MINUTES OF THE
JOINT MEETING OF THE ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND THE
SENATE COMMITTEE ON FINANCE

Seventy-Fifth Session
April 1, 2009

The Joint Assembly Committee on Ways and Means and the Senate Committee on Finance was called to order by Chair Morse Arberry Jr. at 8:10 a.m. on Wednesday, April 1, 2009, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda (Exhibit A), the Attendance Roster (Exhibit B), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/75th2009/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

ASSEMBLY 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 Oceguera
Assemblywoman Debbie Smith

SENATE COMMITTEE MEMBERS PRESENT:

Senator Bernice Mathews, Cochair
Senator Steven A. Horsford, Cochair
Senator Bob Coffin
Senator Joyce Woodhouse
Senator William J. Raggio
Senator Dean A. Rhoads
Senator Warren B. Hardy II

GUEST LEGISLATORS PRESENT:

Assemblyman Harry Mortenson, Clark County Assembly District No. 42

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Gary Ghiggeri, Senate Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Brian Burke, Principal Deputy Fiscal Analyst

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Tracy Raxter, Principal Deputy Fiscal Analyst
Joi Davis, Program Analyst
Carol Thomsen, Committee Secretary
Vickie Kieffer, Committee Assistant

Chair Arberry opened discussion of the budget for the Gaming Control Board.

COMMERCE AND INDUSTRY
GAMING CONTROL BOARD – BA 101-4061
BUDGET PAGE – GAMING CONTROL BOARD-1

Brian Burke, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated that The Executive Budget recommended eliminating a total of 32 positions from budget account (BA) 4061, which would result in a decrease in General Funds totaling $2.25 million in fiscal year (FY) 2010 and $2.23 million in FY 2011. Mr. Burke noted that the Audit Division for the Board would be the hardest hit, suffering a loss of 12 unclassified positions.

According to Mr. Burke, the Board indicated that the reduction of 32 positions would have a significant effect on its operation:

- The elimination of 12 unclassified positions would increase the audit cycle for larger casinos from 2-1/4 to nearly 3 years, which would delay detection and collection of unpaid gaming taxes.
- The elimination of three unclassified positions in the Tax and License Division would increase the audit cycle to between 3-1/2 to 4 years.
- The elimination of two senior program analyst positions and a network specialist position in the Information Technology Section would delay encryption applications and risk the security of proprietary information on laptops. The Board also noted that until it completed its system migration project, it was essential to retain staff experienced with COBOL programming language.
- The elimination of four unclassified positions in the Enforcement Division would result in a diminished presence in outlying areas, delayed response times, reduced agent safety, and would provide less graveyard coverage.
- The elimination of 10 classified positions would negatively affect the Board's administration and accounting functions.

Mr. Burke reported that additional information had been provided by the Gaming Control Board, and he suggested that Mr. Neilander provide that information to the Committee.

Senator Mathews asked for clarification regarding agent safety.

Dennis Neilander, Chair, State Gaming Control Board, explained that the concern was primarily in the rural areas where coverage was sparse. He noted that the Board preferred to send two agents when executing warrants and conducting arrests; however, in some cases, the Board was currently sending only one agent to conduct those activities. He indicated that further reductions in staff would diminish the ability of the Board to provide the extra security that would allow two agents to conduct such activities.

Chair Arberry asked Mr. Neilander to comment about the additional information referenced by Mr. Burke.

Mr. Neilander reported that given the economic downturn, which had worsened over the past two months, he had formed a special purpose entity within the Board that consisted of agents and others who were experts in bankruptcy and debt restructuring. That separate unit had been formed within the Board in anticipation of a number of possible bankruptcies and debt restructuring within the gaming industry, which would require approval of the Gaming Control Board and the Nevada Gaming Commission.

Mr. Neilander stated that the unit had been formed in anticipation of the need to deal simultaneously with a number of debt restructurings, initiation of which required approval of the Board and the Commission. He noted that final approval was also required once the restructuring process had been completed.

Mr. Neilander explained that with the recommended reduction in staff, the Board would be unable to continue its regular work schedule because its attention would be focused on assisting the various companies through restructurings and/or bankruptcies. Mr. Neilander said such action by the Board would lessen the possibility of the state hindering those companies in their ability to recover once the economy stabilized.

Chair Arberry asked how the industry was coping with the downturn in the economy. Mr. Neilander replied that the Board had hoped to see a flattening of the downturn on the revenue side in 2009, but that had not occurred to date. He indicated that the numbers continued to spiral downward, and the Board hoped to see signs of recovery in late 2009 through the beginning of 2010.

According to Mr. Neilander, the reason he had formed the aforementioned unit was that the Board did not see any signs of a flattening of the economic downturn. He emphasized that the Board hoped that the economy within the gaming industry would increase incrementally, and he noted that there had recently been a slight increase in room bookings. There were a few positive signs, but given the overall length of the recession and the revenue figures reviewed by the Board, Mr. Neilander said the forecast for the economy continued to portray a bleak picture.

Chair Arberry understood that President Obama made a comment about conventions being held in Las Vegas, and apparently the mayor of Las Vegas was attempting to reverse the impact of that comment. Chair Arberry asked whether Mr. Neilander believed that larger conventions would again book in Las Vegas.

Mr. Neilander said there had been a drop in the number of large conventions being booked in Las Vegas, and that was particularly true during mid-week. Over the past week, the preliminary numbers indicated that some larger groups were once again booking conventions in Las Vegas. Mr. Neilander believed that President Obama's comment had created a slowdown of business in Las Vegas, particularly during mid-week, which had suffered a downturn.

Chair Arberry asked Mr. Neilander to keep the Committee apprised of any turnarounds within the gaming industry.

Continuing his budget explanation, Mr. Burke commented that at the February 20, 2009, budget hearing the money committees expressed concern about the magnitude of the position eliminations within the Gaming Control Board and the potential effect on gaming revenues and Board operations.

At the Committee's request for an alternative proposal, the following position add-backs were identified by the Board as its top priorities:

Position Title	Division	Number of Positions
Agent (auditors)	Audit	6 (of 9)
Agent	Enforcement	2 (of 4)
Agent	Tax & License	1 (of 2)
Supervisor	Tax & License	1
Senior Program Analyst	Technology	2
Administrative Assistant 3		1
Administrative Assistant 1		1 (of 3)
	Total	14 (of 32)

Mr. Burke indicated that a total of 14 positions were on the Board's priority list, and should the Committee restore those positions, Legislative Counsel Bureau (LCB) staff estimated that the additional General Fund appropriations would total $1.03 million in fiscal year (FY) 2010 and $1.13 million in FY 2011. He said the figures might be somewhat higher, depending on the Committee's action regarding the decision unit Enhancement (E) 670 series of recommendations.

Mr. Burke pointed out that Fiscal Analysis Division staff estimates differed slightly from the estimates provided by the Gaming Control Board, and should the Committee choose to add back the positions, Fiscal Analysis Division staff would work with the Board and the Budget Division to solidify the numbers.

According to Mr. Burke, the options for consideration by the Committee were:

1. Approve the recommendations included in The Executive Budget to eliminate 32 positions and reduce General Fund appropriations by $2.25 million in FY 2010 and $2.23 million in FY 2011.
2. Restore 14 of the 32 positions recommended for elimination, which would require General Fund appropriations of approximately $1.03 million in FY 2010 and $1.13 million in FY 2011. Direct Fiscal Analysis Division staff to work with the Board and the Budget Division to refine the figures prior to closure of the budget.
3. Restore lesser amounts of General Fund appropriations and direct Fiscal Analysis Division staff to work with the Board to determine positions and staff alternatives prior to closing the budget.

Assemblywoman Leslie commented that option number 2 appeared reasonable, given the economic situation. She asked Mr. Neilander whether he felt restoration of 14 of the 32 positions recommended for elimination would allow the Board to adequately monitor and regulate the gaming industry.

Mr. Neilander replied that, obviously, the Board would prefer to be at full funding. The Board was in a difficult position because the economy had not recovered as quickly as hoped. That posed various challenges for the Board in protecting the state's interest, while at the same time allowing the industry to take the necessary steps to confront the problems created by the economic downturn. Mr. Neilander reiterated that debt restructuring and/or bankruptcies were anticipated within the industry, which required approval of the Board and the Commission. He noted that the Board could not simply monitor debt restructuring or bankruptcy activities and would be required to monitor policy considerations and to ultimately vote on those activities.

Assemblywoman Leslie pointed out that The Executive Budget recommended the elimination of 32 positions. Should the Committee choose to restore 14 of those positions, it would need to secure over $1 million in additional General Funds in each year of the biennium to accommodate such action. While Assemblywoman Leslie understood the position of the Board, she asked whether the Board could maintain its activities with restoration of 14 positions.

Mr. Neilander replied that restoration of the 14 positions would be acceptable to the Board. He indicated that the Board recognized the situation facing the Committee and the state and that the Board would be required to do its part to help balance the budget.

Senator Mathews asked for clarification regarding option number 3. Mr. Burke explained that should the Committee choose to restore a lesser amount of General Fund to the Board's budget, such as the amount of $500,000, Fiscal Analysis Division staff would work with the Board to determine which of the priority positions would be restored. He pointed out that the number of positions restored would be less than the 14 positions included in option number 2.

