

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

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

The Committee on Ways and Means was called to order by Vice Chair Sheila Leslie at 9:05 a.m. on Monday, April 13, 2009, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/75th2009/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Sheila Leslie, Vice Chair
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
Assemblyman John Ocegüera
Assemblywoman Debbie Smith

COMMITTEE MEMBERS EXCUSED:

Assemblyman Morse Arberry Jr.
Assemblywoman Barbara E. Buckley
Assemblywoman Kathy McClain

GUEST LEGISLATORS PRESENT:

Assemblyman Mark A. Manendo, Clark County Assembly District No. 18
Assemblywoman Marilyn Kirkpatrick, Clark County Assembly District No. 1

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Tracy Raxter, Principal Deputy Fiscal Analyst
Eric King, Program Analyst
Janice Wright, Committee Secretary
Vickie Kieffer, Committee Assistant

Vice Chair Leslie said the Committee had four bills to hear and three budgets to close. The Senate wanted to close the same budgets and asked the Committee to close the budgets first. For those in the audience interested in the bills, Vice Chair Leslie asked them to please be patient. The Committee must close the budgets first and that should not take long.

ELECTED OFFICIALS

GOVERNOR'S WASHINGTON OFFICE (101-1011)

BUDGET PAGE ELECTED-11

Steve Abba, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, explained the Governor's Washington Office was historically funded by an allocation of \$267,079 annually which was provided from the Commission on Economic Development (\$20,000 General Fund), the Commission on Tourism (\$109,650 room tax funding), and the Department of Transportation (\$137,429 Highway Fund). For the 2009-2011 biennium, the Governor recommended reducing the Washington Office budget by \$20,000 annually to \$247,079, a 7.49 percent reduction. The Governor recommended replacing room tax revenues with General Funds in the Commission on Tourism's budget, but that recommendation had not been approved as yet. If the Governor's recommendation was approved, the revenue allocation mix to fund the Washington Office would change slightly.

Mr. Abba provided a table which compared the revenue sources and total funding to support the Washington Office as approved for the 2007-2009 biennium to the reduced funding recommended by the Governor for the 2009-2011 biennium. The Governor recommended revenues that consisted of a General Fund transfer of \$119,942, no room tax revenue, and a Highway Fund transfer of \$127,137, for a total of \$247,079.

Mr. Abba said the Subcommittee on General Government and Accountability made a preliminary recommendation to not approve the Governor's recommendation to replace room tax revenue with General Funds in the Commission on Tourism's budget. The table showed the Subcommittee's recommendation for revenues for the Washington Office consisted of a General Fund transfer of \$18,503, a room tax revenue transfer of \$101,439, and a Highway Fund transfer of \$127,137, for a total of \$247,079.

Mr. Abba explained the decision before the Committee was whether to continue to fund the Washington Office in the amount of \$247,079. The funding mix might change depending on what the Subcommittee on General Government and Accountability actually decided and recommended to the full Assembly Committee on Ways and Means. The issue of funding the Washington Office could be decided today, but the allocations might change.

Vice Chair Leslie asked whether the Subcommittee on General Government and Accountability was slated to vote on the transfer of room tax revenue to the Commission on Tourism on April 30, 2009. Mr. Abba confirmed that date was correct. Vice Chair Leslie said she would like to hold this budget until after the Subcommittee decided that issue. She asked that this budget be brought back to the Committee to see whether the Subcommittee reduced the budget any further or decided to approve the room tax proposal.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, explained that the Fiscal Analysis Division staff had created a list of items it requested the Committee adjust after specific budgets were closed. The list included items

such as cost allocations and funding mixes (such as the mix of room tax or General Fund that was just discussed in the budget for the Governor's Washington Office). Mr. Stevens said the Committee would address the Lieutenant Governor's budgets and some salary decisions that the Governor had recommended for the Elected Officials. The Committee would probably not decide the Elected Officials' salaries today. But once the Legislature made that decision, the Fiscal Analysis Division staff would review and make any adjustment based on the Legislature's overall decision. The Fiscal Analysis Division staff must review each of the budgets to ensure that the Legislature's decision was implemented correctly. There were a numbers of things that the Fiscal Analysis Division staff requested authorization to review and "true-up" based on global decisions made by the Committee.

Mr. Stevens wanted to make sure that both the Committee and the Subcommittee were aware of the Fiscal Analysis Division staff's need to make adjustments. He cited the example of the salary and fringe benefit decisions and recommendations included in The Executive Budget. Once those global decisions were made, the Fiscal Analysis Division staff would review all applicable budgets and make any adjustments necessary unless the Committee or Subcommittee approved the Governor's recommendation in its entirety.

Vice Chair Leslie asked whether there were any questions on the Fiscal Analysis Division staff adjustments. Hearing none, she proceeded to the Governor's Office of Consumer Health Assistance.

ELECTED OFFICIALS

GOVERNOR'S OFFICE OF CONSUMER HEALTH ASSISTANCE (101-1003) **BUDGET PAGE ELECTED-27**

Steve Abba, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, explained the Office of Consumer Health Assistance was located in Las Vegas. The budget account (BA) 1003 was currently funded from four sources:

1. The General Fund (55.95 percent)
2. Medicaid funding (6.55 percent)
3. Hospital assessments (13.45 percent)
4. Workers' Compensation and Safety Fund (24.05 percent)

Mr. Abba explained the Governor recommended elimination of the Office of Consumer Health Assistance for the upcoming biennium, resulting in a savings of \$462,576 in fiscal year (FY) 2010 and \$464,417 in FY 2011. Since the Office was supported with a combination of funding sources, the recommended elimination also provided for an additional savings of Medicaid funding, hospital assessments, funding from the Worker's Compensation and Safety Fund, and funding from the UnitedHealthcare settlement in the amount of \$482,646 in FY 2010 and \$557,267 in FY 2011.

