intervention. Students would be identified early, and S.B. 62 (R1) would allow some funding to be used for that purpose.

Anne Loring, representing the Washoe County School District, testified in support of S.B. 62 (R1). Ms. Loring said the Washoe County School District was one of the school districts that had begun using the Response to Intervention (RTI) program. The RTI program aided students at very early stages and, in some cases, had resolved student issues without referral to special education.

Ms. Loring said the bill allowed some flexibility in using special education funding.

Chair Arberry closed the hearing on S.B. 62 (R1) and opened the hearing on S.C.R. 6.

**Senate Concurrent Resolution 6: Urges counties to map and document certain county roads to preserve rights-of-way over public lands in Nevada.  
(BDR R-467)**

Sue Silver, Coalition for Public Access, testified in support of S.C.R. 6. Ms. Silver said that Assemblywoman Debbie Smith had suggested that S.C.R. 6

be referred to the Committee on Ways and Means pending information from the Department of Transportation (NDOT) relative to one of the requirements. Ms. Silver said the requirement was that the NDOT post on its website the location of maps that could be reviewed by counties that were attempting to identify and map their RS (Revised Statute—an early federal law codification) 2477 roads. Ms. Silver submitted her testimony in support of S.C.R. 6 to the Committee ([Exhibit M](#)).

Assemblywoman Smith explained that S.C.R. 6 had been heard in the Committee on Elections, Procedures, Ethics, and Constitutional Amendments. Because it was a resolution, Assemblywoman Smith said it did not require a fiscal note. However, she was concerned because the resolution required the NDOT to put the information on its website. Assemblywoman Smith said she had received emails from the NDOT indicating it had received the information and would be taking further action.

Maddy Shipman, representing the Tahoe Pyramid Bikeway Project, testified in support of S.C.R. 6.

Chair Arberry closed the hearing on S.C.R. 6 and opened the hearing on S.B. 185 (R1).

**Senate Bill 185 (R1): Requires school districts to use certain environmentally sensitive cleaning and maintenance products. (BDR 34-742)**

Senator Allison Copening, Clark County Senatorial District No. 6, testified in support of S.B. 185 (R1). Senator Copening submitted [Exhibit N](#), entitled "Green Cleaning Products, Las Vegas Valley Water District, April 7, 2009."

Senator Copening said the fiscal note for S.B. 185 (R1) was no longer current because of amendments made to the bill and because of a provision in the bill that allowed for school districts to be exempt from using environmentally sensitive cleaning products if those products cost more than the amount allowed in school districts' budgets.

Senate Bill 185 (R1), in its original form, required the Department of Education to adopt regulations setting forth the standards for school districts to begin using environmental sensitive cleaning and maintenance products on all surfaces. Senator Copening explained that the purpose of the bill was to decrease exposure to cleaning chemicals that had been shown to increase the symptoms related to asthma in children, adult-onset asthma, and allergies. She said industrial chemicals were also being investigated for their contribution to increases in autism, attention deficit hyperactivity disorder (ADHD), and other brain disorders among children.

Senator Copening said using nontoxic cleaning materials was a new concept to the schools, so most were at a loss as to how much the products would cost. Estimations based on speculation were in the fiscal note. Senator Copening said the bill was later amended to narrow down the requirements, requiring school districts to use nontoxic cleaning materials on floor surfaces only.

After working with school district stakeholders, Senator Copening said it had been determined the implementation would be less burdensome to begin with one category of cleaner as opposed to all cleaners used within the school.

Senator Copening said there were three important factors to note regarding the bill's fiscal note. The fiscal notes submitted by the school districts were a

guess as to what the nontoxic cleaning materials would cost, according to Senator Copenig. A school district representative had testified earlier in the session that the nontoxic products were market competitive and in some cases would save the school districts money. The Senator referred to [Exhibit N](#) and remarked that the Las Vegas Valley Water District had saved money by switching to green cleaning products.

The second important aspect of S.B. 185 (R1) was designed for the school districts to transition to using the nontoxic floor cleaners, according to Senator Copenig, so that the existing inventory of cleaners would not be wasted. She said the date the existing inventory must be used was on or before July 1, 2010.

Senator Copenig said the final and most important factor to consider as it pertained to the fiscal note was in subsection 6 of section 3, of S.B. 185 (R1). It stated that "if the board of trustees of a school district determines that the costs of associated with the purchase and the use of environmentally sensitive cleaning and maintenance products for floors were unreasonable and would place an undue burden on the efficient operation of a school district or a particular school, that board of trustees may request a waiver from purchasing and using these products." Senator Copenig pointed out there should be no adverse impact to any school district's budget.

Assemblyman Hardy commented that he was a little reluctant take the word of the company selling the product that it killed viruses such as HIV and Hepatitis C.

Senator Copenig referred to page 3, line 41 of S.B. 185 (R1), which stated regulations must not prohibit use of any type of disinfectant, sanitizer, or any other product when necessary to protect the health and welfare of pupils enrolled in the school. She said that provision of the bill was specifically written in case of a swine flu outbreak, blood spillage, or anything else that could not be cleaned with nontoxic products.

In response to a question from Assemblyman Hardy, Senator Copenig said she did not have all of the statistics on the efficiency of the products, particularly with regard to flu virus and HIV. However, many organizations, including the Las Vegas Valley Water District, had transitioned to using nothing but green products. Senator Copenig was certain those organizations had researched to determine that no health risks existed from a product's use.

Senator Copenig maintained that throughout the bill were exceptions and should any school or school district need to receive a waiver, they merely had to apply for one.

According to Senator Copenig, green cleaning products was a new area that many organizations had not explored, but it was important that there be a beginning. She emphasized that using the products was for the health and welfare of students and staff that inhabited the buildings.

Kyle Davis, Policy Director, Nevada Conservation League, testified in support of S.B. 185 (R1). Mr. Davis said that although it was a small step forward toward using environmentally sensitive products, it was an important step.

Chair Arberry closed the hearing on S.B. 185 (R1).

Chair Arberry indicated the Committee would hear a closing report from the Chair of the Joint Subcommittee on K-12/Higher Education.

Assemblywoman Smith, Chairwoman of the Joint Subcommittee on K-12 and Higher Education, read the following closing report for the budget accounts within the Nevada System of Higher Education into the record:

THE JOINT SUBCOMMITTEE ON K-12/HIGHER EDUCATION COMPLETED ITS REVIEW OF THE NEVADA SYSTEM OF HIGHER EDUCATION'S BUDGETS FOR THE 2009-11 BIENNIUM. IN LIGHT OF THE 36 PERCENT DECREASE IN GENERAL FUND SUPPORT RECOMMENDED BY THE GOVERNOR FOR THE NEVADA SYSTEM OF HIGHER EDUCATION (NSHE) FOR THE 2009-11 BIENNIUM, THE SUBCOMMITTEE FOCUSED UPON AND ADDRESSED A NUMBER OF MAJOR ISSUES, INCLUDING FUNDING RESTORATION, THE ENROLLMENT CALCULATION METHODOLOGY BY WHICH FORMULA FUNDING IS DISTRIBUTED, STOP-LOSS AND EQUITY FUNDING FOR CAMPUSES, FEDERAL ARRA STABILIZATION FUNDING AND STUDENT REGISTRATION FEE INCREASES. THE SUBCOMMITTEE'S RECOMMENDATIONS ARE AS FOLLOWS:

**RESTORATION OF FUNDING:** IN COMPARISON TO THE \$677.1 MILLION IN GENERAL FUND SUPPORT APPROVED BY THE 2007 LEGISLATURE FOR THE NEVADA SYSTEM OF HIGHER EDUCATION FOR FY 2009, THE GOVERNOR RECOMMENDED REDUCING GENERAL FUND SUPPORT BY 37.5 PERCENT, TO \$423.4 MILLION IN FY 2010, AND BY 38.2 PERCENT, TO \$418.6 MILLION FOR FY 2011. DUE TO THE IMPACT THESE REDUCTIONS WOULD HAVE ON THE SYSTEM AND ITS STUDENTS, THE SUBCOMMITTEE DISAGREES AND RECOMMENDS THAT GENERAL FUND SUPPORT BE REDUCED FROM THE FY 2009 LEVEL OF \$677.1 MILLION BY NO MORE THAN 12.5 PERCENT IN EACH YEAR OF THE BIENNIUM, INCLUSIVE OF THE PROJECTED \$92.4 MILLION IN ANNUAL FEDERAL ARRA STABILIZATION FUNDING. AS A RESULT, THE SUBCOMMITTEE RECOMMENDS ADDING \$76.7 MILLION IN ADDITIONAL GENERAL FUND IN FY 2010 AND \$81.4 MILLION IN FY 2011 TO PROVIDE NSHE WITH STATE SUPPORT OF APPROXIMATELY \$592.5 MILLION IN EACH YEAR OF THE BIENNIUM. THESE AMOUNTS INCLUDE \$12.4 MILLION IN FY 2010 AND \$15.5 MILLION IN FY 2011 TO RESTORE HEALTH INSURANCE BENEFITS, AND \$11.5 MILLION IN FY 2010 AND \$11.5 MILLION IN FY 2011 FOR THE 2 PERCENT SALARY RESTORATION.

BASED UPON THE SUBCOMMITTEE'S RECOMMENDATION, STAFF HAS RECEIVED FROM NSHE THE NECESSARY GENERAL FUND, FEDERAL ARRA AND STUDENT REGISTRATION FEE FUNDING LEVEL ALLOCATIONS. ATTACHMENT 1 ([EXHIBIT O](#)) SHOWS THE GENERAL FUND AND ARRA STABILIZATION FUNDING ALLOCATION FOR THE NSHE BUDGETS AT THE 12.5 PERCENT REDUCTION FUNDING LEVEL. ALSO SHOWN IN ATTACHMENT 1 ([EXHIBIT O](#)) IS THE STOP-LOSS AND EQUITY FUNDING PROPOSED BY THE NSHE. FURTHER ADJUSTMENTS TO THE GENERAL FUND, ARRA, AND REGISTRATION FEE

REVENUE LEVELS IN THE EXECUTIVE BUDGET WILL BE  
NECESSARY TO BALANCE THE BUDGETS.

Alex Haartz, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), referred to [Exhibit O](#), which illustrated the effects of a 12.5 percent reduction on the distribution of funding for fiscal year (FY) 2010. The exhibit also presented information regarding the stop-loss or equity funding for the University of Nevada, Reno (UNR), the University of Nevada, Las Vegas (UNLV), the College of Southern Nevada (CSN), and Nevada State College (NSC).

Mr. Haartz said the 12.5 percent had been approved as a conceptual number, and [Exhibit O](#) demonstrated how the distribution worked. The distribution for FY 2011 was illustrated on the second page of [Exhibit O](#).

Mr. Haartz pointed out there had been discussion during various budget hearings that the Subcommittee was willing to consider allowing the UNR and the UNLV to reallocate General Fund among the formula and nonformula accounts, depending upon the size of the budget reduction. Mr. Haartz explained that [Exhibit P](#), "University of Nevada, Reno Justification for Redistribution of Budget Reductions," was information submitted by the UNR which requested to reallocate funds among its nonformula accounts to its main formula account, budget account (BA) 2980. The redistribution would reduce the impact of the 12.5 percent overall budget reduction. The UNLV had the same opportunity, according to Mr. Haartz, but had not requested any similar adjustment.

Assemblywoman Smith continued with her presentation.