Assemblywoman Buckley believed that the Committee should select option number 2. She pointed out that gaming was the state's largest industry and previous testimony indicated that the Board's auditors usually discovered money owed to the state. Assemblywoman Buckley said to do otherwise would be like "cutting off our nose to spite our face." The state had an excellent reputation based on its gaming regulations and the industry oversight provided by the Gaming Control Board, and Assemblywoman Buckley opined that the Legislature should not cripple the Board. She suggested that the Committee select option number 2 and also note the remaining positions on the "add-back list." Assemblywoman Buckley commented that perhaps the Committee could include some type of trigger mechanism for adding back positions to the Board once the economy began to recover. She suggested that the Committee revisit the issue prior to closing the budget for the Gaming Control Board.

Mr. Burke explained that decision unit Enhancement (E) 609 within The Executive Budget recommended the elimination of funding for credential pay in the amount of $472,500 in FY 2010 and $487,500 in FY 2011, most of which was General Funds. Mr. Burke indicated that the pay bill traditionally allowed the Board to adopt a plan to authorize payments of up to $5,000 annually for unclassified employees who possessed a Nevada Certified Public Accountant (CPA) certificate, a license to practice law, or a Bachelor of Science or higher degree in engineering or computer science.

According to Mr. Burke, at the February 20, 2009, budget hearing representatives from the Gaming Control Board commented that credential pay was critically important for retention of staff. The Board indicated that suspension of credential pay would decimate the Board's ability to recruit and retain CPAs, attorneys, and engineers. Mr. Burke stated that the Board also anticipated difficulty in retaining audit and technology staff, resulting in less efficient audits and a longer approval process for new games and modifications.

Mr. Burke noted that the restoration of credential pay was listed as the Board's second priority for add-backs. The decision for the Committee was whether it wished to approve the recommendations included in The Executive Budget to suspend credential pay, which would result in a reduction in General Fund appropriations of $349,650 in FY 2010 and $360,750 in FY 2011.

Chair Arberry asked for clarification and said it appeared that restoration of the credential pay would cause an increase in General Fund appropriations. Mr. Burke stated that Fiscal Analysis Division staff had no recommendation regarding credential pay, which would be a policy decision made by the Committee. He explained that the decision for the Committee was whether or not to restore the reductions that were included in The Executive Budget regarding credential pay.

Assemblywoman Buckley said if the Committee was able to allocate an additional $2 million to the Gaming Control Board, would Mr. Neilander rather have the positions restored or the credential pay restored.

Mr. Neilander replied that given the overall responsibilities of the Board, the restoration of positions would allow the Board to continue its restructuring work along with its normal work. Mr. Neilander said if he was forced to prioritize, he would select restoration of the positions as his first choice; however, it appeared to be a "devil's choice" because without the credential pay, he was fearful that some of the Board's best CPAs would seek employment elsewhere. Mr. Neilander reported that even though the economy was in a slump, there was a great deal of work available for qualified CPAs.

Assemblywoman Buckley acknowledged there was a great deal of business restructuring currently underway and accountants and attorneys were needed to complete the process. Mr. Neilander commented that the Board had a number of professional positions on staff that were required to fulfill its duties, but if he was forced to choose, he would place the positions first and the credential pay second.

Assemblywoman Gansert said she was very concerned about the reductions in the Gaming Control Board's budget. The Board regulated the state's largest industry, and she believed it was critical that the Board was properly staffed with qualified people. Assemblywoman Gansert suggested that the credential pay be added to the "maybe list" as an option for further consideration.

Assemblyman Denis asked about the other positions within the Board. Mr. Neilander explained that along with CPAs and attorneys, the staff also included engineers who tested the gaming equipment. Those positions ensured that slot machines and other gaming equipment functioned properly and met the minimum standards that were required by the state for exposure to the public for play. Mr. Neilander said the manufacturers of gaming devices were constantly seeking to hire persons from the Board who had knowledge of the minimum standards. He stated that, in spite of the economic downturn, the workforce areas that remained stable were the ones that the Board also needed, such as CPAs, technology experts, and attorneys.

Assemblyman Hogan asked whether there were any existing limitations in the Board's regulations regarding "revolving door" reassignments, where staff from the Board accepted employment from one of the entities within the gaming industry. Mr. Neilander reported that there was a one-year cooling-off period.

Chair Arberry said it appeared that the consensus of the Committee was to consider option number 2 and place the issue of credential pay on the "maybe list" as the Board's second priority.

Chair Arberry opened discussion of the issues pertaining to the Office for Consumer Health Assistance.

ELECTED OFFICIALS
GOVERNOR'S OFFICE OF CONSUMER HEALTH ASSISTANCE – BA 101-1003
BUDGET PAGE – ELECTED-27

Steve Abba, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated that The Executive Budget recommended elimination of the Office for Consumer Health Assistance (Office) for a General Fund savings of a $462,576 in fiscal year (FY) 2010 and $464,417 in FY 2011. Mr. Abba explained that the Office was funded through a combination of funding sources, and the proposed elimination would result in additional savings in the Workers' Compensation and Safety Fund, hospital assessments, and Medicaid funding of $482,646 in FY 2010 and $557,267 in FY 2011, in addition to the General Fund savings.

According to Mr. Abba, the Office currently had ten full-time equivalent (FTE) employees. During the previous budget hearing, the Office was asked to review its basic functions and provide some options for the Committee to consider that would reduce the General Fund portion of the budget while maintaining the basic functions of the Office to an extent that it felt it could continue to provide services. Mr. Abba stated that the information received by Fiscal Analysis Division staff from the Office included a priority list developed by the Director that listed the lowest prioritized positions as two administrative assistants and one ombudsman.

Mr. Abba indicated that the Committee might be interested in restoring the Office for Consumer Health Assistance with a complement of seven positions, which would result in the elimination of three positions and a reduction of General Fund support of approximately $100,000 in each year of the biennium.

Per Mr. Abba, the Office was also asked to comment about the effect created by a reduction in staff, and the Director reported that additional caseload would be carried by the remaining staff. Mr. Abba reported that the Office attempted to handle cases within a 60-day period, which would probably be extended with a reduction in staff. The Office would also be forced to cease promotion of advocacy activities for the prescription assistance programs and external review assignments. Mr. Abba reported that because clerical positions would be eliminated, the professional staff would be required to assume more of the clerical activities.

Mr. Abba had asked the Office to consider the reduction of five positions, and based upon the information provided by the Director, it would seem that the Office could not continue to perform worthwhile functions with the elimination of that number of positions.

According to Mr. Abba, there were three options for consideration by the Committee:

1. Approve the recommendation included in The Executive Budget to eliminate the Office for Consumer Health Assistance.
2. Restore the Office for Consumer Health Assistance to its full complement of ten positions, which would maintain services at the current level. That option would require a General Fund appropriation of $462,576 in FY 2010 and $464,417 in FY 2011.
3. Restore the Office with a reduced complement of positions, such as seven positions, which would reduce the General Fund amount needed by approximately $100,000 in each year of the biennium when compared to the cost of fully restoring the Office.

Mr. Abba said that during previous budget hearings the Director had indicated that no other agency in the state performed the same duties as the Office.

Assemblywoman Smith said the Committee had received significant testimony regarding the need to maintain the Office for Consumer Health Assistance, because the benefits provided by the Office were much greater than the General Funds used to support the budget. Assemblywoman Smith said that because of the economic downturn, she was worried that more people would find themselves without health insurance and in need of the services provided by the Office.

Assemblywoman Smith said that the Assembly Committee on Health and Human Services had reviewed many Assembly bills and chapters within the *Nevada Revised Statutes* that actually called upon the Office for Consumer Health Assistance to assist consumers in mandated areas. She pointed out that many organizations and persons depended on the work conducted by the Office, and she certainly hoped that the Committee would consider restoration of the funding to maintain the Office.

Chair Arberry said he would like to provide some history regarding creation of the Office for Consumer Health Assistance. He commented that the Office was created when he was the Chair of the Assembly Health and Human Services Committee several years ago. At that time, many issues arose regarding hospital billing, and creation of the Office appeared to be the only way the Legislature could curtail the problems persons were experiencing with hospital and medical billing. Chair Arberry believed there had been a great need for the Office when it was created, and that need still existed today. Should the Committee choose to eliminate the Office at the current time, another solution would need to be identified to assist persons with problems in medical billing and medical services.

According to Chair Arberry, Nevada had a growing population of senior citizens, who sometimes did not understand medical billing and needed assistance in interpreting that process. He informed the Committee that the need for the services provided by the Office would continue to grow, and should the Office be eliminated, legislators could expect to hear from their constituents.

Senator Coffin said he also remembered when the Office was created. The Legislature made a feeble attempt to contain hospital costs in the late 1980s, which had been unsuccessful. Finally, said Senator Coffin, the Legislature backed away from those types of economic maneuvers and concentrated on protecting the persons who might have accidently been caught in a "trap" with hospitals over disputed billings. Senator Coffin believed that the services provided by the Office had definitely been successful, and the Legislature found that hospitals fared better economically with reasonable and stable contracted prices. Senator Coffin opined that the Office should be funded, perhaps with a reduced complement of staff; however, he stated that he would not support elimination of the Office.