Mr. Abba said there was a work session held on April 1, 2009, and the elimination of the Office was discussed. The Fiscal Analysis Division staff was directed to work with the Office and develop some alternatives to continue the Office and its basic functions, but look at ways to reduce the General Fund costs. The Fiscal Analysis Division staff worked with the Office, and the Office provided a priority listing of its ten positions.

Mr. Abba provided a table which displayed the three lowest priority positions in the Office. The Fiscal Analysis Division staff asked the Office to prepare staffing scenarios for seven positions and another scenario for five positions.

The information received indicated that the functions of the Office could not be maintained with a staff of five positions. Mr. Abba provided the Committee the scenario of reestablishing the Office with seven positions and the table indicated the salaries of those seven positions and the General Fund costs for those positions.

Mr. Abba said the Office provided information regarding the effect of the elimination of those three positions. The Office indicated the caseloads carried by the ombudsman would increase and the Office would not be able to perform the advocacy work for the prescriptions assistance program. Because there were a couple of clerical positions recommended for elimination, the professional positions would be required to perform more of the clerical work.

Mr. Abba stated the Fiscal Analysis Division staff identified four options for consideration of the Committee for closing:

1. Approve the Governor's recommendation to eliminate the Office of Consumer Health Assistance, for a General Fund savings of \$462,576 in FY 2010 and \$464,417 in FY 2011.
2. Fully restore the Office, which would require additional General Funds of \$462,576 in FY 2010 and \$464,417 in FY 2011. This option would support ten positions, the Executive Director, one management analyst, five ombudsmen, and three administrative assistants.
3. Restore the Office with seven positions, eliminating the three lowest priority positions. The restoration would require additional General Funds in the amount of \$362,155 in FY 2010 and \$363,186 in FY 2011. This option would support seven positions, the executive director, one management analyst, four ombudsmen (one ombudsman position was vacant), and one administrative assistant.
4. Restore the Office with eight positions, eliminating the two lowest priority positions. The restorations would require additional General Funds in the amount of \$384,287 in FY 2010 and \$385,609 in FY 2011. This option would support eight positions, the executive director, one management analyst, four ombudsmen, and two administrative assistants (one additional clerical position compared to option 3).

Mr. Abba said whether any of these options were selected by the Committee, the Fiscal Analysis Division staff requested the authority to make the necessary cost-allocation and related changes.

Vice Chair Leslie asked for input from the Committee. She said there was general consensus when the Committee had its joint work session with the Senate, that the Committee did not want to accept the Governor's recommendation to completely eliminate the Office. She said the Committee would consider either option 3 or option 4.

Assemblywoman Smith said she would like the Committee to consider option 4. This was one of the most important budgets that the Committee could restore. The Committee had heard so much testimony about the value of this Office and how much money the Office saved for constituents. With the economic situation causing more persons to lose their jobs and insurance, those persons needed assistance. Assemblywoman Smith was worried about completely eliminating the lower level staff positions to support the professional positions. This Office provided services needed by the public with few staff positions.

If the Committee needed to choose between option 3 and option 4, she would recommend option 4.

Vice Chair Leslie said Assemblyman Conklin and Assemblywoman Koivisto preferred option 4. Assemblyman Hardy said he was curious about the \$20,000 per year difference between option 3 and option 4, which represented one position and wondered whether that one position included all the associated benefits. Mr. Abba confirmed the difference between the two options was one position and included the associated benefits. Mr. Abba said there probably would not be much operating savings because this particular budget was small.

Assemblyman Hardy said the difference between option 3 and option 4 did not seem like it was a significant amount of money to add one facilitating position. Vice Chair Leslie said that was a good observation and commented when professional staff must complete all the clerical tasks, the state would tend to not get what it paid for.

ASSEMBLYWOMAN SMITH MOVED TO CLOSE BA 1003 AND RESTORE THE OFFICE TO EIGHT POSITIONS AS SHOWN IN OPTION 4 AND INCLUDE THE NECESSARY ADJUSTMENTS ACCORDING TO THE FISCAL ANALYSIS DIVISION STAFF RECOMMENDATION ON THE UNITEDHEALTHCARE SETTLEMENT, AND ANY OTHER NECESSARY FISCAL ANALYSIS DIVISION STAFF ADJUSTMENTS.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

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

BUDGET CLOSED

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ELECTED OFFICIALS
LIEUTENANT GOVERNOR (101-1020)
BUDGET PAGE ELECTED-42

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, explained the Lieutenant Governor's account was fairly small and contained only a few areas for potential savings. The first area for potential savings was out-of-state travel. The budget account (BA) 1020 included \$4,510 in each fiscal year (FY) for trips to China. The Division of Tourism had an office in China and Nevada was one of the few states that had an office in China. China could be an important potential or future site for economic and tourism purposes. The travel cost was one area the Committee could save some money.

Mr. Stevens said the second area for potential savings was a vacant Administrative Secretary position recommended for elimination, for a General Fund savings of \$59,448 in FY 2010 and \$59,920 in FY 2011. The third area for potential savings were decision units Enhancement (E) 670 and E674, which included the 6 percent salary reduction, the suspension of longevity payments, and implementation of the Spending and Government Efficiency (SAGE) Commission recommendations. The BA 1020 was the first budget account that contained an elected official's salary recommended for a 6 percent reduction. Mr. Stevens said the Committee did not need to make the salary decision today. Whatever decision the Committee made in the future, the

Fiscal Analysis Division staff would go back and "true-up" any required adjustments.