**STOP-LOSS/EQUITY FUNDING:** THE GOVERNOR'S BUDGET DID NOT RECOMMEND HOLD-HARMLESS FUNDING FOR NSHE CAMPUSES FOR THE 2009-11 BIENNIUM. THE SUBCOMMITTEE HOWEVER, CONCURS WITH A PROPOSAL BY THE NSHE THAT "STOP-LOSS" FUNDING BE PROVIDED TO UNR, UNLV, NSC AND CSN. BASED ON THE METHODOLOGY PROPOSED BY NSHE, THE SUBCOMMITTEE RECOMMENDS USING FORMULA FUNDING AS A MEANS OF GENERATING \$9.35 MILLION IN FY 2010 AND \$7.6 MILLION IN FY 2011 FOR REALLOCATION FOR STOP-LOSS/EQUITY FUNDING. FROM THIS REALLOCATION AND UNDER THE 12.5 PERCENT REDUCTION SCENARIO:

- STOP-LOSS FUNDING OF \$1.98 MILLION IN FY 2010 WOULD BE PROVIDED TO UNR.
- STOP-LOSS FUNDING OF \$5.87 MILLION IN FY 2010 AND \$5.60 MILLION IN FY 2011 WOULD BE ALLOCATED TO UNLV.
- EQUITY FUNDING OF \$1.5 MILLION IN FY 2010 AND \$2.0 MILLION IN FY 2011 WOULD BE PROVIDED TO CSN. THE FUNDING FOR CSN IS CONSISTENT WITH BOTH THE SUBCOMMITTEE'S CONCERN THAT CSN IS UNDERFUNDED THROUGH THE FORMULA, AS WELL AS THE REGENTS' ORIGINAL BUDGET SUBMISSION, WHICH REQUESTED A "CASELOAD" ADJUSTMENT FOR CSN.

IN ADDITION TO THE FUNDING FOR UNR, UNLV, AND CSN, THE REGENTS RECOMMENDED THAT NEVADA STATE COLLEGE RECEIVE \$959,658 IN FY 2010 AND \$959,873 IN FY 2011 IN THE EQUIVALENT OF STOP-LOSS FUNDING. TO FUND THIS

ADJUSTMENT, THE SUBCOMMITTEE RECOMMENDS THAT THE FUNDING CONTAINED IN THE EXECUTIVE BUDGET FOR WORKSTATION REPLACEMENT EQUIPMENT BE SWEEPED FROM THE NON-FORMULA BUDGETS AND REALLOCATED TO NSC. THE SUBCOMMITTEE ALSO RECOMMENDS THAT A LETTER OF INTENT BE ISSUED INDICATING THAT FOR THE 2011-13 BIENNIUM, THE NSHE SHOULD RESTORE REPLACEMENT EQUIPMENT FUNDING IN THE NON-FORMULA BUDGETS RATHER THAN CONTINUING THE FUNDING IN NEVADA STATE COLLEGE'S BASE BUDGET.

**FORMULA FUNDING:** THE SEVEN TEACHING INSTITUTIONS ARE PRIMARILY FUNDED THROUGH ENROLLMENT-DRIVEN FORMULAS. FOR FISCAL YEARS 2010 AND 2011, THE EXECUTIVE BUDGET REDUCED FORMULA FUNDING TO 59.49 PERCENT IN FY 2010 AND 59.99 PERCENT IN FY 2011. THIS IS IN CONTRAST TO THE 2007 LEGISLATURE'S APPROVED FORMULA FUNDING AT 85.5 PERCENT. BASED UPON THE GENERAL FUND AND FEDERAL ARRA FUNDING PROVIDED UNDER THE 12.5 PERCENT REDUCTION SCENARIO, AND INCLUSIVE OF THE STUDENT REGISTRATION FEE AND NON-RESIDENT TUITION REVENUES INCLUDED IN THE EXECUTIVE BUDGET, THE NSHE ESTIMATES THAT FORMULA FUNDING WOULD BE RESTORED TO 74.10 PERCENT IN FY 2010 AND 74.12 PERCENT IN FY 2011.

**REGISTRATION FEE INCREASES/SURCHARGES & ALLOCATION LETTER OF INTENT:** THE BOARD OF REGENTS APPROVED ANNUAL, FULL-TIME UNDERGRADUATE AND GRADUATE STUDENT REGISTRATION FEE INCREASES AT THE COLLEGES AND UNIVERSITIES RANGING FROM \$2.75 PER CREDIT HOUR TO \$21.75 PER CREDIT FOR THE 2009-11 BIENNIUM. THESE INCREASES WERE INCLUDED IN THE EXECUTIVE BUDGET. IN EXPECTATION THAT THE REGENTS WOULD APPROVE ADDITIONAL FEE INCREASES OR SURCHARGES FOR THE 2009-11 BIENNIUM IN RESPONSE TO THE REDUCED LEVEL OF FUNDING AVAILABLE FROM THE STATE, THE SUBCOMMITTEE RECOMMENDS SUSPENDING THE EXISTING FEE ALLOCATION LETTER OF INTENT FOR THE 2009-11 BIENNIUM, BUT REINSTATING THE ALLOCATION PROVISIONS FOR THE 2011-13 BIENNIUM. THE SUBCOMMITTEE FURTHER RECOMMENDS THAT A NEW LETTER OF INTENT BE ISSUED INDICATING THAT 100 PERCENT OF ANY ADDITIONAL FEE OR TUITION INCREASE OR SURCHARGE BE RECORDED IN THE NSHE'S STATE-SUPPORTED OPERATING BUDGETS THROUGH THE INTERIM FINANCE COMMITTEE APPROVAL PROCESS, AND THAT THESE FEE REVENUES BE IDENTIFIED SEPARATELY FOR TRANSPARENCY PURPOSES. HOWEVER, THE SUBCOMMITTEE ALSO RECOMMENDS THAT THE LETTER OF INTENT INDICATE THE NSHE BE ACCORDED FLEXIBILITY IN DETERMINING HOW SUCH INCREASED REVENUES ARE EXPENDED AT THE CAMPUSES FOR INSTRUCTION, FINANCIAL AID, OPERATING COSTS AND OTHER RELATED COSTS. ALTHOUGH ADDITIONAL FEE OR TUITION INCREASES ARE ANTICIPATED, THE SUBCOMMITTEE RECOMMENDS NOTING IN THE LETTER OF INTENT THAT IF THE BOARD OF REGENTS APPROVED AN ADDITIONAL FEE INCREASE FOR FY 2010 AND FY 2011, SUCH

INCREASES SHOULD BE REASONABLE. WHILE THE LETTER OF INTENT PRIMARILY APPLIES TO THE SEVEN TEACHING INSTITUTIONS, THE SUBCOMMITTEE ALSO NOTED A RECENT LARGE INCREASE IN STUDENT FEES AT THE BOYD SCHOOL OF LAW AND CONSIDER IT AS PART OF THE LETTER OF INTENT DISCUSSION.

**FEDERAL ARRA EDUCATION STABILIZATION FUNDING:** THERE WAS CONSIDERABLE DISCUSSION REGARDING THE FEDERAL ARRA STABILIZATION FUNDING FOR EDUCATION AND THE PROJECTED ALLOCATION AVAILABLE TO SUPPORT THE NSHE'S 2009-11 BIENNIUM BUDGETS UNDER THE "WAIVER" AND "NON-WAIVER" SCENARIOS. BASED UPON STAFF'S PROJECTIONS OF AVAILABLE FUNDING, THE SUBCOMMITTEE APPROVES ADDING \$92.4 MILLION IN STABILIZATION FUNDING IN BOTH FY 2010 AND FY 2011. THE SUBCOMMITTEE INITIALLY APPROVED THE BUDGETING OF ARRA FUNDS, WITH THE UNDERSTANDING THAT THE FUNDS, WHICH ARE CONSIDERED ONE-TIME FUNDING, WOULD BE ALLOCATED ACROSS ALL OF THE NSHE'S STATE-SUPPORTED BUDGETS IN PROPORTION TO EACH BUDGET'S SHARE OF THE TOTAL GENERAL FUND APPROPRIATION APPROVED BY THE 2009 LEGISLATURE. HOWEVER, AS A RESULT OF FURTHER DISCUSSION BETWEEN THE NSHE AND FISCAL ANALYSIS DIVISION STAFF ON THE ARRA'S REQUIREMENT THAT STABILIZATION FUNDS BE USED TO MITIGATE STUDENT FEE AND TUITION INCREASES, STAFF AND THE NSHE NOW RECOMMEND THAT THE STABILIZATION FUNDING BE ALLOCATED ENTIRELY AMONG THE SEVEN INSTITUTIONS (UNR, UNLV, CSN, GBC, TMCC, WNC AND NSC) AND BUDGET ACCOUNTS IN WHICH STUDENT REGISTRATION FEES ARE CHARGED. WHILE THE INITIAL APPROACH APPEARED TO BE A REASONABLE STRATEGY FOR ENSURING THAT NO NSHE BUDGETS WERE DISPROPORTIONATELY IMPACTED WHEN THE FUNDING IS ELIMINATED FROM THE 2011-13 BUDGETS, IF THE FEDERAL GOVERNMENT SUBSEQUENTLY DETERMINES THAT ALLOCATING ARRA STABILIZATION FUNDS TO THE NON-FORMULA BUDGETS IS NOT ALLOWED, THERE WOULD BE NO MECHANISM BY WHICH THE FUNDS COULD BE REALLOCATED DURING THE INTERIM.

**ENROLLMENTS:** BASED UPON THE RECOMMENDATION OF THE BOARD OF REGENTS, THE SUBCOMMITTEE RECOMMENDS A CHANGE IN THE ENROLLMENT CALCULATION METHODOLOGY FOR THE 2009-11 BIENNIUM. IN PLACE OF THE TRADITIONAL THREE-YEAR WEIGHTED AVERAGE METHODOLOGY, THE SUBCOMMITTEE RECOMMENDS USING A FLAT ENROLLMENT GROWTH METHODOLOGY THROUGH WHICH CAMPUSES' FY 2009 ACTUAL ENROLLMENTS WOULD BE UTILIZED FOR FY 2010 AND FY 2011 FOR PURPOSES OF ALLOCATING FORMULA FUNDING IN EACH YEAR OF THE 2009-11 BIENNIUM. EMPLOYING THE FLAT ENROLLMENT METHODOLOGY REDISTRIBUTES FORMULA FUNDING IN AMOUNTS THAT PROVIDE FOR INCREASES AT THE UNIVERSITIES AND DECREASES AT THE COMMUNITY COLLEGES. THE SUBCOMMITTEE HEARD TESTIMONY THAT THE REGENTS APPROVED THIS MODIFICATION, IN PART, TO FUNCTION AS A

TYPE OF HOLD-HARMLESS AT THE UNIVERSITIES, WHICH WOULD OTHERWISE RECEIVE LESS FORMULA FUNDING THAN THE COMMUNITY COLLEGES, AT WHICH HIGHER ENROLLMENT GROWTH IS PROJECTED TO CONTINUE. IN APPROVING THIS CHANGE, THE SUBCOMMITTEE RECOMMENDS A LETTER OF INTENT BE ISSUED INDICATING THAT FOR PURPOSES OF CALCULATING ITS 2011-13 BIENNIUM BUDGETS, THE NSHE SHOULD RETURN TO UTILIZING THE TRADITIONAL THREE-YEAR WEIGHTED AVERAGE METHODOLOGY.