Assemblyman Hogan said that he had occasion to visit the Office for Consumer Health Assistance prior to the start of the 2009 Legislative Session, where he met with the Director and a number of employees. Assemblyman Hogan opined that the small staff of the Office had been doing an excellent job in addressing one of the most perplexing problems facing senior citizens and other persons who attempted to deal with the state's complex heath care system. Quite often, said Assemblyman Hogan, persons were simply unable to deal with the problems without expert assistance.

Assemblyman Hogan stated that as the Office had become known, the caseload had steadily grown over the years, and as the Office satisfactorily resolved issues, problems, or disputes, the reputation and workload of the Office had also grown. Assemblyman Hogan said it was a perfect example of an agency created to meet a very pressing need, which had done an excellent job of meeting that need, and an agency that was appreciated by all who accessed its services.

Assemblyman Hogan indicated that the nation was on the verge of a potentially revolutionary change in its health care system, and those few who had learned to navigate the current health care system were probably going to have to once again determine how to navigate the new system. Assemblyman Hogan said it would be very untimely to eliminate the Office for Consumer Health Assistance, because that entity was able to guide persons through the system so their needs could be met.

There was one vacant clerical position within the Office, and Assemblyman Hogan said by way of showing the Legislature's serious concern regarding the budgetary problems facing the state, perhaps that position could be eliminated, along with other small budgetary reductions. However, said Assemblyman Hogan, eliminating the Office completely or seriously diminishing its effectiveness would be the wrong action for the Legislature to take at the current time.

Assemblywoman Buckley said the breadth and scope of the services provided to consumers were a credit to the Office. Not only did the Office oversee the Bureau for Hospital Patients that was created in the 1980s, but when then Governor Guinn proposed privatizing the workers' compensation program, the functions of the ombudsmen within the workers' compensation program were reorganized into one health care ombudsman position, which was located in the Office for Consumer Health Assistance. Assemblywoman Buckley noted that an ombudsman position was also created within the Office for the Health Maintenance Organizations (HMOs), and the Bureau for Hospital Patients was then centralized within the Office.

Assemblywoman Buckley said the Legislature had added to the duties of the Office with creation of external review for decisions made by HMOs, by an independent person who would determine medical necessity. The creation of external review was supported by the health care industry, and that function was also administered by the Office. Additionally, said Assemblywoman Buckley, the Legislature created a prescription help desk so persons could seek assistance in accessing low-cost medications from the pharmaceutical industry. She noted that the Legislature asked its Medicaid Office to work with the Office for Consumer Health Assistance in an effort to reduce its medication budget. Assemblywoman Buckley opined that the Office "did so much with so little" to help consumers that she believed the Legislature had no choice but to save the Office.

Unfortunately, like every other agency, Assemblywoman Buckley believed the Committee should reduce the budget for the Office, such as it was doing across the board within every agency budget. She noted that positions were needed by the Office just like positions were needed by the Gaming Control Board, but the Legislature was reducing positions throughout most agencies. Assemblywoman Buckley believed it was important for the Legislature to make some reductions in the budget for the Office, similar to reductions within other agency budgets.

Assemblywoman Buckley recommended that the Committee select option number 3 to restore the Office for Consumer Health Assistance with a reduced number of positions, such as seven or eight, which would allow the Office to retain one administrative assistant position.

Assemblyman Denis commented that his mother-in-law had been hospitalized ten years ago and could not afford the bill, so she made payments to the hospital for ten years. Assemblyman Denis commented that at the end of the ten-year period, the hospital sent his mother-in-law a bill for the interest over that period, which amounted to approximately $10,000. Assemblyman Denis said he sent his mother-in-law to the Office for Consumer Health Assistance, and the Office was able to work with the hospital to eliminate that bill.

Assemblyman Denis stated that the situation faced by his mother-in-law caused him to realize that many seniors did not understand the health care system and needed assistance such as that provided by the Office. He believed that the cost of not having the Office available to assist seniors would end up being greater because of health conditions created by the stress in attempting to navigate the health care system. He agreed with Assemblywoman Buckley that option number 3 would be appropriate.

Chair Arberry stated that the consensus of the Committee appeared to be option number 3, and he asked that Fiscal Analysis Division staff work with the Office to reconstruct the budget.

Chair Arberry opened discussion regarding budget issues in BA 1005.

ELECTED OFFICIALS
HIGH LEVEL NUCLEAR WASTE – BA 101-1005
BUDGET PAGE – ELECTED-13

Steve Abba, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated that The Executive Budget recommended eliminating five of the existing seven positions that currently staffed the Agency for Nuclear Projects, for a General Fund savings of $623,003 in fiscal year (FY) 2010 and $636,426 in FY 2011.

Mr. Abba stated that the positions recommended for elimination included the administrator of the Technical Division (filled), the administrator for the Planning Division (filled), however, the incumbent was expected to retire soon, the planner/researcher position (filled), and vacant management analyst and accountant positions. According to Mr. Abba, The Executive Budget recommended continuation of the Director position and one executive assistant position.

During the previous budget hearing, the Committee heard testimony from the Director of the Agency that he had presented his requested staffing plan to the Governor's Office. Mr. Abba stated that the Director had provided Fiscal Analysis Division staff with information regarding his request. The positions requested by the Director to be added back to the agency's budget included the Technical Division administrator position, the planner/researcher position, and the Planning Division administrator position (restored but not funded).

Mr. Abba stated that the Director supported the elimination of the vacant management analyst and accountant positions. The accounting duties for the Agency had been transitioned to the Department of Administration and there was no longer a need for an internal accountant. Mr. Abba reported that the duties of the management analyst position, which had been vacant for approximately two years, had been redistributed to existing staff.

Mr. Abba explained that the Director requested that the administrator of the Planning Division, who soon planned to retire, be rehired as a contract employee to allow the Agency to continue to use the skills of that individual on a part-time basis. Mr. Abba said the contract would be in the amount of $50,000 in each year of the biennium. The Budget Division had recently submitted a budget amendment that supported the request made by the Director. Mr. Abba indicated that the Budget Division and Fiscal Analysis Division staff had been awaiting the outcome of the internal audit performed by the Department of Administration's Division of Internal Audits.

Mr. Abba stated that the audit report completed by the Division of Internal Audits had not addressed the staffing issues for the Agency. The audit indicated that there were changes in the direction in which the Agency was moving, primarily because of the Yucca Mountain licensing process that was currently under consideration by the Nuclear Regulatory Commission (NRC). Mr. Abba also pointed out that the Attorney General's Office would now assume a more substantial role in that process. The audit stated that staffing issues should be addressed between the Agency and the Governor's Office.

According to Mr. Abba, the budget amendment that was submitted supported the Director's request to restore the Technical Division administrator position, the planner/researcher position, and proposed a $50,000 contract with the incumbent in the Planning Division administrator position in each fiscal year of the biennium. The restoration of those positions, plus the contract, would add back $340,514 in FY 2010 and $342,885 in FY 2011 in General Fund costs to the Agency's budget.

Mr. Abba thought that because of the new information not discussed at the last budget hearing, the Committee might wish to ask the Department of Administration: (1) how it arrived at the amended staffing request for the Agency; (2) whether the Department recommended retaining but not funding the Planning Division administrator position; and (3) how the Agency planned to fund the proposed contract with the former incumbent.

Mr. Abba stated that the issue before the Committee was whether to approve the proposed budget amendment that would restore the positions and provide funding for contract services of $50,000 in each fiscal year.

Chair Arberry asked whether a representative was present from the Agency.

Joseph Strolin, Planning Division Administrator, Agency for Nuclear Projects, introduced himself to the Committee. Mr. Strolin explained that Executive Director Bruce Breslow was attending the first Nuclear Regulatory Commission pre-hearing in Las Vegas for the Yucca Mountain licensing application.

Chair Arberry asked Mr. Strolin to address his position and the possibility of returning as a contract employee. Mr. Strolin said he had intended to retire prior to the end of the current fiscal year. However, because he had been with the Agency for many years and retained the institutional knowledge of the Agency, the Executive Director had asked Mr. Strolin to consider returning to the Agency in a part-time capacity as a contract employee. Mr. Strolin said he agreed to work as a part-time contract employee for the Agency, but he informed the

Committee that another person could also fill the contract position. The fact that Mr. Strolin retained the history of the Agency was the reason the Executive Director had asked him to return as a contract employee.

Chair Arberry asked how the Executive Director planned to fund the contract position; he pointed out that the request from the Executive Director asked that the position be restored but not funded. Mr. Abba clarified that the budget amendment received by Fiscal Analysis Division staff provided for contract funding in the amount of $50,000 per year, which was reflected in the additional cost of restoration of the positions and the contract.

Chair Arberry asked Mr. Strolin whether he was in agreement with the part-time contract position. Mr. Strolin stated that he had agreed to return as a contract employee.

Assemblywoman Leslie believed that it was critical to retain the institutional memory of the Agency. That was one of the major problems she had detected with the recommendation to eliminate all positions except those of the Executive Director and one administrative assistant. Assemblywoman Leslie believed that it was critical to retain Mr. Strolin on staff. She asked whether the Agency and Mr. Strolin had discussed deliverables and the structure of the contract, along with the duties of the position.

Mr. Strolin explained that the contract had been discussed and the tentative scope of the work for the position had been completed including deliverables, the checks and balances required, and the actual work products and reports.