Mr. Stevens stated the fourth area for potential savings were decision units E710 and E711 for equipment. There were two replacement computers, three printers, and replacement of a desk and credenza and laptop computer for use by the chief of staff. The total funding recommendation for that equipment was \$8,888. Finally, there was \$1,540 to pay for Personal Computer/Local Area Network (PC/LAN) Tech Services (28 hours at \$55 per hour). The Office did not use any PC/LAN Tech Services in the past and this was requested in anticipation of future Office need for the services. Mr. Stevens said the Fiscal Analysis Division staff was not sure exactly what those funds would be used for so that was an area for potential savings.

Vice Chair Leslie asked whether anyone was present from the Lieutenant Governor's Office but no representative was present to provide information to the Committee. Assemblyman Denis wondered what that PC/LAN Tech Services would be used for because he imagined the Office would use the Department of Information Technology (DoIT) for its PC/LAN Tech Services, unless the Office contracted with an outside vendor. Assemblyman Denis had not seen a request for PC/LAN Services in any other state budget. He asked the Fiscal Analysis Division staff to ask the Office for additional information. Perhaps the Office needed support and he was not sure whether the Office had another line item in its budget to pay DoIT for computer support.

Mr. Stevens said the Committee could hold the budget, or close it and the Fiscal Analysis Division staff could report back to the Committee. He had pointed out this request to the Committee because the Office had not used PC/LAN Tech Services in the past, and this was an area for some potential savings.

Vice Chair Leslie noted the budget request was made in anticipation of the need for the PC/LAN services so it did not sound like something the Office needed immediately. Assemblyman Denis asked whether the PC/LAN Tech services were something the Office needed and whether the Office could make a request to the Interim Finance Committee (IFC) for funding. Mr. Stevens confirmed the Office could make a request to the IFC, or the Committee could close this budget with or without the PC/LAN Tech services, and the Committee could direct the Fiscal Analysis Division staff to obtain a full explanation of the item. Assemblyman Denis said that would be his recommendation.

Vice Chair Leslie asked about the request for the new desk and credenza and wondered whether the Office did not already have desks. Mr. Stevens said he was not sure why a new desk and credenza were needed and assumed the Office had a full complement of desks and credenzas already. However the Office may want to upgrade the furniture.

Vice Chair Leslie asked how much of the \$8,888 cost was devoted to replacing the desk and credenza. Mr. Stevens responded a desk and credenza cost was probably in the \$1,500 to \$2,000 range. He had not priced it exactly. Vice Chair Leslie said if the replacement was just for cosmetic purposes, the Committee could forego it in this budget crisis. If the desk and credenza were destroyed, or fell apart, then that would make a difference. If replacement was because the Office wished to upgrade the desk and credenza, then that money could be saved.

Assemblywoman Gansert asked the Fiscal Analysis Division staff to study this request again and report back to the Committee. Vice Chair Leslie suggested the Committee close the budget without this item and put the responsibility on the Office to justify its request. She suggested a motion to approve the budget without the desk and credenza and without the PC/LAN Tech Services. She also directed the Fiscal Analysis Division staff to communicate the Committee's concerns to the Office. If the Office would like make a serious request to fund these items, then the Committee could reopen its budget.

ASSEMBLYMAN DENIS MOVED TO CLOSE BA 1020 AS RECOMMENDED WITHOUT THE PC/LAN TECH SERVICES AND WITHOUT THE REPLACEMENT OF THE DESK AND CREDENZA AND WITH ANY NECESSARY ADJUSTMENTS BY THE FISCAL ANALYSIS DIVISION STAFF.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

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

BUDGET CLOSED

JUDICIAL BRANCH
JUDICIAL DISCIPLINE (101-1497)
BUDGET PAGE COURTS-67

Eric King, Program Analyst, Fiscal Analysis Division, explained budget account (BA) 1497 was funded entirely by General Funds. The first major item was a request for a new legal research assistant at a cost of \$57,182 in fiscal year (FY) 2010 and \$70,385 in FY 2011. The legal research assistant would be assigned to assist the general counsel/executive director with research, writing, and a significant records retention project during the 2009-2011 biennium.

Mr. King stated the Nevada Commission on Judicial Discipline indicated its workload increased so the Commission requested a new position. The number of complaints received by the Commission varied and had increased by approximately 28 percent since 2001. The Commission also indicated the position would be able to review complaints and reduce the workload of the executive director, who could then review the more significant and complex cases. Right now the only person reviewing complaints was the executive director because of his legal background. Requests for opinions from the Standing Committee that provided opinions for aspirants for judge positions and elected judges had increased. The Fiscal Analysis Division staff noted that five opinions were issued between calendar years 2003 and 2005. Twenty opinions were issued in 2006, 13 opinions were issued in 2007, and 20 opinions were issued in 2008. The question before the Committee was whether it wished to approve a new legal research assistant position to assist the Commission with legal research, writing, and a records retention project.

Vice Chair Leslie said the Committee heard testimony about why the Commission needed the legal research assistant. Assemblywoman Smith said the Commission made its case for that position, and she was inclined to approve the position rather than contract-out for that work later.