**ADJUSTED BASE BUDGET REVENUES:** THE SUBCOMMITTEE RECOMMENDS ELIMINATING \$2.96 MILLION IN OPERATING CAPITAL INVESTMENT INCOME FOR FY 2010 AND FY 2011 DUE TO INVESTMENT MARKET CONDITIONS, AS RECOMMENDED BY THE GOVERNOR. HOWEVER, THE SUBCOMMITTEE ALSO RECOMMENDS THAT A LETTER OF INTENT BE ISSUED TO THE NSHE INDICATING THAT WHILE THE REVENUES WOULD NOT BE BUDGETED FOR FY 2010 OR FY 2011, THE NSHE SHOULD INCLUDE THESE REVENUES WHEN IT SUBMITS THE SYSTEM'S BUDGET REQUEST FOR THE 2011-13 BIENNIUM.

**NEW SPACE O & M (M-201) AND ADJUSTED BASE LEASE SPACE-NSHE-131:** THE SUBCOMMITTEE RECOMMENDS APPROVING ADJUSTMENTS TO NEW SPACE OPERATING AND MAINTENANCE COSTS TOTALING \$1.12 MILLION IN FY 2010 AND \$2.62 MILLION IN FY 2011. IN ADDITION, THE SUBCOMMITTEE CONSIDERED AND RECOMMENDS APPROVING ADDITIONAL MODIFICATIONS REQUESTED BY NSHE, BUT NOT CONTAINED IN THE EXECUTIVE BUDGET, WHICH INCLUDE:

- REDUCING FUNDED SPACE IN UNR'S GETCHELL LIBRARY BUILDING BY 93,000 SQUARE FEET TO 24,553 SQUARE FEET TO PROVIDE \$228,380 IN ANNUAL FUNDING SUFFICIENT TO MAINTAIN THE BUILDING IN "MOTH BALLED" STATUS.
- ADDING 9,340 SQUARE FEET IN SHARED USE SPACE IN UNR'S JOT TRAVIS BUILDING AT AN ADDED ANNUAL COST OF \$89,161 IN FY 2010 AND \$86,214 IN FY 2011.
- ADDING 32,122 SQUARE FEET OR 10 PERCENT OF THE NEW PARKING GARAGE SPACE AT UNLV AT AN ANNUAL COST OF \$291,188 IN FY 2010 AND \$320,910 IN FY 2011.

THE SUBCOMMITTEE ALSO RECOMMENDS O & M AND LEASED SPACE MODIFICATIONS REQUESTED BY THE NSHE AND NOT CONTAINED IN THE EXECUTIVE BUDGET FOR THE SCHOOL OF MEDICINE, GBC, DRI, TMCC, NSC AND CSN, WHICH HAVE A NET EFFECT OF REDUCING GENERAL FUND SUPPORT BY \$233,509 IN FY 2010 AND \$237,506 IN FY 2011. THESE ADJUSTMENTS ARE RECOGNIZED WITHIN THE 12.5 PERCENT FUNDING DISTRIBUTION.

FINALLY, THE SUBCOMMITTEE CONSIDERED THE FOLLOW-UP INFORMATION PROVIDED BY STAFF REGARDING THE CURRENT O & M FUNDING LEVELS CONTAINED IN THE EXECUTIVE BUDGET FOR UNR'S LAWLOR EVENTS CENTER AND UNLV'S THOMAS & MACK CENTER. AFTER DISCUSSION, THE SUBCOMMITTEE DOES NOT RECOMMEND APPROVAL OF

NSHE'S REQUEST FOR ADDITIONAL FUNDING OF \$476,096 IN FY 2010 AND \$460,356 IN FY 2011 AT UNR TO FUND APPROXIMATELY 49,900 SQUARE FEET IN LAWLOR EVENTS CENTER. THE SUBCOMMITTEE RECOMMENDS THAT FISCAL ANALYSIS DIVISION STAFF AND NSHE STAFF SHOULD WORK TOGETHER DURING THE INTERIM TO REVIEW WHETHER O & M FUNDING IS EQUITABLY PROVIDED TO THE TWO FACILITIES AND TO REPORT THEIR FINDINGS TO THE INTERIM FINANCE COMMITTEE.

**EXECUTIVE BUDGET AMENDMENTS:** THE BUDGET OFFICE SUBMITTED FIVE AMENDMENTS TO THE GOVERNOR'S RECOMMENDED BUDGET FOR THE NEVADA SYSTEM OF HIGHER EDUCATION. IN CONSIDERING THE AMENDMENTS, THE SUBCOMMITTEE WAS AWARE THAT APPROVING THE AMENDMENTS WOULD REQUIRE THE FUNDING CHANGES TO BE TREATED AS PRE-FORMULA CALCULATION ADJUSTMENTS, WHICH WOULD ADJUST FORMULA FUNDING DISTRIBUTIONS BY REDUCING THE AMOUNT OF FUNDS AVAILABLE TO ALLOCATE BY FORMULA. THE SUBCOMMITTEE RECOMMENDS APPROVING FOUR OF THE FIVE BUDGET AMENDMENTS AS FOLLOWS:

- ADD GENERAL FUND SUPPORT IN THE AMOUNT \$1.32 MILLION IN FY 2010 AND \$1.89 MILLION IN FY 2011 TO CORRECT FOR AN OVERSTATEMENT OF STUDENT REGISTRATION FEE REVENUES AT UNLV.
- RESTORE \$456,242 IN GENERAL FUND O & M SUPPORT IN FY 2011 TO UNR'S MAIN BUDGET ACCOUNT TO REFLECT THE DELAY UNTIL THE 2011-13 BIENNIUM FOR TRANSFERRING THE FIRE SCIENCES ACADEMY TO THE OFFICE OF THE MILITARY.
- ADD GENERAL FUND SUPPORT IN THE AMOUNT OF \$56,166 IN FY 2010 AND \$97,611 IN FY 2011 TO THE DESERT RESEARCH INSTITUTE'S BUDGET TO CORRECT THE EXECUTIVE BUDGET'S UNDERSTATEMENT OF REPLACEMENT EQUIPMENT FUNDING.
- ADD GENERAL FUND SUPPORT IN THE AMOUNT OF \$1.26 MILLION IN FY 2010 AND FY 2011 TO UNR TO CORRECT THE EXECUTIVE BUDGET'S UNDERSTATEMENT OF INSTRUCTIONAL SUPPORT OPERATING FUNDING.

THE SUBCOMMITTEE DOES NOT CONCUR WITH THE PROPOSED BUDGET AMENDMENT TO REMOVE \$1.72 MILLION DOLLARS IN GENERAL FUND SUPPORT IN FY 2010 AND FY 2011 FROM UNLV'S MAIN BUDGET FOR UNLV'S LEASE OF THE PARADISE SCHOOL PROPERTY. UNLV NOW OWNS THE PROPERTY. THE SUBCOMMITTEE RECOMMENDS ALLOWING UNLV TO RETAIN THE FUNDING FOR SALARY AND FRINGE COSTS FOR PART-TIME INSTRUCTORS. THE SUBCOMMITTEE ALSO SUGGESTS THAT UNLV PROVIDE ON-GOING SUPPORT OF THE NEW LEADERSHIP PROGRAM.

**OTHER ADJUSTMENTS AND CLOSING ITEMS:**

DENTAL RESIDENCY TRANSFER – THE SUBCOMMITTEE RECOMMENDS APPROVAL OF NSHE'S REQUEST TO TRANSFER THE DENTAL RESIDENCY PROGRAM FROM THE SCHOOL OF

MEDICINE TO UNLV'S SCHOOL OF DENTAL MEDICINE. THE TRANSFER WAS NOT INCLUDED IN THE EXECUTIVE BUDGET DUE TO TIMING ISSUES SINCE THE REGENTS APPROVED THE TRANSFER AT ITS FEBRUARY 6, 2009, MEETING. A TOTAL OF \$1.1 MILLION IN STATE APPROPRIATION SUPPORTING THE PERSONNEL AND OPERATING COSTS OF 10.59 POSITIONS (2.11 PROFESSIONAL, 8.48 CLASSIFIED) WILL BE TRANSFERRED IN EACH YEAR OF THE BIENNIUM. STAFF REQUESTS AUTHORITY TO MAKE THE NECESSARY TECHNICAL ADJUSTMENT ASSOCIATED WITH THE TRANSFER.

**OTHER CLOSING ACTIONS:** FINALLY, THE SUBCOMMITTEE RECOMMENDED CLOSING THE REMAINDER OF THE NSHE'S BUDGET AS RECOMMENDED BY THE GOVERNOR, WITH ADJUSTMENTS TO INFLATIONARY FACTORS, ASSESSMENTS, CONTRACT COSTS AND OTHER TECHNICAL ADJUSTMENTS RECOMMENDED BY STAFF. THE SUM OF THE ADJUSTMENTS IS RECOGNIZED WITH THE 12.5 PERCENT FUNDING DISTRIBUTION.

ASSEMBLYWOMAN McCLAIN MOVED TO ACCEPT THE CLOSING REPORT WITH CHANGES AS PRESENTED FOR THE BUDGET ACCOUNTS WITHIN THE NEVADA SYSTEM OF HIGHER EDUCATION.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

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

BUDGET CLOSED.

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Assemblyman Denis, Chair of the Joint Subcommittee on General Government and Accountability, read the following closing report for the budget accounts within the Department of Personnel into the record:

THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT AND ACCOUNTABILITY HAS COMPLETED ITS REVIEW OF THE BUDGET ACCOUNTS FOR THE DEPARTMENT OF PERSONNEL AND RECOMMENDS THE FOLLOWING CLOSING ACTIONS.

**DEPARTMENT OF PERSONNEL (717-1363) PERSONNEL-1:** THE SUBCOMMITTEE RECOMMENDS NOT APPROVING THE GOVERNOR'S RECOMMENDATION TO PROVIDE ASSESSMENT FEES OF \$19,790 EACH YEAR TO SUPPORT A RATE INCREASE STIPULATED BY THE MSA CONTRACTOR CURRENTLY RESPONSIBLE FOR MAINTAINING THE ADVANTAGE-HR PAYROLL SYSTEM. INSTEAD, THE SUBCOMMITTEE RECOMMENDS INTERNALIZING THE ADVANTAGE-HR PAYROLL SYSTEM, WHICH INCLUDES ESTABLISHING AN ADDITIONAL DOIT PROGRAMMER POSITION DEDICATED TO THE DEPARTMENT OF PERSONNEL; PROVIDING THE NEW DOIT PROGRAMMER WITH ONE YEAR OF TRAINING BY THE MSA CONTRACTOR IN FY 2009-10; AND ELIMINATING THE MSA CONTRACTOR SUPPORT IN FY 2010-11. THIS RECOMMENDATION REQUIRES AN INITIAL INCREASE IN FUNDING OF \$147,897 IN FY 2009-10; HOWEVER, IN FY 2010-11

AND EACH YEAR THEREAFTER, THE DEPARTMENT OF PERSONNEL WOULD REALIZE \$52,851 IN SAVINGS.

THE SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO ELIMINATE TWO VACANT POSITIONS: A FULL-TIME ADMINISTRATIVE ASSISTANT III POSITION AND A PART-TIME COMPLIANCE INVESTIGATOR II POSITION.

**STATE UNEMPLOYMENT COMPENSATION (101-1339)**  
**PERSONNEL-9:** THIS BUDGET ACCOUNT WAS CLOSED BY THE SUBCOMMITTEE AS RECOMMENDED BY THE GOVERNOR.