Assemblywoman Leslie asked Mr. Strolin to provide that information to Fiscal Analysis Division staff so the Committee could review and verify the information. Mr. Strolin said he would inform Mr. Breslow about the request from the Committee.

Assemblywoman Leslie asked how the contract would be funded if it was not included in the Agency's budget. She was aware that Fiscal Analysis Division staff was in receipt of a budget amendment and she wondered about the revenue source. Mr. Abba explained that the revenue source would be the General Fund. The budget amendment included line items for position restorations but failed to identify the source of the additional General Funds.

Senator Horsford said his remarks were not directed at Mr. Strolin. He believed it was unfortunate that Mr. Strolin had to advocate for his own contract position. Senator Horsford said his issue was with the process, which he did not like. He was unaware of the current procurement process, but he did not think contracts should be issued to a person without a procurement process. The cost for the contract position for the Agency was over $25,000, and Senator Horsford asked staff to clarify why the Committee would simply approve a contract without first going through the appropriate process.

Mr. Abba explained that there was a process in place. The issue of funding centered on providing funding for a potential contract. Mr. Abba indicated that the process included the establishment of a contract between the Agency and the incumbent, Mr. Strolin, upon retirement and also must include the scope of duties, which Mr. Strolin stated he would provide to Fiscal Analysis Division staff. Mr. Abba indicated that the contract would then be reviewed by the Budget Division and approved by the Board of Examiners; he noted that in the current case, it would be a sole-source contract.

Mr. Strolin understood that there was a process that had to be followed for sole-source contracts, and that the entire procedure would require approval. Mr. Strolin said he was perfectly willing for the Agency to put the contract out for bid. He had agreed to return as a contract employee as a favor to the Executive Director of the Agency. Mr. Strolin reiterated that it was not his intention to return to work for the Agency after retirement, and if there were concerns on the part of the Committee regarding the openness of the process, he would advocate that the Agency open the process for bid and select another contractor.

Senator Horsford emphasized that his comments were not directed at Mr. Strolin personally, but rather at the pattern of recommendations from the Department of Administration regarding sole-source contracts. Senator Horsford believed that experience was very important, but he would like to see the process followed in a transparent way so that persons understood the scope of work that was required in the contract, to ensure that the state was paying a reasonable amount, and that the deliverables were clearly stated. Senator Horsford asked Fiscal Analysis Division staff to ensure that the proper process was followed, not only regarding the contract position for the Agency, but for all contracts.

Assemblywoman Buckley said the Legislature had concerns about state employees retiring and then returning as contract employees, because it was not in possession of viable information regarding that process. She stated that in light of the critical nature of the work conducted by the Agency, along with Mr. Strolin's unique qualifications, she believed his statement that he was returning as a contract employee as a favor to the Agency was quite true. Assemblywoman Buckley also believed that the state's efforts would be hampered if Mr. Strolin did not return in the capacity of a contract employee.

Assemblywoman Buckley remarked that Senator Horsford's concerns were well taken because the Legislature had seen the emergence of a pattern regarding contract employees, and it wanted to ensure that the contract process was correctly followed. She thanked Mr. Strolin for his service to the state and for agreeing to return to the Agency during the very critical time frame of licensing hearings.

Mr. Strolin thanked Assemblywoman Buckley for her comments.

Senator Raggio echoed Assemblywoman Buckley's comments. While he appreciated the concern about the contract process, the state had gone through an era where it recognized that many valuable employees were lost through retirement, and then discovered that the service of those employees was critical. The process of rehiring retired employees on a contract basis had been used extensively within the Department of Education budgets. Senator Raggio stated that in specific areas where the person had obvious expertise, the Committee could understand the reasoning behind the suggestion that a critical employee consider returning in the capacity of a contract employee. Senator Raggio believed that Mr. Strolin's position definitely fit that situation.

Senator Raggio remarked that as the Committee reviewed the budget accounts during the current hearing, he was unaware of whether there had been an understanding about the various options presented for consideration. Senator Raggio stated that he wanted to make his position clear. He believed that the options favored by the Committee should be placed on a "high priority" list, which would then be revisited by the Committee prior to budget closures.

However, said Senator Raggio, he was not prepared to specifically adopt any of the options offered for review by the Committee today.

Chair Arberry opened discussion of BA 1031.

ELECTED OFFICIALS
OFFICE OF THE ATTORNEY GENERAL
SPECIAL FUND – BA 101-1031
BUDGET PAGE – ELECTED-66

Joi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated that the Special Fund budget included the funding for the state's efforts regarding the Yucca Mountain high-level nuclear waste repository. Ms. Davis indicated that the Attorney General's (AG's) Office requested $2.5 million in General Funds in each year of the upcoming biennium to continue the state's defense during the licensing hearing. However, The Executive Budget recommended $93,265 in each fiscal year, which represented a reduction from the 2007-2009 biennium's approved amount of $2.09 million. Ms. Davis pointed out that the Agency for Nuclear Projects had also requested $2.5 million in General Funds each year of 2009-2011 biennium for the same efforts. According to Ms. Davis, the recommendation was based on the Agency receiving estimates from outside legal counsel and experts regarding the cost of the licensing proceedings and other state and federal litigation regarding the repository.

Ms. Davis reported that the estimate for the biennium for attorney fees and experts totaled $20 million. Of that amount, $10 million in federal funding was authorized in the budget of the Agency for Nuclear Projects, $5 million in each fiscal year. Ms. Davis indicated that The Executive Budget recommended a total of $2.2 million in General Funds between the Attorney General's Special Fund and the Nuclear Projects budget account for the upcoming biennium. The AG's Office indicated that $4.8 million in General Funds would still be needed to address the continued Yucca Mountain defense efforts while the Agency for Nuclear Projects estimated an additional $3 million was still needed.

Although the current Presidential Administration had indicated that the Yucca Mountain site would not be developed as a high-level nuclear waste repository, Ms. Davis reported that the Secretary of Energy had not declared the site unsuitable, nor had the licensing proceedings before the Nuclear Regulatory Commission (NRC) been withdrawn. Ms. Davis said that, additionally, no alternative plan had been submitted at the current time.

Ms. Davis stated that Nevada had filed 229 contentions before the NRC. The $20 million estimate for the 2009-2011 biennium was based on all 229 contentions being heard; however, according to the Agency, that scenario was unlikely. Ms. Davis said that the Agency was anticipating that less than 90 contentions would be accepted. If 90 or less contentions were accepted, the cost would be approximately $12 million over the biennium, rather than the estimated $20 million. Ms. Davis said that would substantially reduce the amount of General Funds needed for the upcoming biennium.

Per Ms. Davis, Fiscal Analysis Division staff met with representatives from the AG's Office, the Agency for Nuclear Projects, and the Budget Division on March 27, 2009, and a new timeline was presented which indicated that the number of contentions accepted should be determined by May 11, 2009. The Agency stated that after that date, it should be in a position to provide an updated, revised estimate of the General Funds needed to continue defense efforts before the NRC.

As previously discussed, said Ms. Davis, the state's defense efforts regarding Yucca Mountain had shifted from the scientific oversight provided by the Agency for Nuclear Projects to litigation provided by the AG's Office. Ms. Davis stated that the federal funding authorized in the budget account for the Agency for Nuclear Projects for the upcoming biennium would be redirected to the AG's Office, as agreed upon by the two agencies, and approved by the federal government.

Ms. Davis stated that options for consideration by the Committee were:

1. Approve the budget as recommended in The Executive Budget.
2. Wait until May 12, 2009, when the number of contentions that had been accepted would be available, and the AG's Office could provide a revised estimate of the General Funds needed. Also, approve the authority to receive federal funds in the AG's budget account rather than the budget for the Agency for Nuclear Projects.
3. Restore General Fund in the budget of $1 million in each year of the biennium to the Attorney General's Office, Special Fund, which would bring the budget back to the level approved for the current biennium, and allow the AG's Office to approach the Interim Finance Committee (IFC) if additional General Funds were needed. Approve the authority to receive federal funds in the AG's budget account rather than the budget for the Agency for Nuclear Projects.

Assemblywoman Leslie appreciated the hard work of Ms. Davis and the staff of both agencies in refining the budget accounts for the AG's Office and the Agency for Nuclear Projects. Assemblywoman Leslie believed it was critical that the Legislature approve the authority for the AG's Office to receive the federal funding, which apparently had been agreed upon between both agencies. She asked whether the Committee could wait until May 12, 2009, to close the budget for the Special Fund, so that it would know the number of contentions to be heard.

Ms. Davis reported that the AG's Office stated it would know the number of contentions that would be allowed by May 12; however, she noted that there was an appeal process, and should the state appeal the number or type of contentions accepted, the appeal process would not be concluded until July 2, 2009.

Assemblywoman Leslie asked Fiscal Analysis Division staff to advise the Committee whether it could wait until May 12, 2009, to close the budget. Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, LCB, reported that May 12, 2009, would be the outside date for budget closures; the last budget closures were currently scheduled for May 11, 2009. Mr. Stevens stated that waiting to close budgets until after the May 11 date could be done in specific, isolated cases when it appeared necessary.