ASSEMBLYWOMAN SMITH MOVED TO APPROVE THE NEW LEGAL RESEARCH ASSISTANT POSITION THAT WOULD ASSIST THE COMMISSION AND COMMITTEE WITH LEGAL RESEARCH, WRITING, AND A RECORDS RETENTION PROJECT AND WITH ANY NECESSARY ADJUSTMENTS BY THE FISCAL ANALYSIS DIVISION STAFF.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

Eric King said the second major item in BA 1497 was a request for an increase in the base budget of \$93,887 in each year of the biennium to include funding of \$10,280 for private investigations and \$83,607 for outside legal counsel services. Since 2007, the Commission presented requests for Contingency Fund allocations to the Interim Finance Committee (IFC) twice for investigative services and outside legal counsel services. In FY 2007, the Commission requested \$13,000 to pay for investigative expenses, and in FY 2008 the Commission requested \$44,860 to pay for private investigators and \$51,200 for outside legal counsel services. The FY 2008 request for \$153,368 was approved by the IFC and extended through FY 2009 to take it through the 2007-2009 biennium to pay those costs. Based upon the information provided by the Commission, the increase in the base budget of \$93,887 in each year of the 2009-2011 biennium for private investigations and outside legal counsel appeared reasonable to the Fiscal Analysis Division staff.

Assemblyman Hardy was curious about the executive director doing background checks on complaints and wondered whether there was overlap between the background checks and the investigation of the complaints performed by the executive director. Mr. King responded the Commission indicated the outside legal counsel presented the case to the Commission in disputes or disciplinary actions to prevent the potential conflict of interest of the executive director. Mr. King did not believe there was any conflict or overlap.

Assemblywoman Gansert said it appeared any money not spent was reverted to the General Fund. Vice Chair Leslie said this was a difficult decision because it was hard to predict how much the Commission would need. Assemblywoman Gansert said the alternative was cutting funding now and permitting the Commission to request funds from the IFC. Vice Chair Leslie said one idea was to cut this request somewhat and let the Commission approach the IFC if more funds were needed.

Assemblyman Hardy asked whether the Commission could not request funds from the IFC instead of the Committee approving the request, or the Committee could make the funding contingent upon IFC's approval.

Mr. Stevens clarified what occurred during this past interim period. The Commission had several difficult cases. The Commission received approval of approximately \$150,000 or \$200,000 from the Contingency Fund. The Commission requested an increase in its budget to avoid making requests from the IFC during the interim. Mr. Stevens did not believe the IFC had ever denied a request from the Commission, because this budget did not contain much funding that could be moved around. If the Committee was comfortable that the Commission would need the money, it was probably better to give the Commission the money now versus having the Commission approach the IFC.

Mr. Stevens said the Committee had a couple of opportunities to cut some funds out and require the Commission to come to the IFC for additional funding for more meetings and training costs. Mr. Stevens said he believed the Commission would need some additional money requested for private investigations and outside legal counsel. The Committee could give the Commission all of the money requested, or could give the Commission some portion of the money requested.

Assemblywoman Gansert asked whether the pending cases before the Commission were closed now. She recalled the Commission had some major cases that were pending. Mr. King did not know the answer to that question. Mr. Stevens knew that one of the major cases was closed. The Commission indicated it had a couple of potential major cases coming up. Its caseload went up and down, depending on how many complaints it received. The Commission indicated overall its caseload was increasing, and its workload was a matter of how difficult those cases were that came up each fiscal year. If the cases were not difficult, then it was much easier for the Commission to survive with the funding that had been provided. If the cases were difficult, then the Commission needed to expend the resources to perform the investigative work to complete the case.

Mr. King said the Commission indicated it would spend that entire FY 2008 IFC Contingency Fund request prior to the end of FY 2009. Vice Chair Leslie asked if the Committee could approve \$50,000 for the Commission.

Assemblywoman Gansert said she would be comfortable approving \$50,000. Whenever the Commission came to IFC, the Commission always received the funds requested. Assemblyman Hardy asked whether Vice Chair Leslie meant to give the Commission \$50,000 up-front, and then the remainder of any required funds should be requested from the IFC. Vice Chair Leslie confirmed that was the suggestion. Assemblywoman Gansert asked whether that meant \$25,000 in the first year of the biennium and \$25,000 in the second year of the biennium.

Mr. Stevens said the Commission requested \$93,887 in each year of the biennium. Whether the Committee chose to approve \$50,000 in each year of the biennium, it would be the Fiscal Analysis Division staff's intention to work with the Commission to determine how to divide the amount between the two categories. Vice Chair Leslie clarified that the Committee may wish to authorize \$50,000 in each year of the biennium to the Commission.

ASSEMBLYWOMAN GANSERT MOVED TO APPROVE \$50,000 IN EACH YEAR OF THE 2009-2011 BIENNIUM FOR THE COMMISSION TO FUND PRIVATE INVESTIGATION SERVICES AND OUTSIDE LEGAL COUNSEL SERVICES WITH ANY NECESSARY ADJUSTMENTS BY THE FISCAL ANALYSIS DIVISION STAFF.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

Mr. King said decision unit Enhancement (E) 251 requested \$37,238 for the 2009-2011 biennium to allow the Commission members to hold four additional two-day meetings per year in Las Vegas. The Commission indicated it had additional rule changes to consider in conjunction with additional disciplinary hearings. Considering the 28 percent increase in the number of complaints

since 2002, this request appeared reasonable to the Fiscal Analysis Division staff.