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, (LCB), said the Subcommittee had closed the State Unemployment Compensation budget account (BA) 1339 as recommended by the Governor. He further stated that since the Subcommittee's action it had been determined that the account would have insufficient funding in the upcoming biennium. Mr. Stevens said the Subcommittee and the Fiscal Analysis Staff had been working to provide a revised recommendation regarding the amount of funding to provide for the fund to ensure its solvency.

Sarah Coffman, Program Analyst, Fiscal Analysis Division, LCB, reiterated that the Department of Personnel was recommending that the unemployment compensation assessment rate be increased to 0.7 percent as opposed to the rate currently in The Executive Budget of 0.35 percent. The rate of 0.7 would be used from July 1, 2009, until December 31, 2010, and at that time would be reduced from 0.25 percent from January 1, 2011 until June 30, 2011. Ms. Coffman pointed out that with the rate increase an additional \$2.2 million in total assessments would be generated in the first year of the biennium and \$924,000 in the second year of the biennium. She noted that of the total assessments, General Fund would be \$1.35 million in the first year and \$554,000 in the second year of the biennium.

According to Ms. Coffman, should the payouts for unemployment compensation fail to materialize, the Department of Personnel had the authority to reduce that rate at any time during the interim.

Mr. Stevens commented that the shortage in the unemployment compensation rate had been determined late in the process. Fiscal staff recommended adding the appropriation of the additional General Fund dollars that were required, approximately \$1.35 million in the first year and approximately \$554,000 in the second year, into a bill. The burden for the non-General Fund accounts would have to be placed with the Budget Division, according to Mr. Stevens.

Stephanie Day, Deputy Director, Budget Division, commented that the Division agreed with the figures the Fiscal Analysis Division was reporting and stated the Budget Division would cooperate.

ASSEMBLYWOMAN McCLAIN MOVED THAT THE COMMITTEE ACCEPT THE CLOSING REPORT AS REVISED FOR THE BUDGET ACCOUNTS WITHIN THE DEPARTMENT OF PERSONNEL.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

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

BUDGET CLOSED.

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Assemblywoman Smith, Chair of the Joint Subcommittee on K-12 and Higher Education read into the record the following closing report for the Distributive School Account, School Remediation Trust Fund, Incentives for Licensed Education Personnel, and Other State Education Programs budget accounts within the Department of Education:

THE K-12/HIGHER EDUCATION JOINT SUBCOMMITTEE COMPLETED ITS REVIEW OF THE BUDGET ACCOUNTS FOR K-12 EDUCATION, WHICH INCLUDE THE DISTRIBUTIVE SCHOOL ACCOUNT (DSA), SCHOOL REMEDIATION TRUST FUND, INCENTIVES FOR LICENSED EDUCATION PERSONNEL, AND OTHER STATE EDUCATION PROGRAMS. THE SUBCOMMITTEE RECOMMENDATIONS RESULT IN INCREASED GENERAL FUND EXPENDITURES TOTALING \$231.5 MILLION FOR FY 2010 AND \$331.5 MILLION FOR FY 2011, OF WHICH \$94.0 MILLION AND \$87.2 MILLION REPRESENT A PROJECTED DECLINE IN L.S.S.T. REVENUE FOR FY2010 AND FY 2011, RESPECTIVELY, AS APPROVED AT THE MAY 1, 2009, MEETING OF THE ECONOMIC FORUM, WHILE \$68.1 MILLION AND \$142.5 MILLION REPRESENT A PROJECTED DECLINE IN PROPERTY TAX REVENUES FOR FY2010 AND FY 2011, RESPECTIVELY, AS COMPARED TO REVENUES RECOMMENDED IN THE EXECUTIVE BUDGET. THE FOLLOWING HIGHLIGHTS THE MORE SIGNIFICANT CLOSING RECOMMENDATIONS OF THE SUBCOMMITTEE.

**DISTRIBUTIVE SCHOOL ACCOUNT (101-2610) K-12 ED-4:** THE JOINT SUBCOMMITTEE APPROVED BUDGET AMENDMENT NUMBER 5, SUBMITTED BY THE BUDGET OFFICE TO CORRECT AN IMBALANCE BETWEEN THE DSA AND THE EXECUTIVE BUDGET, WHICH INCREASED GENERAL FUND REQUIREMENTS BY \$311,394 IN FY 2010 AND REDUCED GENERAL FUND BY \$7.13 MILLION IN FY 2011. THE SUBCOMMITTEE DID NOT APPROVE BUDGET AMENDMENT 174, SUBMITTED TO CORRECT A MAINTENANCE OF EFFORT (M.O.E.) FUNDING SHORTFALL RELATED TO FEDERAL FUNDING UTILIZED TO SUPPORT SPECIAL EDUCATION ACTIVITIES. THE GOVERNOR RECOMMENDED FUNDING TO CORRECT THE M.O.E. SHORTFALL IN FY 2010 FROM THE ECONOMIC STIMULUS STABILIZATION FUNDS. HOWEVER, BECAUSE THE STATE WILL BE REQUIRED TO FUND A GREATER PORTION OF BASIC SUPPORT FOR THE 2009-11 BIENNIUM, PRIMARILY AS THE RESULT OF LOWER PROJECTED PROPERTY TAX AND L.S.S.T. REVENUES, K-12 EDUCATION WILL NOT QUALIFY FOR STIMULUS FUNDING DURING FY 2010 AND FY 2011. THEREFORE, THE SUBCOMMITTEE APPROVED A GENERAL FUND ADD-BACK OF \$7.6 MILLION IN FY 2010 AND \$5.6 MILLION IN FY 2011 TO ADDRESS THE M.O.E. SHORTFALL.

THE SUBCOMMITTEE DID NOT CONCUR WITH THE GOVERNOR'S RECOMMENDED BUDGET TO TRANSFER THE RESPONSIBILITY FOR OPERATING THE SCHOOL AT THE NEVADA YOUTH TRAINING CENTER (NYTC) TO THE ELKO COUNTY SCHOOL DISTRICT AND PROVIDE PER-STUDENT FUNDING THROUGH THE DSA. THE HUMAN SERVICES/CIP SUBCOMMITTEE RESTORED FUNDING IN THE AMOUNT OF \$922,028 IN FY 2010

AND \$930,532 IN FY 2011 TO NYTC'S BUDGET ACCOUNT 3259 TO CONTINUE OPERATION OF THE SCHOOL BY THE DIVISION OF CHILD AND FAMILY SERVICES.

THE JOINT SUBCOMMITTEE DID NOT AGREE WITH THE GOVERNOR'S RECOMMENDATION TO SUSPEND THE REGIONAL PROFESSIONAL DEVELOPMENT PROGRAM FOR THE 2009-11 BIENNIUM, BUT INSTEAD APPROVED THE CONSOLIDATION OF THE FOUR EXISTING PROFESSIONAL DEVELOPMENT PROGRAM REGIONS TO THREE, AND RESTORED GENERAL FUNDS OF \$7.9 MILLION EACH FISCAL YEAR OF THE UPCOMING BIENNIUM TO CONTINUE THE REGIONAL PROFESSIONAL DEVELOPMENT PROGRAM. ADDITIONALLY, THE SUBCOMMITTEE DESIGNATED \$100,000 EACH FISCAL YEAR FROM THE APPROVED FUNDING TO PROVIDE ADMINISTRATOR TRAINING.

THE JOINT SUBCOMMITTEE ALSO APPROVED A MODIFICATION TO THE RECOMMENDED BUDGET FOR THE ADULT HIGH SCHOOL DIPLOMA PROGRAM. THE SUBCOMMITTEE VOTED TO ADD \$2.4 MILLION IN FY 2010 AND \$3.6 MILLION IN FY 2011 OF GENERAL FUNDS IN ORDER TO UTILIZE A FIVE-YEAR ADULT EDUCATION ENROLLMENT GROWTH AVERAGE FOR THE 2009-11 BIENNIUM, INSTEAD OF THE K-12 EDUCATION ENROLLMENT GROWTH PERCENTAGE AS HAS HISTORICALLY BEEN UTILIZED.

THE GOVERNOR'S STATEWIDE RECOMMENDATION FOR A SIX PERCENT SALARY REDUCTION FOR THE 2009-11 BIENNIUM INCLUDED FUNDING PROVIDED FOR SALARIES TO SCHOOL DISTRICTS AND CHARTER SCHOOLS THROUGH THE DSA. WITH RESPECT TO THE REDUCTION IN FUNDING FOR SALARIES FOR K-12, THE LEGISLATURE APPROVED A FOUR PERCENT RATHER THAN A SIX PERCENT REDUCTION, RESULTING IN A GENERAL FUND ADD-BACK OF \$46.0 MILLION IN FY 2010 AND \$48.9 MILLION IN FY 2011.

MOREOVER, THE LEGISLATURE DID NOT SUPPORT THE RECOMMENDATION IN THE EXECUTIVE BUDGET FOR K-12 EDUCATION FOR REDUCTIONS IN FUNDING FOR GROUP INSURANCE SIMILAR TO SAGE COMMISSION REDUCTIONS FOR ALL STATE EMPLOYEES. THIS ACTION RESULTED IN AN ADDITIONAL GENERAL FUND COST OF \$48.08 MILLION IN FY 2010 AND \$52.2 MILLION IN FY 2011.

THE EXECUTIVE BUDGET RECOMMENDED A STATEWIDE SUSPENSION OF MERIT INCREASES FOR THE 2009-11 BIENNIUM, AS NOTED DURING THE BUDGET HEARINGS, LICENSED TEACHING PERSONNEL DO NOT HAVE THE SAME OPPORTUNITY FOR PROMOTION AS STATE EMPLOYEES UNLESS THEY CHOOSE TO LEAVE THE CLASSROOM AND WORK TOWARD MOVING INTO ADMINISTRATION. THEREFORE, MERIT INCREASES FOR LICENSED EDUCATORS ARE NOT ONLY THE PRIMARY MECHANISM FOR RECOGNIZING YEARS OF EXPERIENCE, BUT ALSO FOR RECOGNIZING THE ACQUISITION OF ADDITIONAL EDUCATION AND QUALIFICATIONS. AS SUCH, THE SUBCOMMITTEE MODIFIED THE GOVERNOR'S RECOMMENDATION WITH RESPECT TO LICENSED EDUCATORS AND APPROVED THE RESTORATION OF MERIT INCREASES FOR THE ACQUISITION OF ADDITIONAL EDUCATION, RESULTING IN A GENERAL FUND ADD-BACK OF \$9.0 MILLION IN FY 2010 AND \$19.3 MILLION IN FY 2011.

ADDITIONALLY, THE JOINT SUBCOMMITTEE VOTED TO REDUCE THE GOVERNOR'S RECOMMENDED FUNDING FOR EARLY CHILDHOOD EDUCATION PROGRAMS IN THE 2009-11 BIENNIUM TO THE FY 2009 LEGISLATIVELY-APPROVED LEVEL OF \$3.3 MILLION EACH FISCAL YEAR. THIS ACTION RESULTED IN GENERAL FUND SAVINGS OF \$84,300 OVER THE 2009-11 BIENNIUM.