Assemblywoman Leslie opined that the Committee should consider restoration of $1 million in General Funds to the Special Fund. She believed that waiting until the information regarding the number of contentions to be heard was available would help the Committee reach a more viable budget decision. Assemblywoman Leslie suggested that the Committee wait until May 12, 2009, to close the budget for the AG's Office, Special Fund.

Assemblywoman Leslie believed that the Committee should approve the General Funds needed to continue the state's defense efforts before the Nuclear Regulatory Commission.

Chair Arberry agreed with Assemblywoman Leslie that the AG's Office needed sufficient General Funds to address the current Yucca Mountain licensing hearings and also needed approval of the authority to receive federal funds. He indicated that the consensus of the Committee appeared to be that BA 1031, Special Fund, Attorney General's Office, would remain open until May 12, 2009, when the number of contentions would be known, and that the Committee would attempt to restore $1 million in General Funds to BA 1031 in each year of the biennium.

Chair Arberry indicated that the next item for consideration by the Committee was decision unit Enhancement (E) 670.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), remarked that decision unit E670 would temporarily reduce salary levels by 6 percent, which was the recommendation included in The Executive Budget. The Governor recommended a 6 percent salary reduction effective July 1, 2009, for all employee groups—state employees, university system employees, and school district employees.

Mr. Stevens said that previous testimony regarding decision unit E670 indicated that it was the intent of the Governor to reverse the salary decrease when economic conditions improved. He pointed out that the Legislature did not determine the salary for school district employees, as that was the function of each of Nevada's 17 school districts. However, said Mr. Stevens, an assumption regarding the overall salary level for K-12 education was made by the Legislature, and the basic support guarantee would be increased or decreased to reflect that assumption.

According to Mr. Stevens, if the 6 percent salary decrease was restored based on improved economic conditions during the interim, such action would require a special session of the Legislature unless a trigger mechanism was utilized to again increase salaries based on an improvement in the economy and certain thresholds being met.

Mr. Stevens stated that the value of the 6 percent salary reduction for each employee group was as follows:

	In Millions			
Employee Group	FY 2010	FY 2011	Total	Percent
State Employees	$ 37.6	$ 38.3	$ 75.9	17.4%
University Employees	34.4	34.6	69.0	15.9%
School Districts	143.8	146.6	290.4	66.7%
Total	$215.8	$219.5	$435.3	100.0%

According to Mr. Stevens, options for consideration by the Committee were:

1. Approve the recommendation in The Executive Budget to temporarily reduce salaries by 6 percent for each employee group.
2. Approve reducing salaries for all employee groups but at a percentage that was less than recommended in The Executive Budget.

3. Retain salary levels for all employee groups at existing levels. That would require General Fund support of $215.8 million in FY 2010 and $219.5 million in FY 2011.

Chair Arberry said it was his understanding that some school district employees had not received the 6 percent pay increase that was received by state employees over the 2007-2009 biennium, and he asked how the reduction of 6 percent would affect those employees. Mr. Stevens said that pay increases were the function of each individual school district. He pointed out that certain school districts had not approved the 2 percent salary increase granted by the Legislature to state employees on July 1, 2007, and had not approved the additional 4 percent increase that was granted to state employees on July 1, 2008.

Mr. Stevens stated that an assumption would be made based on the decisions reached by the Legislature prior to the end of the 2009 Session regarding the reduction in pay for the employee groups. At that time, the basic support guarantee for school districts would be determined based on those assumptions. Mr. Stevens indicated that the school districts would then make a determination regarding how to increase or decrease their budgets in order to comply with the basic support amount provided by the Legislature.

Chair Arberry said the recommendation included in The Executive Budget was to temporarily reduce the salary of state, university system, and school district employees by 6 percent, and if the economy stabilized, the Governor would restore the reduction in pay. Chair Arberry asked what guarantees the Legislature had that the salary reduction would be restored and what mechanism could be used to trigger the restoration.

Mr. Stevens said there were no guarantees, because it was not known when the economy would improve sufficiently to allow the pay reduction to be restored. However, if such action was contemplated during the interim prior to the 2011 Legislative Session, it would require a special session of the Legislature to approve additional General Fund appropriations for the restored salaries. Mr. Stevens explained that there had been instances in the past where trigger mechanisms had been used. One example would be an increase in state General Fund revenue over and above the assumptions made by the Legislature through the Economic Forum, whereby additional General Fund appropriations could then be triggered to provide for the restoration of salaries.

Chair Arberry asked Mr. Stevens to discuss decision unit Enhancement (E) 671.

Mr. Stevens explained that decision unit E671 would suspend merit salary increases for all employee groups during FY 2010 and FY 2011. Mr. Stevens stated that classified state and Nevada System of Higher Education (NSHE) employees had ten steps in their compensation schedule. Those employees received a merit salary increase each year, based on satisfactory work performance, until their maximum salary was reached.

Mr. Stevens indicated that NSHE professional employees were eligible for a merit increase each year. A total of 2.5 percent of the total professional salaries, not including professional positions above the level of assistant dean, was budgeted to finance merit increases for professional employees each year.

Mr. Stevens reported that community colleges used a merit or step system similar to that for state employees. Merit increases for university campus professionals was not based on a set percentage and, therefore, varied among the professional employees who received an award. He noted that while all employees were eligible, merit increases were not awarded to professional employees each year. According to Mr. Stevens, school district personnel were eligible for a merit increase each year, based on years of service and attaining additional education experience.

Mr. Stevens stated that the amount reduced within The Executive Budget for suspension of merit salary increases by employee group was as follows:

	In Millions			
Employee Group	FY 2010	FY 2011	Total	Percent
State Employees	$ 7.9	$ 18.9	$ 26.8	13.0%
University Employees	12.1	25.1	37.2	18.0%
School Districts	47.0	95.5	142.5	69.0%
Total	$67.0	$139.5	$206.5	100.0%

The options for consideration by the Committee were:

1. Approve the recommendation included in The Executive Budget.
2. Approve merit salary increases at a reduced level during FY 2010 and FY 2011.
3. Approve merit salary increases at current levels for all employee groups. That would require additional General Fund support of $67 million in FY 2010 and $139.5 million in FY 2011.

Chair Arberry stated that decision unit E672 was the next item for Committee consideration.

Mr. Stevens explained that decision unit E672 would suspend longevity payments for state employees and NSHE classified employees, effective July 1, 2009. Longevity payments began in the eighth year of continuous state service at $150 each year up to a maximum of $2,350 each year at 30 or more years of continuous state service. Mr. Stevens stated that the General Fund cost to restore longevity payments would be $3.3 million in FY 2010 and $3.7 million in FY 2011.

Per Mr. Stevens, the last decision unit for review by the Committee was E673, which would implement the recommendations regarding active and retiree health insurance benefits made by the Spending and Government Efficiency (SAGE) Commission.

Mr. Stevens explained that there were actually two different decision units included in The Executive Budget related to implementation of the SAGE Commission recommendations. The recommendations from the Public Employees' Benefits Program (PEBP) Board were included in decision unit E660 (in the PEBP budget account (BA) 1338), and were based on the Governor's instructions to keep the state cost for the 2009-2011 biennium at the FY 2009 level.

Mr. Stevens said the plan design changes recommended by the PEBP Board included:

- Hold HMO premium increases to a maximum of 5 percent for FY 2010.
- Remove the health assessment questionnaire and the incentives for participating in it, which included a 50 percent reduction in deductible and enhanced dental benefits.

- Ø Institute a single deductible for the PPO plan, $725/individual and $1,450/family, as opposed to current deductibles of $500/individual and $1,000/family on the low-deductible plan, which was selected by most state employees.

Per Mr. Stevens, the changes in the amounts paid by participants would include:

- Ø Reduction in the amount of the premium covered by the state subsidy in each coverage tier, thus increasing the participant's deduction.
- Ø Elimination of the state subsidy for retired employees who retired after June 30, 2010, with less than 15 years of service.
- Ø Allocating the Medicare Part D subsidy revenue received between PEBP and Medicare-eligible retirees.

Mr. Stevens indicated that the cost savings related to the recommendations from the PEBP Board were depicted in decision unit Maintenance (M) 300 within each agency's budget.

According to Mr. Stevens, there were additional reductions included in The Executive Budget that followed the recommendations of the SAGE Commission. Those reductions were depicted in decision unit E661 (in the PEBP budget account (BA) 1338). He stated that the following summarized the Governor's additional reductions:

- Ø Establish the base subsidy to cover 75 percent of the premium for active employees, versus the current subsidization rate of 95 percent for most employees.
- Ø Eliminate the subsidy for all Medicare-eligible retirees beginning July 1, 2009.
- Ø Eliminate the subsidy for any employee who retired after July 1, 2009.
- Ø Reduce the subsidy for existing non-Medicare retirees by 25 percent on July 1, 2009, and 25 percent more on July 1, 2010.

Mr. Stevens pointed out that the subsidy levels would also change as follows:

1. The current subsidy level for active employees was 95 percent, which would decrease to 94 percent under the PEBP proposal, and decrease to 75 percent in FY 2010 and FY 2011 under the recommendation in The Executive Budget.
2. The current subsidy level for active dependent was 75 percent, which would decrease to 74 percent under the PEBP proposal, and increase to 75 percent in FY 2010 and FY 2011 under the recommendation in The Executive Budget.
3. The current subsidy level for a retired employee was 67 percent, which would decrease to 65 percent under the PEBP proposal, and for non-Medicare eligible retirees, the subsidy would decrease to 50 percent in FY 2010 and 34 percent in FY 2011 under the recommendation in The Executive Budget. This would apply only to persons who retired prior to July 1, 2009.
4. The current subsidy level for retiree dependent was 45 percent, which would decrease to 43 percent under the PEBP proposal, and would decrease to 34 percent in FY 2010 and 23 percent in FY 2011 under the recommendation in The Executive Budget.