Mr. King noted the base budget was increased for training purposes by \$6,214 in FY 2010 and by \$14,423 in FY 2011. The Commission indicated the training expenses could be reduced by \$2,480 in FY 2010 and \$6,606 in FY 2011. With those adjustments agreed to by the Commission, the Fiscal Analysis Division staff believed the recommendation appeared reasonable and requested approval to make adjustments for assessments required as budgets were closed.

Assemblywoman Smith said on decision unit E251 she assumed if the Commission did not hold the additional meetings, then that money would revert to the General Fund. Mr. Stevens clarified any of this money that was not expended would revert to the General Fund at the close of the fiscal year.

ASSEMBLYWOMAN SMITH MOVED TO APPROVE DECISION UNIT E251 BUT REDUCE THE TRAINING FUNDING BY \$2,480 IN FY 2010 AND \$6,606 IN FY 2011, AS RECOMMENDED BY THE FISCAL ANALYSIS DIVISION STAFF, AND APPROVE ANY NECESSARY ADJUSTMENTS BY THE FISCAL ANALYSIS DIVISION STAFF.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

BUDGET CLOSED.

Mr. Stevens said that concluded the actions required of the Committee on budget closings for today. On the Subcommittee side, about 18 percent of the budgets were closed. The easiest budgets had been closed. The Committee would start getting into the more major accounts soon, and tomorrow the Committee would begin closing the mental health budgets. The Committee would tackle more serious issues from this point forward.

Vice Chair Leslie said the Committee had just finished closing budgets and would now begin hearing the bills.

Assembly Bill 3 (1st Reprint): Requires each plot in each veterans' cemetery in this State to be landscaped with natural turf grass. (BDR 37-197)

Assemblyman Mark Manendo, Clark County Assembly District No. 18, presented Assembly Bill (A.B.) 3 (R1), on behalf of the Advisory Committee for a Veterans' Cemetery in Southern Nevada, of which he was a member. For many years, he helped raise money, cleaned up the cemetery, put American flags on every single gravestone on some holidays, and spent many hours working at the Veterans' Cemetery. He had dozens of friends buried there, including his own father. The cemetery was very personal to him. *Nevada Revised Statutes* (NRS) 417.200 addressed the two state veterans' cemeteries.

Assemblyman Manendo explained there were veterans' sections of other cemeteries around the state, even some cemeteries that called themselves veterans' cemeteries, but the state ran only two veterans' cemeteries in cooperation with the United States Department of Veterans Affairs (VA).

The two cemeteries were the Northern Nevada Veterans' Memorial Cemetery in Fernley and the Southern Nevada Veterans' Memorial Cemetery in Boulder City. There were over 23,000 veterans and their spouses buried in Boulder City and 5,500 buried in Fernley. He said Nevada's veterans deserved the beauty, sanctity, and peaceful environment provided at the two Nevada veterans' cemeteries.

In Assemblyman Manendo's first legislative session in 1995, he sponsored a bill to create the funding for the first Nevada veterans' home. At that time, Nevada was one of four states that did not have a veterans' home. Many persons wondered why a freshman legislator was sponsoring a bill for a veterans' home, when there were many opportunities for past legislators to sponsor a veterans' home bill. Approval took several years, but Nevada ended up establishing the first Nevada veterans' home. There were times that Nevada got it right. Nevada's two cemeteries were wonderful and Nevadans should be proud of them.

Assemblyman Manendo explained Nevada's two veterans' cemeteries had natural turf, which was real grass that grew. There was no artificial turf. He would like to keep it that way. The Advisory Committee had asked Assemblyman Manendo and Senator Hardy, who also served on the Committee, to sponsor A.B. 3 (R1) and work for approval. The intent was to keep the areas immediately surrounding the plots green with natural grass.

Assemblyman Manendo explained there were certain areas in the veterans' cemetery which he called common areas that had desert landscaping and the Advisory Committee had no problem with that. There were areas that were pathways, sidewalks, areas near the remains that had a piece of cement slab with a bench that persons may purchase, as he had done in honor of his father. The intent was not to change those areas and put in grass; those areas were fine the way they were.

Assemblyman Manendo explained he had heard from the public, veterans' organizations, and the Advisory Committee that they wanted to make sure Nevada's veterans' cemeteries remained without changes. He thought this legislative body and future legislative bodies would know best. He said the Committee might hear that some persons wanted the flexibility to be able to install artificial turf, which could cost hundreds or millions of dollars and require many hours to remove the existing grass and install the artificial turf. Those actions might have resulted in the mistaken concept there would be a fiscal cost. Assemblyman Manendo thought A.B. 3 (R1) would have no fiscal effect because the bill retained the existing turf in the cemeteries. Assembly Bill 3 (R1) would not require any changes and, thus, would result in no additional costs.

Vice Chair Leslie said she reviewed the first reprint of A.B. 3 (R1) and asked why the word "natural" was added to "turf grass." Assemblyman Manendo answered the Committee decided to use the word "natural" to ensure real grass was used. Vice Chair Leslie asked whether there was an effort to remove the grass. Assemblyman Manendo said there had been discussion about removing the grass. Vice Chair Leslie asked who controlled the cemeteries. Assemblyman Manendo said he thought the Department heads controlled the cemeteries. He knew that the persons who worked at the cemeteries did a wonderful job. But there had been some discussion over the years, and the Assembly Committee on Government Affairs heard testimony that some persons may want to switch to artificial turf in the future.