THE SUBCOMMITTEE APPROVED THE CONTINUATION OF FUNDING FOR THE CLASS-SIZE REDUCTION (CSR) PROGRAM, AS RECOMMENDED BY THE GOVERNOR, IN THE AMOUNT OF \$144.3 MILLION IN FY 2010 AND \$145.9 MILLION IN FY 2011, AS ADJUSTED FOR THE RESTORATION OF FUNDING OF TWO PERCENT OF THE GOVERNOR'S RECOMMENDED SIX PERCENT REDUCTION FOR SALARIES AND RESTORATION OF MERIT INCREASES FOR ADDITIONAL EDUCATION. THE SUBCOMMITTEE ALSO CONTINUED FUNDING FOR 23.5 AT-RISK KINDERGARTEN TEACHERS AND FLEXIBILITY IN THE USE THE CSR FUNDS FOR RURAL COUNTIES. THE PUPIL-TEACHER RATIOS FOR CSR FLEXIBILITY WOULD REMAIN AT NO MORE THAN 22:1 IN GRADES 1, 2, AND 3, AND NO MORE THAN 25:1 IN GRADES 4 AND 5 OR GRADES 4, 5, AND 6 IN SCHOOL DISTRICTS THAT INCLUDE GRADE 6 IN ELEMENTARY SCHOOL.

STAFF NOTES THAT AS THE RESULT OF THE PASSAGE OF A.B. 429, WHICH REVISES THE METHOD FOR DETERMINING THE AMOUNT OF THE MINIMUM EXPENDITURES FOR TEXTBOOKS, INSTRUCTIONAL SUPPLIES AND INSTRUCTIONAL HARDWARE AND ADDS INSTRUCTIONAL SOFTWARE TO THE LIST OF ITEMS INCLUDED IN THE MINIMUM EXPENDITURE REQUIREMENT, THE DSA HAS BEEN ADJUSTED TO REFLECT THE REDUCTION IN THIS REQUIREMENT BY \$21.4 MILLION IN FY 2010 AND \$21.5 MILLION IN FY 2011.

STAFF HAS ALSO RECOMMENDED ADJUSTMENTS TO THE OTHER REVENUE SOURCES IN THE DSA AS COMPARED TO FUNDING LEVELS RECOMMENDED IN THE EXECUTIVE BUDGET, INCLUDING A DECREASE TOTALING \$302,021 OVER THE BIENNIUM FOR DSA'S SHARE OF ESTIMATED SLOT TAX REVENUES; A DECREASE TOTALING \$3.36 MILLION OVER THE BIENNIUM IN ANTICIPATED INTEREST EARNINGS FROM THE PERMANENT SCHOOL FUND; AN INCREASE IN PROJECTED FEDERAL MINERAL LEASE REVENUE TOTALING \$2.74 MILLION OVER THE BIENNIUM; AN INCREASE OF \$2.0 MILLION OVER THE BIENNIUM IN PROJECTED REAL PROPERTY TRANSFER TAX REVENUE (PER SECTION 36 OF A.B. 458). THE NET TOTAL OF THE ADJUSTMENTS TO OTHER REVENUE SOURCES IS A \$690,262 INCREASE IN FY 2010 AND A \$1.08 MILLION INCREASE IN FY 2011 WHEN COMPARED TO OTHER REVENUE SOURCES RECOMMENDED BY THE GOVERNOR.

IN ADDITION, LOCAL REVENUES RECEIVED BY SCHOOL DISTRICTS HAVE BEEN ADJUSTED TO REFLECT \$20,000,000 OVER THE BIENNIUM FROM CLARK COUNTY'S CAPITAL PROJECT FUND AND A TOTAL OF \$11.4 MILLION OVER THE BIENNIUM OF PROJECTED FUNDING RESULTING FROM THE CLOSURE OF ONE OF CLARK COUNTY'S REDEVELOPMENT AGENCIES.

**OTHER STATE EDUCATION PROGRAMS (101-2699) K-12 11:** THE JOINT SUBCOMMITTEE DID NOT SUPPORT THE RECOMMENDATION IN THE EXECUTIVE BUDGET TO FUND TEACHER SIGNING BONUSES FOR NEW TEACHERS HIRED ONLY FOR ENROLLMENT INCREASES. INSTEAD, THE SUBCOMMITTEE APPROVED THE SUSPENSION OF ALL NEW TEACHER SIGNING BONUSES FOR THE 2009-11 BIENNIUM, RESULTING IN AN ADDITIONAL GENERAL FUND SAVINGS OF \$516,000 IN FY 2010 AND \$646,000 IN FY 2011. FURTHER, THE JOINT SUBCOMMITTEE VOTED TO REDUCE THE GOVERNOR'S RECOMMENDED STATE FUNDING FOR EDUCATIONAL TECHNOLOGY FROM \$4.9 MILLION TO \$2.15 MILLION ANNUALLY, A REDUCTION OF \$2.75 MILLION EACH FISCAL YEAR OF THE 2009-11 BIENNIUM. LASTLY, THE JOINT SUBCOMMITTEE CONCURRED WITH THE GOVERNOR'S RECOMMENDATION TO CONTINUE STATE SUPPORT IN THE AMOUNT OF \$4.0 MILLION EACH FISCAL YEAR OF THE 2009-11 BIENNIUM FOR CAREER AND TECHNOLOGY EDUCATION PROGRAMS.

**INCENTIVES FOR LICENSED EDUCATIONAL PERSONNEL (101-2616) K-12-1:** THE JOINT SUBCOMMITTEE DID NOT APPROVE THE RECOMMENDATION IN THE EXECUTIVE BUDGET TO SUSPEND THE 1/5 RETIREMENT CREDIT PURCHASE AND TEACHER INCENTIVE PROGRAM FOR THE 2009-11 BIENNIUM. INSTEAD, THE SUBCOMMITTEE VOTED TO APPROVE FUNDING FOR THE COST OF RETIREMENT CREDITS AND TEACHER INCENTIVES EARNED IN FY 2010 IN THE AMOUNT OF \$24.8 MILLION IN FY 2011. THE COST OF THE RETIREMENT CREDITS AND TEACHER INCENTIVES EARNED IN FY 2011, ESTIMATED TO BE \$25.7 MILLION, WILL NEED TO BE FUNDED IN FY 2012 BY THE 2011 LEGISLATURE.

**SCHOOL REMEDIATION TRUST FUND (101-2615) K-12 ED-22:** THE JOINT SUBCOMMITTEE APPROVED THE RECOMMENDATION IN THE EXECUTIVE BUDGET TO SUSPEND THE INNOVATION AND REMEDIATION GRANT PROGRAM FOR THE 2009-11 BIENNIUM. THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION, INCLUDING BUDGET AMENDMENT 6, TO CONTINUE FUNDING THE ONGOING COSTS OF FULL-DAY KINDERGARTEN FOR AT-RISK SCHOOLS DURING THE 2009-11 BIENNIUM. THE GENERAL FUND COST OF THIS RECOMMENDATION, AS ADJUSTED FOR FINAL DECISIONS RELATED TO SALARY AND MERIT REDUCTIONS, IS \$26.5 MILLION IN FY 2010 AND \$26.8 MILLION IN FY 2011

Assemblywoman Smith thanked the K-12 Fiscal Analysis staff for their fine work.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE ACCEPT THE CLOSING REPORT FOR THE BUDGET ACCOUNTS WITHIN K-12 EDUCATION: DISTRIBUTIVE SCHOOL ACCOUNT, SCHOOL REMEDIATION TRUST FUND, INCENTIVES FOR LICENSED EDUCATION PERSONNEL, AND OTHER STATE EDUCATION PROGRAMS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

BUDGET CLOSED.

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Assemblywoman Leslie, Chair of the Joint Subcommittee on Human Services/CIPS read into the record the following closing report for the Director's Office and Division of Health Care Financing and Policy budget accounts within the Department of Health and Human Services:

THE JOINT SUBCOMMITTEE ON HUMAN SERVICES AND CIPS HAS DEVELOPED THE FOLLOWING RECOMMENDATIONS FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES DIRECTOR'S OFFICE AND THE DIVISION OF HEALTH CARE FINANCING AND POLICY. THE RECOMMENDATIONS DECREASE GENERAL FUND APPROPRIATIONS FOR THE DIVISION BY \$39.8 MILLION IN FY 2010 AND \$22.2 MILLION IN FY 2011. THE RECOMMENDATIONS ALSO RESULT IN THE TRANSFER OF PROPERTY TAX RECEIPTS AND INTEREST EARNINGS FROM THE INDIGENT SUPPLEMENTAL ACCOUNT TO THE STATE GENERAL FUND TOTALING APPROXIMATELY \$25.2 MILLION IN FY 2010 AND \$23.0 MILLION IN FY 2011.

**INDIGENT SUPPLEMENTAL ACCOUNT (628-3244) DHHS DIRECTOR'S OFC-28:** BASED ON THE FISCAL ANALYSIS DIVISION'S REVIEW OF INFORMATION REGARDING PROJECTED PROPERTY TAX RECEIPTS FOR FY 2010 AND FY 2011, THE SUBCOMMITTEE REDUCED THE PROJECTED REVENUES FROM PROPERTY TAXES BY APPROXIMATELY \$2.3 MILLION IN FY 2010 AND \$4.7 MILLION IN FY 2011. BASED ON THESE REDUCTIONS, INTEREST EARNINGS WERE ALSO REDUCED BY \$28,212 IN FY 2010 AND \$79,112 IN FY 2011. SINCE THE GOVERNOR RECOMMENDS TRANSFERRING THE REVENUES GENERATED IN THIS ACCOUNT TO THE DIVISION'S INTERGOVERNMENTAL TRANSFER ACCOUNT AS A MEANS OF OFFSETTING GENERAL FUNDS IN THE MEDICAID ACCOUNT, THE REDUCED REVENUES CREATE A GENERAL FUND HOLE OF APPROXIMATELY \$7.1 MILLION.

THE SUBCOMMITTEE INSTEAD APPROVED THE TRANSFER OF THE REVENUES FROM THIS ACCOUNT TO THE STATE GENERAL FUND, AS WAS APPROVED DURING THE 25th SPECIAL SESSION, TO AVOID THE CREATION OF AN EVEN MORE SIGNIFICANT GENERAL FUND HOLE FOR THE UPCOMING BIENNIUM. THE LEGISLATIVE COUNSEL HAD INDICATED TO THE SUBCOMMITTEE THAT TRANSFERRING THE FUNDS TO THE INTERGOVERNMENTAL TRANSFER ACCOUNT COULD RESULT IN NEVADA BEING UNABLE TO TAKE ADVANTAGE OF THE INCREASED FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) RATES PROVIDED FOR IN THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA). THE ACT PROHIBITS A STATE FROM RECEIVING THE INCREASED FMAP RATES PROVIDED FOR IN THE ACT IF THE STATE REQUIRES POLITICAL SUBDIVISIONS TO PAY A GREATER PERCENTAGE OF THE NON-FEDERAL SHARE OF PAYMENTS

THAN THE RESPECTIVE PERCENTAGE THAT WOULD HAVE BEEN REQUIRED UNDER THE STATE PLAN ON SEPTEMBER 30, 2008.