Mr. Stevens stated that the General Fund budget reduction included in The Executive Budget for the changes in active and retiree health insurance contained in decision unit E673 to implement the SAGE Commission recommendations for each employee group was:

	In Millions			
Employee Group	FY 2010	FY 2011	Total	Percent
State Employees	$14.6	$ 18.1	$ 32.7	20.6%
University Employees	12.5	15.5	28.0	17.7%
School Districts	46.8	51.0	97.8	61.7%
Total	$73.9	$ 84.6	$158.5	100.0%

Mr. Stevens noted that during a previous Subcommittee hearing, the Governor's staff and the Budget Division were asked how many current state employees would be eligible for retirement based on the recommendations included in The Executive Budget to eliminate subsidies for anyone retiring after July 1, 2009. The Budget Division reported that there were approximately 2,000 employees who were eligible to retire by July 1, 2009, with another 442 employees eligible to purchase enough service credit to be eligible for unreduced Public Employees' Retirement System (PERS) benefits. Mr. Stevens explained that would bring the total number of employees eligible for retirement on July 1, 2009, to 2,475, which represented 12 percent of the state's workforce.

According to Mr. Stevens, the options for Committee consideration were:

1. Approve the recommendation included in The Executive Budget for health insurance coverage, in order to save $158.5 million in General Fund over the 2009-2011 biennium.
2. Eliminate the E661/E673 recommendations for health insurance, which would require adding back $158.5 million in General Fund to the budget over the 2009-2011 biennium.
3. Eliminate the E661/E673 health insurance reductions, but replace them with some other cost-savings measures for health coverage, thereby reducing the General Fund add-back.

Assemblywoman Gansert believed it was important to review the state's current fiscal status and the amount of the shortfall based on the Governor's recommendations, so the Legislature could better understand its position.

Mr. Stevens explained that the Committee had concluded a week of work sessions where some decisions had been made and some directions had been given to Fiscal Analysis Division staff.

Assemblywoman Gansert said she was talking about the current revenue stream, and where the state currently stood in areas such as room tax revenues, which were predicted to come in short. She stated that the Committee should have an idea whether the revenue stream would be changing and by how much.

Mr. Stevens reported that the Fiscal Analysis Division was currently reviewing the revenue streams. The Division had recently received the sales tax numbers for the month of January 2009. Mr. Stevens said the Division would be spending the next few weeks in development of its revenue projections to submit to the Economic Forum on May 1, 2009. According to Mr. Stevens, the

Division's best guess for the revenue shortfall for the upcoming biennium would be in the range of $400 million to $500 million.

Assemblywoman Buckley said there was no doubt that the state was experiencing serious financial difficulties, and economic indicators showed that the recession was continuing. Assemblywoman Buckley stated that the amount of revenue needed to maintain required services at a flat level from the last biennium amounted to approximately $1.8 billion. That was the information the Legislature had been examining over the last several weeks.

Assemblywoman Buckley said the Legislature was attempting to determine which of the proposed cuts in services on that $1.8 billion list it felt must be restored to maintain essential state services.

Assemblywoman Buckley indicated that the Legislature had compiled a list for consideration that included services such as adding back staff at mental hospitals to ensure patient safety or not cutting back on treatments for autistic children. If the Economic Forum projected further reductions in revenue, the Legislature would need to also address that reduction.

According to Assemblywoman Buckley, the Legislature was still waiting for the Governor to submit corrections to The Executive Budget. She pointed out that the Legislature had uncovered several mistakes and noted that certain projections, such as room tax revenue, continued to change. Assemblywoman Buckley stated that the latest projections from Initiative Petition No. 1 would create another $66 million "hole" in the state's revenue stream, which the Legislature would also need to address.

The Legislature was unsure of the projected revenue stream, and Assemblywoman Buckley stated that once Fiscal Analysis Division staff provided the preliminary numbers, the Legislature would make that information public. She stated that the Legislature had been briefed that the outlook was grim. Assemblywoman Buckley thought that the general public was not completely aware of how bad the situation in Nevada had become. The Committee was gathering projections and attempting to determine the degree of the budget shortfall, which ultimately could reach a shortfall that amounted to one-third of the state's overall revenue.

Assemblywoman Buckley opined that legislators would like to not follow the recommendations of the SAGE Commission and would like to make no reductions in salaries or health benefits, which undoubtedly would be the first choice of each member of the Committee. Assemblywoman Buckley pointed out that Nevada's teachers were paid at 93 percent of the national average; the salaries for state workers were barely able to keep pace with the cost of living; and the state had a 20 percent vacancy rate in most departments, which meant that department employees were doing more with less.

Assemblywoman Buckley said the economic conditions in Nevada were dire, and the Committee would need to prioritize budget cuts. She did not see how the Committee could enact any of the proposed cuts to the health care budgets. The SAGE Commission recommendations of cutting the PEBP subsidy for retirees by 25 percent the first year of the biennium and 25 percent in the second year of the biennium would basically mean the end of retiree health insurance. Assemblywoman Buckley said when a teacher or state worker worked for 30 or more years and retired, the state simply could not change the rules after retirees could no longer return to work to provide for their own health insurance. The recommendations regarding the retiree subsidy would not pass the "common sense" test, and she had real concerns about those proposals.

Assemblywoman Buckley stated that the second concern was that cumulatively, the 6 percent salary reduction, the elimination of merit increases and longevity pay, and an increase in health insurance premiums was simply too much and would amount to a 13 percent to 15 percent salary reduction for most employees. Those budget cuts would be made "on the backs of the state's teachers and state workers." By working together, Assemblywoman Buckley believed that the Committee could develop an alternate plan, one that had to be balanced with the fact that the state's economic condition was grim.

Assemblywoman Buckley pointed out that the Committee could not restore all recommended budget cuts; it simply was not possible, even when it made sense, because of the billions of dollars that were involved.

Chair Arberry concurred with Assemblywoman Buckley's comments and observations. Chair Arberry believed that the current situation was the most bleak that he had faced during his political career. He agreed that that the rules could not be changed regarding retirees, many of whom had worked 30 or more years for the state and, upon retirement, believed they would no longer need to worry about issues such as health care. Those employees had worried for 30 years about their jobs and families and were now faced with the possibility that the Legislature would remove the subsidy for retiree health insurance. Chair Arberry said that would be a very bleak moment for retirees, who had worked and paid their dues, and now the Legislature wanted to change the rules of the game when retirees were not able to change their circumstances.

Chair Arberry believed that cutting the subsidy for retiree health care would cause retirees to no longer be able to afford their premiums, whereupon they would seek assistance through other state programs, which would cost the state more in the long run. Chair Arberry agreed with Assemblywoman Buckley that the situation facing the state was dire, and the decisions were weighing heavily on his shoulders.

Chair Arberry said he was saddened by the critical decisions facing the Legislature, which legislators would have to live with for the rest of their lives. He pointed out that some legislators would not be back for the 2011 Legislature. The decisions made during the 2009 Session would be difficult because of the downturn in the economy and the rise in unemployment that caused some families to no longer have access to insurance benefits. At the same time, said Chair Arberry, retirees had paid their dues and they were in the position of not being able to return to work to secure health care benefits. He did not believe it would be fair to eliminate the health care subsidies that were guaranteed retirees at the time of retirement.

Chair Arberry asked for opinions from other members of the Committee regarding the issues it was facing.

Senator Raggio said he basically agreed with the comments made by Assemblywoman Buckley and Chair Arberry. There were some very difficult times and very difficult decisions facing the Legislature. Senator Raggio also believed that the public did not realize just how dire the fiscal crisis was for the state, particularly in constructing a balanced budget, and one where expenditures for essential services had to be funded.

Senator Raggio stated that the Committee was still going through the exercise to determine the consensus of the Legislature in restoring essential services. Obviously, The Executive Budget was being affected by events that had occurred since the budget was submitted, and those events loomed large. Senator Raggio indicated that the anticipated revenue included in The Executive Budget had changed, and the "hole" in the budget had grown larger. With the potential for at least $400 million to $500 million less in revenue being projected on May 1, 2009, by the Economic Forum, the $1.8 billion "hole" would become over a $2 billion shortfall.

Senator Raggio believed that the Committee was conducting a very prudent exercise, but he doubted that the Committee could construct a "real" budget until after the Economic Forum projections on May 1, 2009. Those projections were the limit that the Legislature was authorized to expend as General Fund, and Senator Raggio said that was the reason he had been hesitant to adopt options regarding budget closures. He assumed that members of the money committees understood the situation, but he was not sure that other legislators understood the budget shortfalls.

Senator Raggio believed that the Committee was taking the appropriate action and had diligently reviewed the various budgets and explored potential options. He was aware that legislators would like to add back funding to critical budgets, but the concern was whether there would be sufficient funding.