Assemblyman Manendo said there was talk about artificial turf being toxic. He believed there was a difference between playing on an artificial turf field versus a real grass field. He believed persons enjoyed spending time on a blanket having a picnic with their loved ones and saying their prayers at the cemeteries on natural grass instead of artificial turf. He would be concerned about artificial turf. He would also be concerned about the difficulty for visually impaired persons or persons using a walker or a motorized scooter trying to navigate over artificial turf or some type of desert landscaping. He knew there was a cemetery in Arizona with desert landscaping and it was ugly. He would not want that type of cemetery in Nevada. He thought Nevada's model should be the Arlington Cemetery.

Vice Chair Leslie asked whether A.B. 3 (R1) would change the way things were now at the Nevada veterans' cemeteries. Assemblyman Manendo answered that the cemeteries were wonderful, and he commended the staff and everyone who worked at the cemeteries. The cemeteries were beautiful places, and he wanted to keep it that way. He believed if anyone wanted to change it, they should come to a future legislative body and justify why they wanted to change something that was beautiful to put in rock or artificial turf.

Assemblyman Grady disclosed he was a member of the Advisory Committee for a Veterans' Cemetery in Northern Nevada, and he agreed with Assemblyman Manendo. Water was expensive for both cemeteries but was worth the money. Assemblyman Manendo thanked Assemblyman Grady for his service on that board.

Assemblyman Hardy said he understood A.B. 3 (R1) would keep natural what was natural and continue natural turf at any future sites. He asked if his understanding of the two separate and distinct issues in this bill was correct. Assemblyman Manendo confirmed Assemblyman Hardy was correct.

Tim Tetz, Executive Director, Office of Veterans' Services, testified he supported A.B. 3 (R1). He wanted to explain the fiscal note. When he took his job in 2006 with the Office of Veterans' Services, his predecessor and the deputy director brought photos from the Phoenix cemetery that showed a xeriscape cemetery with the dark contrast of gravel and dirt. Assemblywoman McClain had stated at that time xeriscape would be installed in Nevada cemeteries "over her dead body." Mr. Tetz agreed with Assemblywoman McClain and knew in his heart he did not want to install xeriscape in Nevada's cemeteries. He knew Nevada would not change from natural grass in the cemeteries. He vowed to keep green grass at Nevada's cemetery gravesites.

First, Mr. Tetz said his fiscal note contained some vagueness and was originally rejected by the Budget Division. His fiscal note explained A.B. 3 (R1) allowed cemeteries to maintain the current natural turf and imposed no fiscal cost. He asked the money committees to continue to appropriate money for water. The water rates had increased 70 percent at the Northern Nevada Veterans' Memorial Cemetery and 21 percent in southern Nevada during the last year. He anticipated water rates would continue to increase. Mr. Tetz said the cemetery Advisory Committees, the Commission, and the Legislature understood the cost of water was the price to maintain the beautiful grass at the cemeteries.

Mr. Tetz said his legal counsel was worried about the definition of "immediate vicinity" and "plot." Mr. Tetz interpreted the immediate vicinity as the area immediately surrounding the plot, and the plot was the actual gravesite. He hoped there would never be a xeriscape area two feet away from a plot. The

plot and the immediate vicinity must be grass per this law. Xeriscape was not the intent of A.B. 3 (R1), and he wanted to make certain that was on the record.

Secondly, Mr. Tetz had approximately 10 acres ready for burial at the Southern Nevada Veterans' Memorial Cemetery that was not planted with grass. His staff generally did not plant grass in a section of the cemetery until it had interred a veteran or spouse in that section. Staff planted grass in a section by section area. All those areas were ready for burial. Mr. Tetz wondered about the legal definition of when a plot became a plot. If staff could continue to plant grass following the interment, then the fiscal note would remain zero. He applauded Assemblyman Manendo for his sponsorship and supported A.B. 3 (R1).

Assemblyman Denis asked whether Mr. Tetz had looked at better and more efficient ways to water. Mr. Tetz answered he removed about 20,000 square feet of sod three years ago at the Southern Nevada Cemetery to decrease its water use. The cemetery currently only had areas of sod over the plot areas. Staff had done a variety of things to improve techniques of irrigation and looked for alternatives that would decrease water costs. He met with several horticultural grass and plant experts who showed him some other plants that did not require as much water or fertilizer, but passage of this bill would limit plants to only natural turf grasses.

Vice Chair Leslie wanted Mr. Tetz to confirm that the common areas that were now xeriscape or desert landscaping would not be converted to grass. Mr. Tetz confirmed that was true: he was not looking to convert anything that was not already grass into grass. Mr. Tetz said future expansion of the cemeteries or a wholesale retrofitting with artificial turf would be paid for by the federal government. Mr. Tetz said he would be responsive to the will of the Legislature, Advisory Committees, and other groups for future changes to the cemeteries.

Assemblyman Manendo appreciated the Committee hearing A.B. 3 (R1). He heard about drought problems 15 years ago, which was when the need to retain the natural grass was discussed. Vice Chair Leslie said she understood the beauty of the cemeteries was a matter of respect for the veterans, and the Legislature supported the veterans.

There being no further testimony on this bill, Vice Chair Leslie declared the hearing on A.B. 3 (R1) closed.

Assembly Bill 107 (1st Reprint): Creates the Advisory Committee for the Prevention and Treatment of Stroke and Heart Disease within the Health Division of the Department of Health and Human Services. (BDR 40-208)

Assemblyman John Ocegüera, Clark County Assembly District No. 16, presented Assembly Bill (A.B.) 107 (R1), which created the Advisory Committee for the Prevention and Treatment of Stroke and Heart Disease within the Health Division of the Department of Health and Human Services. The goal of the Advisory Committee would be to develop policies promoting and coordinating prevention, treatment, and rehabilitation of heart disease and stroke patients. Cardiovascular disease was the number one killer of men and women, and stroke was the third leading cause of death in the nation. He believed that this Advisory Committee could make a difference in saving lives in Nevada.