**HCF&P – ADMINISTRATION (101-3158) DHCFP-6:** THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION FOR \$1,051,532 (\$262,883 GENERAL FUNDS) IN FY 2009-10 AND \$1,251,051 (\$312,763 GENERAL FUNDS) IN FY 2010-11 TO CONDUCT THE PROCUREMENT PROCESS FOR A NEW VENDOR TO TAKE OVER THE EXISTING MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS). THE TAKEOVER WAS RECOMMENDED BASED ON THE CURRENT VENDOR'S INDICATION THAT IT IS LEAVING THE MMIS BUSINESS MARKET AND DOES NOT WISH TO REBID THE NEVADA MMIS AND FISCAL AGENT CONTRACT PAST ITS CURRENT TERM. BECAUSE THE TYPICAL REPLACEMENT TIME FOR A MMIS IS APPROXIMATELY FIVE YEARS, THE DIVISION BELIEVES IT IS RISKY TO CONTINUE WITH A VENDOR WHO DOES NOT CURRENTLY HAVE MMIS CONTRACTS WITH OTHER STATES AND DOES NOT WISH TO PROVIDE THE SERVICES IN NEVADA IN THE FUTURE. THE RECOMMENDATION INCLUDES FUNDING FOR THREE NEW POSITIONS TO MANAGE THE PROJECT FOR THE DIVISION. THE TECHNOLOGY INVESTMENT REQUEST ASSOCIATED WITH THIS RECOMMENDATION WAS ALSO APPROVED BY THE GENERAL GOVERNMENT AND ACCOUNTABILITY JOINT SUBCOMMITTEE.

THE SUBCOMMITTEE ALSO APPROVED THE GOVERNOR'S RECOMMENDATION TO TRANSFER THE ADMINISTRATIVE EXPENDITURES AND ALL 151 POSITIONS FROM THE MEDICAID ACCOUNT TO THE ADMINISTRATION ACCOUNT. THE TRANSFER WILL PLACE ALL ADMINISTRATIVE COSTS FOR THE MEDICAID PROGRAM IN THE ADMINISTRATION ACCOUNT AND WILL LEAVE ONLY MEDICAL SERVICES COSTS IN THE MEDICAID ACCOUNT. THE DIVISION INDICATED DURING ITS HEARINGS THAT THE TRANSFER WILL SIMPLIFY ITS CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) REPORTING REQUIREMENTS AND WILL SIMPLIFY ITS BUDGETING AND ACCOUNTING PROCESSES AS WELL. THE DIVISION ALSO INDICATED THAT TRANSFERRING ALL MEDICAID ADMINISTRATIVE COSTS TO ONE ACCOUNT WILL SIMPLIFY THE MANNER IN WHICH STAFF TIME IS ALLOCATED AMONG THE VARIOUS DIVISION PROGRAMS.

THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION FOR ADDITIONAL FUNDING TO PERFORM AUDITS OF HOSPITALS THAT RECEIVE DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS. NEW CMS PROVISIONS REQUIRE THE DIVISION TO INCREASE ITS OVERSIGHT OF ANNUAL COST REPORTS AND REVENUE INFORMATION SUBMITTED BY DSH AND UPPER PAYMENT LIMIT (UPL) HOSPITALS.

**HCF&P – NEVADA MEDICAID, TITLE XIX (101-3243) DHCFP-26:** THE SUBCOMMITTEE ADDRESSED A NUMBER OF MAJOR ISSUES DURING THE PROCESS OF REVIEWING THE MEDICAID BUDGET. FROM A GENERAL FUND STANDPOINT, THE MOST SIGNIFICANT ISSUE WAS THE INCREASE IN THE FMAP RESULTING FROM

ARRA. THE GOVERNOR'S RECOMMENDED BUDGET PROJECTED AN INCREASE IN FMAP FROM 50 PERCENT TO 52.64 PERCENT FOR THE LAST THREE QUARTERS OF FEDERAL FY 2009 AND AN INCREASE TO 58 PERCENT FOR ALL OF FEDERAL FY 2010. THE FMAP INCREASE PROVIDED FOR IN ARRA IS 63.93 PERCENT FOR ALL OF FEDERAL FY 2009, ALL OF FEDERAL FY 2010 AND THE FIRST QUARTER OF FEDERAL FY 2011. THE GOVERNOR SUBMITTED A BUDGET AMENDMENT TO INCORPORATE THE ARRA FMAP INCREASES INTO THE BUDGET, BUT RATHER THAN INCLUDING THE IMPACT OF THE INCREASED FMAP IN A SEPARATE DECISION UNIT AS WAS DONE IN THE EXECUTIVE BUDGET FOR THE GOVERNOR'S PROJECTED FMAP INCREASE, THE AMENDMENT INCORPORATES THE ADJUSTED FMAP RATE INCREASE PROVIDED FOR IN ARRA ACROSS THE VARIOUS DECISION UNITS IN THE BUDGET AND INCLUDES OTHER REVENUE AND EXPENDITURE REDUCTIONS RESULTING FROM MEDICAID PAYMENT PROJECTION (MPP) ADJUSTMENTS AND CORRECTIONS TO ERRORS IN THE EXECUTIVE BUDGET. AS A RESULT OF THE MANNER IN WHICH THE BUDGET AMENDMENT WAS CONSTRUCTED, THE IMPACT RESULTING FROM ARRA IS NOT EASILY IDENTIFIED. HOWEVER, THE GENERAL FUND REDUCTION RECOMMENDED IN THE AMENDMENT, WHICH WAS APPROVED BY THE SUBCOMMITTEE, WAS \$73.3 MILLION IN FY 2010 AND \$65.7 MILLION IN FY 2011.

THE AMENDMENT TO THE GOVERNOR'S BUDGET ALSO ELIMINATED DECISION UNIT E-655, WHICH RECOMMENDED REVISING THE TANF/CHAP EARNED INCOME DISREGARDS BACK TO THE ONES IN EFFECT PRIOR TO FEBRUARY 2007. BECAUSE THIS RECOMMENDATION WOULD HAVE VIOLATED THE MAINTENANCE OF EFFORT REQUIREMENT IN ARRA, THE DECISION UNIT HAD TO BE ELIMINATED TO ENSURE THE STATE COULD RECEIVE THE INCREASED FMAP PROVIDED FOR IN THE ACT. THE AMENDMENT ALSO INCLUDED GENERAL FUND REDUCTIONS AND CORRESPONDING INCREASES IN TITLE XIX REVENUES TOTALING APPROXIMATELY \$11.3 MILLION IN STATE FY 2011 BASED ON THE LATEST PROJECTION OF NEVADA'S FMAP IN FEDERAL FY 2011.

THE SUBCOMMITTEE ALSO CONSIDERED THE MOST RECENT RE-PROJECTIONS OF MEDICAID EXPENDITURES, WHICH OCCURRED IN MID-MARCH AND WERE BASED ON THE MOST RECENT MANDATORY INFLATION INCREASES FOR MANAGED CARE AND TRANSPORTATION SERVICES, CASELOAD PROJECTIONS, AND COST PER ELIGIBLE DATA. ALTHOUGH THE RE-PROJECTIONS OF MANDATORY INFLATION INCREASES FOR MANAGED CARE INCREASED MEDICAID EXPENDITURES BY APPROXIMATELY \$5.7 MILLION IN FY 2010 AND \$5.8 MILLION IN FY 2011, THE LATEST CASELOAD PROJECTIONS AND COST PER ELIGIBLE DATA REDUCED MEDICAID EXPENDITURES BY APPROXIMATELY \$6.7 MILLION IN FY 2010 AND \$14.3 MILLION IN FY 2011. A DECREASE IN EXPENDITURES FROM THE REVISED COST PER ELIGIBLE FOR THE TANF POPULATION OFFSET INCREASES IN OVERALL CASELOAD PROJECTIONS TOTALING APPROXIMATELY 5,500 RECIPIENTS IN FY 2010 AND 1,900 RECIPIENTS IN FY 2011. THE MOST SIGNIFICANT

INCREASE IN CASELOAD WAS IN THE CHAP-ELIGIBLE GROUP. THE SUBCOMMITTEE RECOMMENDS APPROVING THE UPDATED RE-PROJECTIONS OF MEDICAID EXPENDITURES AS SET FORTH IN THE BUDGET AMENDMENT.

BASED ON TESTIMONY FROM THE ADMINISTRATOR OF THE DIVISION INDICATING THAT RECIPIENTS OF PEDIATRIC HOME HEALTH SERVICES WOULD BE UNABLE TO ACCESS SERVICES IN THE UPCOMING BIENNIUM IF RATES FOR PROVIDERS WERE NOT INCREASED, THE SUBCOMMITTEE RECOMMENDS APPROVING ADDITIONAL GENERAL FUNDS TOTALING APPROXIMATELY \$478,000 IN FY 2010 AND \$558,000 IN FY 2011 TO INCREASE RATES FOR THOSE PROVIDERS. ALTHOUGH THE INCREASE WAS NOT INCLUDED IN THE GOVERNOR'S RECOMMENDED BUDGET, THE INCREASE WAS INCLUDED ON THE DEPARTMENT'S ADD-BACK LIST AS ITS #3 PRIORITY.

THE SUBCOMMITTEE RECOMMENDS APPROVING THE GOVERNOR'S RECOMMENDATION TO CONTINUE THE ELIMINATION OF PAYMENTS TO HOSPITALS FOR GRADUATE MEDICAL EDUCATION DURING THE 2009-11 BIENNIUM FOR A GENERAL FUND SAVINGS OF \$295,929 IN FY 2010 AND \$353,113 IN FY 2011. THE SUBCOMMITTEE ALSO RECOMMENDS APPROVING THE GOVERNOR'S RECOMMENDATION TO CONTINUE THE ELIMINATION OF THE PEDIATRIC AND OBSTETRIC RATE ENHANCEMENTS FOR PHYSICIANS IN THE NEVADA MEDICAID AND CHECK-UP PROGRAMS. THE RECOMMENDATION REDUCES GENERAL FUND APPROPRIATIONS FOR THE DIVISION BY APPROXIMATELY \$2.6 MILLION IN FY 2010 AND \$3.1 MILLION IN FY 2011. ALTHOUGH CONCERNS WITH THESE REDUCTIONS WERE EXPRESSED, THE DIVISION INDICATED THAT NEVADA MEDICAID'S PHYSICIAN RATES STILL COMPARE FAVORABLY TO 2007 MEDICARE RATES AND THE REIMBURSEMENT RATES PAID IN OTHER WESTERN STATES.

THE SUBCOMMITTEE VOTED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO CONTINUE THE FIVE PERCENT REDUCTION IN INPATIENT HOSPITAL REIMBURSEMENT RATES THAT WAS IMPLEMENTED DURING THE CURRENT BIENNIUM; HOWEVER, THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO DECREASE THOSE RATES BY AN ADDITIONAL FIVE PERCENT DURING THE 2009-11 BIENNIUM. THE SUBCOMMITTEE'S DECISION RESULTED IN INCREASED GENERAL FUND EXPENDITURES TOTALING APPROXIMATELY \$4.1 MILLION IN FY 2010 AND \$5.6 MILLION IN FY 2011 IN THE MEDICAID AND NEVADA CHECK-UP BUDGETS.

THE SUBCOMMITTEE RECOMMENDS THE ELIMINATION OF INCENTIVE PAYMENTS PAID TO HMOS FOR ACHIEVING CERTAIN HEALTH OUTCOMES BASED ON PERFORMANCE STANDARDS AGREED UPON BY THE HMO. THE SUBCOMMITTEE DID NOT, HOWEVER, APPROVE THE GOVERNOR'S RECOMMENDATION TO REMOVE STATUTORY RESTRICTIONS THAT PREVENT THE DIVISION FROM ADDING CERTAIN CATEGORIES OF DRUGS TO THE PREFERRED DRUG LIST. THE SUBCOMMITTEE'S DECISION RESULTED IN THE

NEED FOR ADDITIONAL GENERAL FUNDS TOTALING APPROXIMATELY \$1.0 MILLION IN FY 2010 AND \$1.2 MILLION IN FY 2011. MEMBERS OF THE SUBCOMMITTEE EXPRESSED CONCERNS THAT ADDING THE PROPOSED CLASSES OF DRUGS TO THE PREFERRED DRUG LIST WOULD RESTRICT MEDICAID RECIPIENTS' ABILITY TO FILL PRESCRIPTIONS PRESCRIBED BY THEIR DOCTORS.