According to Senator Raggio, another factor that the Committee was not completely aware of was the extent of the stimulus funding that would be available to the state. The Committee was aware that Federal Medical Assistance Percentage (FMAP) funding was forthcoming and would be "plugged" into the appropriate budgets, but the Committee was not aware of the amount of additional stimulus funding that would be available to address other areas of concern.

Senator Raggio pointed out that in the area of educational stimulus funding there had been discussion about seeking a waiver, and if a waiver that allowed some flexibility in the utilization of the stimulus funding was not forthcoming, the Legislature would be hard pressed to fund some very important budgets, such as K-12 education and higher education. He hoped that the state would receive a response in the near future regarding the waiver.

Senator Raggio thought that legislators and the public had to understand that balancing the budget was not an easy mission, and it was particularly difficult when looking at the sacrifices being made in the private sector by businesses, employees, and retirement funds. The state was not in a unique situation among other states. Senator Raggio said he had discussed the issues with legislators from other states who were going through a very similar process. He believed that the message had to be delivered that the decisions facing the Legislature were not easy, and the public needed to understand the gravity of the situation. Senator Raggio stated that some people simply wanted the Legislature to cut the budgets, and he was aware of some newspapers that also believed the Legislature should simply cut the budgets.

Senator Raggio believed that the Legislature needed public support, which he opined was essential, for any final decision it made regarding budget cuts. He believed that some cuts were dependent upon the amount received through stimulus funding, with the caveat that stimulus funding was a one-time solution that likely would not be available again in the future. Senator Raggio stated that Committee members would be "kidding" themselves if they thought the recession would be short-lived. He believed that the Committee should consider the fact that its actions would have a long-term impact on the budget, and that it might create an even bigger budget "hole" that legislators would have to deal with during the 2011 Legislature, so the Committee had to be very careful and prudent in the decisions it made.

Senator Horsford stated that he had not been a legislator as long as some of his colleagues on the Committee, but he was as concerned as they were about the difficult decisions facing Committee members. He agreed with the statements of his colleagues, particularly Assemblywoman Buckley and Senator Raggio, that the Committee would have to be just as deliberate and methodical about the salary and benefit decisions as it had been about the other essential services that it had evaluated over the past eight weeks.

Senator Horsford commented that, like Chair Arberry, he too had been grappling with the solutions to the problems facing the Committee. In the end, Senator Horsford hoped that everyone would work to protect Nevada's security, which was what the Committee had been attempting to do over the past eight weeks. The Committee needed to protect the state's economic security, the security of major industries, and make decisions that would help the state recover as quickly as possible, because major industries provided the jobs, health care, and the quality of life that legislator's constituents depended on.

Senator Horsford believed that the Committee needed to protect the state's educational security, K-12 and higher education, so that the efforts of legislators over past years to build up the state's educational system would not be dismantled. He also believed that the Legislature had to protect the retirement security for those individuals who had served the state for long periods of time with the promise of a good retirement. Senator Horsford said those individuals deserved to know that their retirement was secure. He could not imagine being a state employee who had worked for 30 or more years, believing that his retirement would be secure, and at the time the state was facing its worst economic situation, the proposal had been made to take that security away from those individuals. Senator Horsford said such action would not be fair, would not be right and, in fact, it would be morally wrong. He opined that the Committee needed to find another solution.

Senator Horsford believed that the Legislature should be straightforward and honest about the current dire state of the economy and how much more dire it was likely to become. While breaking the promise to retirees was not an option, Senator Horsford stated that the other issues facing the Legislature had to be discussed because the Legislature was ultimately responsible for balancing the budget.

Senator Horsford said the choices would not be easy, but every Nevadan had to understand that the Legislature was seeking ways to protect everyone's security. He pointed out that these were extremely difficult times, and the Legislature would continue to prioritize the issues. One of the things Senator Horsford believed should be prioritized was retiree benefits and the promises that were made to those individuals upon retirement; he did not think the Legislature should take the health care subsidy away from retirees.

Assemblywoman Gansert believed it was important to recognize that the state may find itself an additional $400 million to $500 million short as of May 1, 2009. She opined that the state's situation had gone from dire to a state of crisis. Assemblywoman Gansert stated that everyone recognized that the crisis was not only within state government but was also affecting the private sector. Over the past eight weeks, the state's departments and divisions had attempted to reform and reorganize government and to do more with less, which was very much appreciated by the Legislature.

Assemblywoman Gansert said it was important to determine the revenue stream and evaluate how to move into the future, because the items discussed today amounted to approximately $800 million in General Fund savings, but the recommendations would affect many lives. The Legislature had been reviewing the budgets in a very deliberate process, which would continue. Assemblywoman Gansert said it was very important to recognize that the Committee may be 30 percent away from balancing the budget and was facing a difficult time, as was the private sector. She noted that the private sector was experiencing lay-offs, cut backs, and reductions in pay, and the Legislature was doing its best to respond to that situation.

Assemblywoman Buckley recommended that the Committee work with Fiscal Analysis Division staff to arrive at the best estimates regarding financial changes, that the Committee calculate the shortfalls within The Executive Budget, the shortfalls that could be anticipated from the Economic Forum projections, and consider a public release of that information to colleagues and to the public. Assemblywoman Buckley stated that the Committee should outline the priorities that had been identified to "paint a picture" of the budget shortfalls.

Assemblywoman Buckley commented that the earlier discussions were illustrative of the "picture" regarding the Gaming Control Board, which regulated the state's most significant industry, and the Committee was bargaining with the Chair of the Board regarding the positions necessary to maintain the functions of the Board. Another example was the budgets within the Department of Health and Human Services, where the Committee also bargained the number of positions needed for such things as monitoring the severely mentally ill.

Assemblywoman Buckley said the Committee had struggled with each decision unit within the budgets, to produce an essential list of services, and that list might need to be revised yet again if the revenue was not forthcoming. Assemblywoman Buckley believed that the Committee should make it a very transparent and different process so that everyone understood that the Legislature was not asking one group to make large sacrifices, but rather it was asking everyone to make small sacrifices.

Assemblywoman Buckley commented that there was some good news during these dire economic times, and it was twofold. She stated she had never seen a budget process where the Senate and Assembly, Republicans and Democrats, had so little disagreement. Tough times were calling for the Committees to work together in a bipartisan manner. Assemblywoman Buckley said that secondly, the support offered to the Legislature from state employees, teachers, the business community, general citizens, and the support offered via email indicated that everyone was aware that the solution could not be on the backs of one group, but it had to be through shared sacrifices with the goal of maintaining essential services.

Assemblywoman Buckley pointed out that school funding could not be cut by one-third, the budgets for universities could not be cut by one-third, and the state's departmental budgets could not be cut by one-third, as that would cause the state's infrastructure to collapse. And yet, said Assemblywoman Buckley, the Legislature was dealing with an incredible shortage of revenue and the solution had to be balanced. If there was such a thing as a silver lining, Assemblywoman Buckley believed it was that the business community, state employees, the universities, and the school districts were all willing to work together with the Legislature to address the budget shortfalls.

Senator Coffin opined that it was very difficult to act as Chair of a committee unless members could be counted on to make suggestions that would help the Chair arrive at appropriate decisions. Senator Coffin believed Assemblywoman Buckley had addressed prioritizing the issues and had indicated that she would like to prioritize. He agreed and thought it was important to begin prioritizing sooner rather than later.

Senator Coffin pointed out that many people would make decisions about their future based on the action taken by the Legislature. Even today, people would hear the discussion and decide whether or not to continue employment with the state. Senator Coffin opined that there was a wonderful cadre of state employees who had invested their working lives with the state. It was easy for people to say that the private sector did not provide the same level of health insurance as the state, and many companies did not provide health insurance for retirees. On the other hand, said Senator Coffin, in private business, not all companies offered the same health insurance or offered retiree health insurance. He also noted that the employees within the private sector generally worked for a number of employers during their career, and while they might have careers in one profession, they generally did not have a career with only one employer.

Senator Coffin said in the case of state employees, they had made a decision to remain in one sector, with one employer for their working lifetime, and to become career professionals for the state. Because of that decision, workers developed skills that were not easily duplicated in the private sector. Therefore, said Senator Coffin, the worst thing that could be done to workers was to eliminate their health insurance. Even during good economic times, health insurance often was all that stood between bankruptcy, failure, and ruin and the ability to simply live a good life for workers of any age.

Senator Coffin said that if he were asked to prioritize, he would say out of the decision unit Enhancement (E) 670 series, that the Committee should send out signals that it supported returning the funding to the health insurance accounts, both for active and retired employees. He realized that there might be salary reductions, benefit reductions, or changes in the construction of the pension plan going forward. However, Senator Coffin believed that the Committee should send out a signal that it would make restoration of health care benefits that protected employees and retirees from financial ruin its first priority. He pointed out that health care benefits were not taxed by the federal government and created a double benefit, whereas a pay increase would result in higher income taxes.

Assemblywoman Leslie had been listening to the comments of her colleagues and agreed wholeheartedly with them. She noted that even though there were only a few people present at the Committee hearing, she was sure there were many more listening to the discussion via the Internet, because people had difficult decisions to make and they wanted to get a sense of what was taking place within the Legislature.