Assemblyman Ocegüera turned the Committee's attention to two sections in A.B. 107 (R1) that eliminated the need for a fiscal note on this bill. Subsection 6 of section 8 of A.B. 107 (R1) required the members of the Advisory Committee to serve without compensation. If money was available, then the members could receive per diem. Section 10 of A.B. 107 (R1) described the process for the Health Division to accept grants, gifts, donations, and bequests to carry out the provisions of section 2 through section 10 of A.B. 107 (R1). Ms. Christina Wood, Manager of Chronic and Communicable Disease Programs, Health Division, developed the fiscal note and would explain the changes made to the bill to eliminate the fiscal note.

Vice Chair Leslie said A.B. 107 (R1) was heard in the Assembly Committee on Health and Human Services, and the members who served on that Committee were familiar with the provisions of the bill. She asked about section 8 which explained the membership of the Advisory Committee and wondered whether those individuals had agreed to serve on the Advisory Committee without compensation.

Assemblyman Ocegüera responded that most of those representatives had worked on this bill during the interim. He could not say specifically that everyone agreed to serve without compensation, but most of the representatives were involved in the working group, and he assumed since they did that for free, they would also serve on the Advisory Committee for free as well.

Assemblyman Grady asked who determined whether sufficient money was available. Assemblyman Ocegüera answered that he believed the Health Division would make that determination.

Christine Wood, Manager, Chronic and Communicable Disease Program, Health Division, Department of Health and Human Services, testified that with the changes made in A.B. 107 (R1), the Health Division was willing to remove the fiscal note. She knew that heart disease was a major problem in Nevada. She said the Health Division was doing what it could to address the problem, but until federal or state funding became available, the Health Division had limited ability to work with the Advisory Committee.

Vice Chair Leslie said it appeared the representatives were supportive of the Advisory Committee and would volunteer to serve without compensation. She asked how the Health Division would interact with the Advisory Committee if no funding was available. Ms. Wood answered that the Division would normally prepare and post agendas, prepare and post minutes, and arrange travel. The Division would ask staff funded by other categorical grants to take time away from those grant duties to provide assistance to the Advisory Committee.

Vice Chair Leslie asked whether there were any potential federal grants or other sources of funding that could be pursued to fully fund the Advisory Committee. Ms. Wood answered that she had heard rumors at the federal level that grants that had been approved but not funded might be funded. She hoped that there would be some funding available but was not sure.

Assemblyman Ocegüera said since the state did not have the Advisory Committee in place, it was impossible to apply for grants. He said the state needed this language to apply for future federal grants.

Vice Chair Leslie asked whether anyone else wished to testify, and hearing none, she declared the hearing on A.B. 107 (R1) closed.

Assembly Bill 139: Requires the compilation, analysis and reporting of information concerning low-income housing and housing suitable for use by persons with disabilities. (BDR 25-225)

Assemblyman Marcus Conklin, Clark County Assembly District No. 37, explained Assembly Bill (A.B.) 139 was recommended by the Legislative Commission's Subcommittee to Study Mortgage Lending and Housing Issues, which was established by the 73rd Session of the Legislature in 2005. He chaired the Subcommittee during the interim. The Subcommittee addressed the development of an affordable housing database, which would provide a mechanism to understand the availability of housing and meet demand for housing. The housing demand was high and supply was low in 2005 and 2006, when many parts of the market in the state had a substantial boom in the housing market. Times were different now, but the need was still the same. The state must understand the needs in the housing market particularly as the need pertained to low-income housing and housing for persons with disabilities.

Assemblyman Conklin said Assembly Bill No. 255 of the 74th Session (2007) failed to pass during the last legislative session and was studied during the interim. The Subcommittee decided the database was still worthwhile to present to this legislative session. The housing market would eventually change, and when it did, low-income and disabled persons would be left out of the developmental side of building homes. The state needed access to information about the need for housing for low-income and disabled persons and how to meet that need.

Assemblyman Conklin stated the side effect of having such a database was the state could present data to federal agencies about its need and access more grants for the development of projects. Assembly Bill 139 was simple and allowed the Housing Division of the Department of Business and Industry to create a database, to access the database, and provide for housing needs for low-income and disabled persons. The bill allowed \$175,000 from the Affordable Housing Trust Fund to be used for the purpose of creating and maintaining the database. The persons who generally used that money were developers for low-income, senior, and disabled housing, and those developers would benefit from the database with better access to funding either through the Trust Fund or federal funds.

Assemblyman Hardy said the fiscal note he reviewed indicated a cost of \$175,000 to develop the database. Assemblyman Conklin confirmed the bill set aside \$175,000 out of the Affordable Housing Trust Fund to pay for the cost of developing the database. Assemblyman Hardy wondered whether the biennium cost would be \$255,000. Assemblyman Conklin confirmed he had allocated \$350,000 for the biennium, and maybe he could reduce the fiscal year (FY) 2011 cost to \$165,000.