THE SUBCOMMITTEE RECOMMENDS RESTORING APPROXIMATELY ONE-HALF OF THE RATE REDUCTION FOR PERSONAL CARE SERVICES RECOMMENDED BY THE GOVERNOR. THE GOVERNOR RECOMMENDED REDUCING THE RATE FROM \$18.52 PER HOUR TO \$15.52 PER HOUR, WHILE THE SUBCOMMITTEE RECOMMENDS REDUCING THE RATE TO \$17.00 PER HOUR. THE SUBCOMMITTEE'S DECISION TO PARTIALLY RESTORE THE RATE REDUCTION FOR PERSONAL CARE SERVICES RESULTED IN THE NEED TO ADD GENERAL FUNDS TOTALING APPROXIMATELY \$1.6 MILLION IN FY 2010 AND \$1.9 MILLION IN FY 2011. THE SUBCOMMITTEE RECOMMENDS CONTINUING THE LIMITATIONS ON PERSONAL CARE SERVICES IMPLEMENTED DURING THE CURRENT BIENNIUM. PERSONAL CARE SERVICES FOR BATHING, GROOMING AND DRESSING HAVE BEEN LIMITED TO ONE HOUR PER DAY AND PERSONAL CARE SERVICES FOR EXERCISE HAVE BEEN ELIMINATED ENTIRELY. THE DIVISION INDICATED THAT IT HAS ADMINISTRATIVE PROVISIONS IN PLACE TO ENSURE THAT PEOPLE WHO ARE AT RISK OF BEING PLACED IN AN INSTITUTION CAN RECEIVE ADDITIONAL HOURS OF SERVICE TO ENABLE THEM TO LIVE INDEPENDENTLY. THE DIVISION ALSO NOTED THAT REPORTS PROVIDED BY PERSONAL CARE AGENCIES TO THE DIVISION REFLECT THAT THE REDUCTION IN HOURS OF SERVICE IS NOT HAVING ANY SIGNIFICANT IMPACT ON HOSPITAL OR NURSING HOME PLACEMENTS FOR RECIPIENTS OF PERSONAL CARE SERVICES.

THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO CONTINUE THE ELIMINATION OF NON-MEDICAL VISION SERVICES FOR ADULT MEDICAID RECIPIENTS. THE SUBCOMMITTEE'S DECISION TO RESTORE THOSE SERVICES RESULTED IN THE NEED TO ADD GENERAL FUNDS TOTALING \$419,682 IN FY 2010 AND \$516,858 IN FY 2011 TO THE MEDICAID BUDGET. THE SUBCOMMITTEE APPROVED SEVERAL PROGRAM SAVINGS MEASURES IMPLEMENTED DURING THE CURRENT BIENNIUM TO GENERATE NEW REVENUES OR TO OFFSET EXPENDITURES FOR THE MEDICAID PROGRAM. THE RECOMMENDATIONS DO NOT IMPACT THE RATES PAID TO PROVIDERS OF SERVICES OR THE BENEFITS PROVIDED TO MEDICAID RECIPIENTS, BUT ARE PROJECTED TO GENERATE GENERAL FUND SAVINGS TOTALING APPROXIMATELY \$12.9 MILLION OVER THE 2009-11 BIENNIUM.

**HCF&P – NEVADA CHECK-UP PROGRAM (101-3178) DHCFP-18:**  
DURING REVIEW OF THE CHECK-UP BUDGET, THE GOVERNOR SUBMITTED A BUDGET AMENDMENT THAT REDUCED GENERAL FUND APPROPRIATIONS FOR THE ACCOUNT BY APPROXIMATELY \$2.0 MILLION OVER THE BIENNIUM. THE SUBCOMMITTEE APPROVED THE GOVERNOR'S RECOMMENDATION TO AMEND THE BUDGET TO REDUCE GENERAL FUNDS BY \$11,260 IN FY 2010 AND \$359,500 IN

FY 2011 BASED ON THE LATEST PROJECTIONS FOR NEVADA'S FMAP IN EACH YEAR OF THE 2009-11 BIENNIUM. THE SUBCOMMITTEE ALSO APPROVED THE REVISED MANDATORY INCREASES FOR HMO AND NON-EMERGENCY TRANSPORTATION RATES AS RECOMMENDED IN THE BUDGET AMENDMENT. THE REVISED RATE INCREASES REDUCED GENERAL FUND APPROPRIATIONS BY APPROXIMATELY \$863,000 IN FY 2010 AND \$918,000 IN FY 2011. THE AMENDMENT APPROVED BY THE SUBCOMMITTEE ALSO INCREASED PREMIUM REVENUES THAT WERE UNDERSTATED IN THE GOVERNOR'S RECOMMENDED BUDGET BY APPROXIMATELY \$335,000 IN EACH YEAR OF THE 2009-11 BIENNIUM.

THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO CAP ENROLLMENT IN THE NEVADA CHECK-UP PROGRAM AT 25,000 ENROLLEES IN EACH YEAR OF THE UPCOMING BIENNIUM. THE DEPARTMENT HAD INDICATED THAT REMOVING THE ENROLLMENT CAP WAS ITS #1 PRIORITY FOR FUNDING ON ITS ADD-BACK LIST. CONCERN WAS EXPRESSED DURING THE BUDGET HEARINGS THAT CAPPING THE PROGRAM DURING THE CURRENT ECONOMIC DOWNTURN WOULD ELIMINATE AN OPTION FOR FAMILIES THAT ARE STRUGGLING FINANCIALLY TO ENSURE THAT THEIR CHILDREN ARE PROVIDED BASIC HEALTH SERVICES.

BASED ON REVISED CASELOAD PROJECTIONS, THE SUBCOMMITTEE RECOMMENDS AN UNCAPPED AVERAGE MONTHLY ENROLLMENT OF 24,753 IN FY 2010 AND 31,035 IN FY 2011. THE AVERAGE MONTHLY CASELOAD FOR THE PROGRAM AS OF APRIL 2009 WAS 22,437. THE DIVISION INDICATED THAT THE ENROLLMENT IN THE PROGRAM DECREASED DURING THE LAST HALF OF FY 2008 AND MOST OF FY 2009 PRIMARILY BECAUSE THERE WERE VACANCIES IN THE PROGRAM'S ELIGIBILITY STAFF POSITIONS AND BECAUSE PROCESSING TIMES WERE INCREASING DUE TO NEW FEDERAL REQUIREMENTS. ALTHOUGH THE PROJECTIONS FOR FY 2011 ARE AGGRESSIVE, THE DIVISION INDICATED THAT THE FY 2008 ENROLLMENT LEVELS, WHICH PEAKED AT 30,184, SUPPORT THE CONTENTION THAT ENROLLMENT LEVELS EXCEEDING 30,000 ARE APPROACHABLE DURING THE UPCOMING BIENNIUM.

BASED ON THE FACT THAT UNINSURED CHILDREN WILL END UP IN THE MEDICAID CHAP PROGRAM OR IN THE CHECK-UP PROGRAM DEPENDING ON THE INCOME LEVEL OF THEIR PARENTS, THE SUBCOMMITTEE DETERMINED THAT APPROVING THE MONEY NECESSARY TO FUND THE DIVISION'S LATEST PROJECTED CASELOADS FOR THE CHECK-UP PROGRAM WAS REASONABLE. IF THE ENROLLMENT IN THE MEDICAID CHAP POPULATION CONTINUES TO INCREASE, THE CHECK-UP ENROLLMENTS MAY NOT REACH THE LATEST ENROLLMENT PROJECTIONS; HOWEVER, IF THE MEDICAID CHAP ENROLLMENT LEVELS OFF OR DECLINES IN FY 2011, THE DIVISION BELIEVES IT IS LIKELY THAT THE CHECK-UP ENROLLMENTS WILL INCREASE SIGNIFICANTLY AS A RESULT. IF ENROLLMENTS IN THE CHECK-UP PROGRAM DO NOT MEET THE DIVISION'S PROJECTIONS, IT IS LIKELY THAT THE NUMBER OF MEDICAID CHAP RECIPIENTS WILL INCREASE ACCORDINGLY. SUCH AN INCREASE IN THE CHAP POPULATION MIGHT RESULT IN THE NEED FOR A TRANSFER OF FUNDING

FROM THIS ACCOUNT TO THE MEDICAID ACCOUNT TO FUND THE ENROLLMENT GROWTH. THE SUBCOMMITTEE NOTED THAT THE DIVISION HAS AUTHORITY TO TRANSFER ITS GENERAL FUND APPROPRIATIONS BETWEEN BUDGET ACCOUNTS AND THAT SUCH A TRANSFER MAY BE NECESSARY DURING THE CURRENT BIENNIUM IF MEDICAID CHAP CASELOADS CONTINUE TO INCREASE.

ALTHOUGH THE DECISION TO NOT APPROVE THE CAP ON ENROLLMENT RESULTED IN THE NEED FOR ADDITIONAL GENERAL FUNDS TOTALING APPROXIMATELY \$2.8 MILLION OVER THE 2009-11 BIENNIUM, APPROVING THE BUDGET AMENDMENT REDUCED THE GENERAL FUND ADD TO ONLY \$842,000 OVER THE BIENNIUM, AS COMPARED TO THE GOVERNOR'S BUDGET AS ORIGINALLY SUBMITTED. BASED ON THE PROJECTED INCREASE IN ENROLLMENT OVER THE 2009-11 BIENNIUM, THE SUBCOMMITTEE RECOMMENDS THE ADDITION OF ONE NEW POSITION IN FY 2010 AND THREE NEW POSITIONS IN FY 2011.

BASED ON THE REQUIREMENTS INCLUDED IN THE CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION ACT OF 2009 (CHIPRA) FOR STATES TO INCLUDE DENTAL SERVICES AS A BENEFIT UNDER SCHIP, THE SUBCOMMITTEE VOTED TO APPROVE A BUDGET AMENDMENT TO RESTORE FULL BENEFITS TO CHECK-UP ENROLLEES. AS ORIGINALLY SUBMITTED, THE EXECUTIVE BUDGET RECOMMENDED CONTINUING TO CAP DENTAL SERVICES AT \$600 PER YEAR. IN ADDITION, THE SUBCOMMITTEE DID NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO CONTINUE THE ELIMINATION OF NON-MEDICAL VISION SERVICES AND ORTHODONTIA SERVICES FOR CHECK-UP ENROLLEES. THE RESTORATION OF THESE SERVICES RESULTED IN THE NEED TO ADD GENERAL FUNDS TOTALING APPROXIMATELY \$350,445 OVER THE BIENNIUM.

**HCF&P – HIFA MEDICAL (101-3247) DHCFP-44:** THE SUBCOMMITTEE RECOMMENDS FUNDING TO CONTINUE THE HIFA WAIVER PROGRAM THROUGHOUT THE 2009-11 BIENNIUM AT THE DIVISION'S LATEST PROJECTED ENROLLMENT FOR THE PROGRAM. THE GOVERNOR RECOMMENDED TERMINATING THE HIFA WAIVER PROGRAM EFFECTIVE JUNE 30, 2009, PRIMARILY BECAUSE THE PROGRAM HAD TO BE DISCONTINUED IN ORDER TO CAP ENROLLMENT IN THE NEVADA CHECK-UP PROGRAM. IN APPROVING THE HIFA WAIVER IN NOVEMBER 2006, CMS STIPULATED THAT THE APPROVAL SHOULD NOT BE AT THE EXPENSE OF COVERING CHILDREN'S HEALTH CARE IN THE SCHIP PROGRAM.