Assemblywoman Leslie told state employees who might be listening to the hearing via the Internet, that the Legislature appreciated the work of state employees and was aware that workers were being asked to assume more duties as positions were vacated and not refilled. She was aware that workers were wondering about the potential impact on salaries, which would equate to much more than simply a 6 percent reduction. Assemblywoman Leslie believed that the sense of the Committee was that members would do their very best, even in these dire times, to reject the Governor's proposal.

Assemblywoman Leslie stated that there would be budget cuts; however, the Committee would not accept the draconian cuts recommended in The Executive Budget that would damage the state's workforce or hurt retirees and teachers. Assemblywoman Leslie stated that her daughter had attended public schools in Nevada and was now a college graduate; she highly valued the education her daughter had received through the state's public school system.

Assemblywoman Leslie said she was a product of Nevada's university system and had earned a master's degree, which she valued tremendously. Assemblywoman Leslie believed that every member of the Committee also valued state workers and teachers. She pledged that the Committee would do its very best to minimize the impact of the budget cuts, knowing the economic situation facing the state and knowing that the budget shortfall had reached billions of dollars. Assemblywoman Leslie asked state workers not to give up hope and promised that the Legislature would find a shared solution and would not balance the budget on the backs of state workers and teachers.

Chair Arberry noted that a work session was not the proper setting for public comment, but because the Agenda included notice of public comment, he would open the Committee for public comment.

The first person to testify before the Committee was James Richardson, representing the Nevada Faculty Alliance, and speaking on behalf of the Benefits Coalition, which consisted of employee and retiree groups that had come together during the 2009 Session because of the dire economic circumstances. He requested that the email he had sent to Committee members on March 31, 2009, be made a part of the record of the current hearing (Exhibit C).

Mr. Richardson commented that he, along with all state employees, greatly appreciated the sentiments expressed by Committee members today. Persons representing the various employee and retiree groups had been inundated with questions regarding whether or not employees should retire based on the proposed elimination of health care benefits.

According to Mr. Richardson, the comments made by Committee members on the record today were very reassuring to employees and would help avert a panic situation, which he assured the Committee was not too strong a term. He voiced appreciation for the information put into the record by Mr. Stevens regarding the number of state employees who would be eligible to retire on July 1, 2009.

Mr. Richardson pointed out that currently, there were 440 professional employees age 57 or older at the University of Nevada, Reno (UNR), and there was great concern about what would occur as those professionals retired over the next few years. Many of those professional employees were now thinking of retiring prior to June 30, 2009. According to Mr. Richardson, UNR employees contributed to a defined contribution plan which had lost some value because of the downturn in the economy.

Mr. Richardson expressed appreciation to Assemblywoman Buckley, Assemblywoman Leslie, Senator Raggio, Senator Horsford, Senator Coffin, and

Chair Arberry for their reassuring comments that would help avert a panic. Mr. Richardson said he and his organization were willing to sit down and work with the Committee and try to weather the situation together.

The next person to testify before the Committee was Martin Bibb, representing the Retired Public Employees of Nevada, who stated that he and his organization understood the significant challenges facing the Legislature. He recognized that there was a relationship between the challenges facing the Legislature in terms of the projected budget shortfalls and the needs that cried out to lawmakers for funding.

Mr. Bibb believed that the term "balanced" was critical in many areas, and one of the beliefs of the Retired Public Employees of Nevada was that if the Legislature was going to consider cuts to the health care program, it should consider cuts that applied to all participants in the program in a similar fashion. Mr. Bibb stated that the proposed cuts were 25 percent for some groups in the health plan, and up to 100 percent cuts in assistance or subsidy for other groups, particularly Medicare retirees, which he knew was a very difficult issue.

As pointed out in earlier testimony, Mr. Bibb said that many employees were weighing retirement based upon whether or not there would be a potential loss of some or all subsidies. He informed the Committee that medical inflation was currently nearing the double-digit level, while inflation in other areas was somewhere in the range of 3 percent.

Mr. Bibb realized that the Public Employees' Benefits Program (PEBP) had cut $50 million from its budget over the current biennium, recognizing the ongoing economic crisis, and had also pitched in with a premium holiday that was funded through reserves of several million dollars. Mr. Bibb believed that everyone should be part of the solution, and he was very heartened by the balanced and insightful expressions of members of the Committee and leaders of the Legislature.

Mr. Bibb opined that the decisions facing the Legislature would not be easy, but everyone should work together. He agreed with earlier comments from Committee members that it was very difficult to change the rules for retirees in the middle of the game. Mr. Bibb very much appreciated the opportunity to place his comments on the record.

The next person to testify before the Committee was Danny Coyle, who represented the retirees of the American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME), Local 4041. Mr. Coyle thanked members of the Committee for their remarks and referred to a remark made by Assemblywoman Buckley that both retired and existing state employees had a reasonable expectation regarding the promised benefits and conditions under which those employees were hired and under which they retired. Mr. Coyle believed those remarks would hold true and whatever commitments were made to employees when hired should be honored today.

Mr. Coyle agreed with Assemblywoman Buckley's comment at today's hearing regarding the transparency of the process after the Committee had received the projections from the Economic Forum. Mr. Coyle also agreed with Assemblywoman Buckley's comment that cuts had to be made across the board proportionately and equitably.

Mr. Coyle thanked the Committee for the opportunity to present testimony.

Testifying next was Dennis Mallory, representing the American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME), Local 4041. Mr. Mallory stated that he, too, would like to thank Committee members for their comments regarding both active and retired employees. The AFSCME took a great deal of interest in retiree issues, because many persons that AFSCME represented would soon be retired.

Mr. Mallory said that not only did the AFSCME want to protect the best interests of employees as they progressed through their careers, it also wanted to ensure that at the end of their careers, those employees would enter into retirement and would receive their health care benefits. Mr. Mallory stated that he had been very assured by the comments from Committee members regarding retiree health care benefits.

As the projections from the Economic Forum became available, Mr. Mallory said he would be willing to work with the Committee with an open mind and a sense of flexibility. He also agreed that one entity, such as public employees, should not be required to shoulder the entire burden of the budget deficit, and that everyone should contribute their fair share. Mr. Mallory said that the proposed pay cuts combined with elimination of merit increases and longevity pay, and the increase in health care premiums, would amount to as much as a 20 percent reduction in pay. He opined that cutting pay by 20 percent for thousands of middle-class families would further the recession in Nevada, because business owners relied on state employees to patronize their businesses.

Mr. Mallory reiterated that he looked forward to working with members of the Committee, and the leadership of both houses, to reach some common ground where one sector would not be faced with a greater burden than another, but at the same time meet the mandate to balance the budget.

Testifying next was Lynn Warne, President, Nevada State Education Association (NSEA), who stated that the state was facing unprecedented economic times, which was recognized by the NSEA. However, children still showed up at school every day looking for their enthusiastic and highly qualified teachers to be there for them every day of the school year. Ms. Warne said the tragedy was that the NSEA was already looking at a weakened public education system in Nevada. She pointed out that funding for students in Nevada was ranked almost last nationally and further cuts were being proposed.

Ms. Warne appreciated the comments made by members of the Committee today and stated that the NSEA looked forward to reaching responsible solutions to the very complex and difficult problem.

The next person to testify was Ronald Dreher, representing the Peace Officers Research Association of Nevada and the Washoe County Public Attorney's Association. Mr. Dreher said he was also a member of the Benefits Coalition formed by James Richardson at the beginning of the 2009 Legislative Session in an attempt to help the Legislature understand the concerns and comments from those employees and retirees who would affected by the decisions that would be made by the Legislature.

Mr. Dreher said he was a retired employee and had health insurance benefits through the City of Reno; however, his wife was a member of the Public Employees' Benefits Program (PEBP) as a retired Washoe County teacher and school administrator.

Mr. Dreher echoed the comments made by those testifying before him and voiced appreciation for the comments made by Committee members. He said that he particularly appreciated the commitment made by Senator Raggio regarding promises made should be promises kept, and that it was not an option to take benefits away from retirees. Mr. Dreher stated that retirees had been promised those benefits and had worked for many years for the state, and he believed they deserved to retain the benefits.

Mr. Dreher stated that whatever the Committee could do to help maintain the benefit level for retirees would be appreciated, and he offered his assistance and that of the Peace Officers Research Association of Nevada to the Committee. He indicated that approximately 50 percent of the members of the Peace Officers Research Association of Nevada were state law enforcement officers. He would hate to see those eligible for retirement be forced to retire by July 1, 2009, as that would have a devastating impact on the state.

Chair Arberry asked whether there was further public comment to come before the Committee, and there being none, the Chair declared the hearing adjourned at 10:06 a.m.

RESPECTFULLY SUBMITTED:

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Carol Thomsen
Committee Secretary

APPROVED BY:

____
Assemblyman Morse Arberry Jr., Chair

DATE:________________________

APPROVED BY:

Bernice Mathews
Senator Bernice Mathews, Chair

DATE:________________________

EXHIBITS

Committee Name: Assembly Committee on Ways and Means/Senate Committee on Finance

Date: April 1, 2009 **Time of Meeting: 8:10 a.m.**

Bill	Exhibit	Witness / Agency	Description
* * *	A		Agenda
* * *	B		Attendance Roster
* * *	C	Jim Richardson, NV Faculty Alliance	Testimony