IN RESTORING THE HIFA WAIVER PROGRAM, THE SUBCOMMITTEE RECOMMENDS ADDITIONAL GENERAL FUNDS TOTALING APPROXIMATELY \$817,000 OVER THE BIENNIUM TO SUPPORT THE DIVISION'S LATEST PROJECTIONS FOR PREGNANT WOMEN AND THE ESI COMPONENT OF THE PROGRAM.

THE SUBCOMMITTEE RECEIVED TESTIMONY FROM THE DIVISION INDICATING THAT THE HIFA WAIVER PROGRAM WILL LIKELY NEED TO BE TERMINATED AFTER THE 2009-11 BIENNIUM AS A RESULT OF THE PROVISIONS OF CHIPRA. BASED ON THE PROVISIONS OF CHIPRA, IF THE STATE WISHES TO CONTINUE

COVERING THE HEALTH CARE COSTS OF PREGNANT WOMEN BETWEEN 133 PERCENT OF THE FEDERAL POVERTY LEVEL AND 185 PERCENT OF THE FEDERAL POVERTY LEVEL AFTER SEPTEMBER 30, 2011, THE STATE WILL NEED TO COVER THEM IN THE MEDICAID PROGRAM.

**HCF&P – INTERGOVERNMENTAL TRANSFER PROGRAM**

**(101-3157) DHCFP-3:** AFTER THE SUBMISSION OF THE GOVERNOR'S RECOMMENDED BUDGET, CMS PUBLISHED THE PRELIMINARY FY 2009 CEILINGS FOR DSH PAYMENTS TO THE STATES. IN ADDITION, ARRA INCLUDED A FURTHER INCREASE IN DSH CEILINGS FOR ALL STATES TOTALING 2.5 PERCENT IN FEDERAL FY 2009 AND FEDERAL FY 2010. THE INCREASE IN THE DSH CEILINGS INCREASE PAYMENTS TO QUALIFYING HOSPITALS BY APPROXIMATELY \$6.6 MILLION IN FY 2010 TO \$94.6 MILLION, AND BY APPROXIMATELY \$8.1 MILLION IN FY 2011 TO \$95.2 MILLION. THE COUNTIES WILL RECEIVE AN INDIRECT BENEFIT TOTALING \$28.3 MILLION IN FY 2010 AND \$28.4 MILLION IN FY 2011. THE NET BENEFIT TO THE STATE WILL INCREASE FROM \$17.8 MILLION TO \$19.0 MILLION IN FY 2010 AND FROM \$17.6 MILLION TO \$19.2 MILLION IN FY 2011.

THE UPPER PAYMENT LIMIT (UPL) PROGRAM ALSO REQUIRES ADJUSTMENTS AS A RESULT OF THE PROVISIONS IN ARRA. THE ADJUSTMENTS WILL INCREASE THE NET BENEFIT TO COUNTIES BY APPROXIMATELY \$4.3 MILLION TO \$16.4 MILLION IN FY 2010 AND BY APPROXIMATELY \$2.2 MILLION TO \$14.8 MILLION IN FY 2011. THE ADJUSTMENTS WILL DECREASE THE NET BENEFIT TO THE STATE BY APPROXIMATELY \$100,000 IN EACH YEAR OF THE BIENNIUM.

THE HIFA HOLDING ACCOUNT (BA 3155) WAS CLOSED WITH ADJUSTMENTS TO INCORPORATE THE SUBCOMMITTEE'S DECISION TO REINSTATE THE HIFA WAIVER PROGRAM DURING THE 2009-11 BIENNIUM AND THE INCREASED QUALITY OF NURSING CARE ACCOUNT (BA 3160) WAS CLOSED AS RECOMMENDED BY THE GOVERNOR.

Assemblywoman Leslie thanked staff for their efforts and stated that she had always enjoyed chairing the Subcommittee.

ASSEMBLYWOMAN SMITH MOVED THAT THE COMMITTEE ACCEPT THE CLOSING REPORT FOR THE DIRECTOR'S OFFICE AND DIVISION OF HEALTH CARE FINANCING AND POLICY BUDGET ACCOUNTS WITHIN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

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

BUDGET CLOSED.

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**ELECTED OFFICIALS**

**OFFICE OF THE GOVERNOR**

**WASHINGTON OFFICE-BUDGET ACCOUNT (101-1011)**

**EXECUTIVE BUDGET PAGE ELECTED PAGE 11**

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated the Governor's Washington Office, budget account (BA) 1011 and the Office of Homeland Security, BA 3675 had not been closed. He said the Office of Homeland Security had been closed in subcommittee.

Steve Abba, Principal Deputy Fiscal Analyst, explained that the Governor recommended continuing to fund the Washington Office, BA 1011, at a reduced level. The reduction was \$20,000 per year to a level of \$247,079. The funding would continue in the same manner as funding had in the past and included allocations from the Commission on Tourism, the Commission on Economic Development, and the Department of Transportation (NDOT). Mr. Abba stated there were no major issues in the account other than the reduction in funding.

ASSEMBLYWOMAN McCLAIN MOVED TO APPROVE BUDGET  
ACCOUNT 101-1011 AS RECOMMENDED BY THE GOVERNOR

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

Assemblywoman Leslie stated she was opposing the motion for the same reason she always opposed the Washington Office. She said she believed it was one area that could be cut from the budget and no one would ever notice.

Assemblywoman Buckley asked whether BA 1011 had been closed by the Senate, and Mr. Abba stated that it had been closed as recommended by the Governor with the \$20,000 reduction.

Assemblywoman Buckley stated she would not support the motion.

THE MOTION FAILED. (Assemblywomen Buckley, Koivisto, Leslie  
and Assemblymen Arberry, Conklin, and Hogan voted no.)  
(Assemblyman Oceguela was not present for the vote.)

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ASSEMBLYWOMAN LESLIE MOVED TO ELIMINATE THE  
GOVERNOR'S WASHINGTON OFFICE, BUDGET  
ACCOUNT 101-1011.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

THE MOTION FAILED. (Assemblywomen Gansert, McClain, Smith  
and Assemblymen Denis, Goicoechea, Grady, and Hardy voted no.)  
(Assemblyman Oceguela was not present for the vote.)

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**ELECTED OFFICIALS**

**OFFICE OF THE GOVERNOR**

**OFFICE OF HOMELAND SECURITY-BUDGET ACCOUNT (101-3675)**

**EXECUTIVE BUDGET PAGE ELECTED PAGE 19**

Steve Abba, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB) testified the Subcommittee had approved budget account (BA) 3675, the Office of Homeland Security, as recommended by the Governor, with technical adjustments. Mr. Abba stated there was only one issue in BA 3675 which was whether to retain a position that had been approved by the Interim Finance Committee (IFC).

ASSEMBLYMAN CONKLIN MOVED TO CLOSE BUDGET ACCOUNT 3675 AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

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

BUDGET CLOSED.

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Senate Bill 62 (R1): Revises provisions governing special education.  
(BDR 34-426)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated S.B. 62 (R1) had been heard earlier today and revised provisions concerning special education.

ASSEMBLYWOMAN SMITH MOVED TO DO PASS SENATE BILL 62 (R1).

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Oceguela was not present for the vote.)

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Senate Bill 185 (R1): Requires school districts to use certain environmentally sensitive cleaning and maintenance products. (BDR 34-742)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated Senate Bill 185 (R1) had been heard earlier today, and the bill involved the use of environmentally sensitive cleaning and maintenance products.

ASSEMBLYWOMAN McCLAIN MOVED TO DO PASS SENATE BILL 185 (R1).

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Gansert and Assemblymen Goicoechea and Hardy voted no.) (Assemblyman Oceguela was not present for the vote.)

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**Senate Bill 312 (R1): Revises provisions governing the verification of motor vehicle liability insurance policies by the Department of Motor Vehicles. (BDR 43-286)**

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said Senate Bill (S.B.) 312 (R1) revised provisions governing verification of vehicle liability insurance by the Department of Motor Vehicles (DMV).

Assemblywoman Leslie commented that there was a proposed amendment that had been approved by the DMV and Senator Mathews. She said this was a technical amendment that, among other things, authorized the Director of the DMV to promulgate regulations.

ASSEMBLYWOMAN LESLIE MOVED TO AMEND AND DO PASS AS AMENDED SENATE BILL 312 (R1).

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Oceguela was not present for the vote.)

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**Senate Concurrent Resolution 6: Urges counties to map and document certain county roads to preserve rights-of-way over public lands in Nevada. (BDR R-467)**

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), commented that Senate Concurrent Resolution (S.C.R.) 6 involved rights-of-way over public lands.

ASSEMBLYWOMAN LESLIE MOVED TO ADOPT SENATE CONCURRENT RESOLUTION 6.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Oceguela was not present for the vote.)

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ASSEMBLYWOMAN LESLIE MOVED TO ELIMINATE THE GOVERNOR'S WASHINGTON OFFICE, BUDGET ACCOUNT 101-1011.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywomen Gansert, McClain, Smith and Assemblymen Goicoechea, Grady, and Hardy voted no.)

BUDGET CLOSED.

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Chair Arberry recessed to the call of the Chair at 12:58 p.m.

RESPECTFULLY SUBMITTED:

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Anne Bowen  
Committee Secretary

APPROVED BY:



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Assemblyman Morse Arberry Jr., Chair

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

<b><u>EXHIBITS</u></b>			
<b>Committee Name: <u>Committee on Ways and Means</u></b>			
<b>Date: <u>May 15, 2009</u></b>		<b>Time of Meeting: <u>8:15 a.m.</u></b>	
<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Guest Sign-in sheets
A.B. 519	C	Jodi Stephens, Legislative Director, Office of the Governor	Recommendation #17
A.B. 519	D	Jodi Stephens, Legislative Director, Office of the Governor	Proposed Amendments to Assembly Bill 519
A.B. 519	E	Jodi Stephens, Legislative Director, Office of the Governor	Proposed Amendments to A.B. 519, Office of the Governor
A.B. 557	F	Lori Bagwell, Deputy Director, Support Services, Department of Corrections	Amended version of A.B. 557
A.B. 559	G	Dennis Perea, Administrator, Nevada Equal Rights Commission, DETR	"Nevada Equal Rights Commission"
A.B. 559	H	Christopher Brancart, Attorney at Law	Letter from Christopher Brancart
A.B. 558	I	Shawn Lecker-Pomaville, CEO, Nevada Volunteers	Nevada Volunteers Biennial Report
A.B. 522	J	Assemblywoman Marilyn Kirkpatrick	Proposed Amendment 5032 to A.B. 522
A.B. 522	K	Assemblyman Chad Christensen	"Property Tax Incentives for Renewables"
A.B. 522	L	Wes Henderson, Government Affairs Director, NACO	"Nevada Association of Counties Position Statement"
S.C. R. 6	M	Sue Silver, Coalition for Public Access	Testimony of Sue Silver
S.B. 185 (R1)	N	Senator Allison Copenig	"Green Cleaning Products, Las Vegas Valley Water District, April 7, 2009"
	O	Assemblywoman Debbie Smith	NSHE Summary of FY 2010
	P	Alex Haartz, Program Analyst, Fiscal Analysis Division, LCB	UNR Justification for Redistribution of Budget Reductions