Vice Chair Leslie mentioned there were a number of fiscal notes from the counties. She asked whether Assemblyman Conklin had looked at those fiscal notes. Some counties indicated no cost. The Nevada Association of Counties (NACO) said there would be no cost. Washoe County indicated it needed a 0.25 full time equivalent (FTE) position. Assemblyman Conklin said he had not looked at the counties' fiscal notes. He had spoken to the counties in the past, and the counties currently had to report about their programs to develop affordable housing. The housing information should be readily available and accessible via computer. The database would require a person to create it and pull data together from multiple jurisdictions, but that responsibility would not

fall on the counties. Assembly Bill 139 did not require the local governments to do any work; the Housing Division would do all the work.

Lon DeWeese, Chief Financial Officer, Housing Division, testified he authored the state fiscal note, and he also was very supportive of A.B. 139. He thought the 34 real estate cycles that had occurred in this country since George Washington was President provided sufficient data for the nation to learn lessons from each repeating cycle. This bill was very important in supporting data research. He believed the local governments had much of this housing data. He believed the local government costs were associated with gathering the data during the first period. Once that data was set up in the database to flow to the Housing Division, there would not be any additional costs associated with transmitting that data.

Mr. DeWeese said the state fiscal note was appropriate for the upcoming biennium as the state established the database and worked with the data elements coming from the upcoming census. Tracking persons that were homeless was difficult and the mix changed depending on the economic situation. For example, during this economic crisis, the homelessness increased quickly, and the biggest portion of the homeless population was unmarried women with children. When the economy was growing, the homeless population was different. It was important but difficult to track these various populations. This coming biennium would present many challenges.

Vice Chair Leslie asked whether the fiscal note was \$175,000 a year or \$255,000 over the biennium. Mr. DeWeese confirmed the state fiscal note was \$255,000 over the biennium. She asked whether he had seen the counties' responses, and Mr. DeWeese indicated he had not seen the county responses.

Vice Chair Leslie said Churchill County showed a cost of \$2,000 per year, Clark County showed zero cost (because it already had the database), Elko County showed a cost of \$10,000 per year and on-going, Lander County showed a cost of \$150,000, and Washoe County showed a cost of \$25,000 per year and ongoing.

Mr. DeWeese said he would defer to the representatives of the counties to address the county fiscal notes. He said some counties in the rural areas did not track a lot of this data. Vice Chair Leslie said Washoe County was not rural. She asked whether Assemblyman Conklin would investigate these county fiscal notes.

Lisa Gianolli, representing Washoe County, said she would follow-up with Washoe County staff on the fiscal note. Perhaps staff misunderstood the fiscal effect, and she would get the fiscal note corrected.

Assemblyman Conklin added he thought any expense to create the database would diminish. Once the database was created, it should be self-perpetuating. He recognized it may be more difficult to obtain the data in the rural areas. Clark County would have the largest portion of data and Clark already had a database. Vice Chair Leslie said Assemblyman Conklin should meet with the counties and work on the costs.

Susan Fisher, representing the Northern Nevada Motel Association and the Southern Nevada Multi-Housing Association, said her agencies represented over 150,000 units in southern Nevada, ranging from apartments to weekly or monthly leased units, and a smaller number of units in northern Nevada. Her agencies supported A.B. 139, which would require her members to send one

more report to one other office. Those members that had subsidized housing already had to comply with federal regulations on submitting reports of available units and the costs of those units. She thought this was a good bill and urged the Committee to support A.B. 139.

Assemblywoman Marilyn Kirkpatrick, Clark County Assembly District No. 1, testified she heard A.B. 139 in the Assembly Committee on Government Affairs, and the Committee talked to local governments. She said Assemblyman Goicoechea probably recalled during that hearing the Committee heard from local governments about the different grant processes available to obtain housing data for some of the smaller rural counties. The Committee did not hear a lot testimony because counties were not sure what the bill would entail. Assistance was available from several sources such as Help of Southern Nevada, which collected data. With the federal census coming, the Committee did not believe A.B. 139 would be detrimental but would actually help access federal grants and improve housing for low-income and disabled persons.

Julianna Ormsby, League of Women Voters of Nevada, testified affordable housing was a priority issue of the League at the national level and at the local level. She thanked Assemblyman Conklin and his Subcommittee for continuing to make affordable housing a priority issue in Nevada. She knew that funding was limited this legislative session. She testified in the Assembly Committee on Government Affairs in support of this bill. She sent the Committee members a web link to Utah, which had a model for an affordable housing database. The Utah database looked simplistic on the front, but it was user-friendly from both an agency standpoint and from an end-user standpoint. Utah provided affordable housing for a range of persons, including persons living with Human Immunodeficiency Virus (HIV), the homeless, and victims of domestic violence.

When Ms. Ormsby spoke with the Utah Department of Technology, it indicated a cost range of \$36,000 to \$48,000 to create the database. Utah used open source software that was free and readily available. The person who maintained the Utah database said maintenance was a very small part of her duties. She did some initial work in creating the database and collaborated with 2-1-1 in Utah to maintain the database, which she found helpful. The person who maintained the database in the Utah Housing Division said maintenance was a very small part of her job. The Division set up the database so that persons who wanted to list housing units could update the availability on a monthly basis with a unique password. The users were satisfied with the program.

Vice Chair Leslie said Assemblyman Denis was reviewing the Utah website now, which was interesting and gave the Committee a better idea of what the Nevada database might look like. Ms. Ormsby said Nevada could create reports out of the database and do more than Utah had done, but Utah's database could be a starting point. Vice Chair Leslie said the Committee wanted to do more than Utah had done.

Assemblyman Hardy asked whether there was a means or a mechanism to allow acceptance of funds other than loans, grants, or contributions from the federal government or state or any public body. Assemblyman Hardy wondered whether Nevada was interested in accepting other funds to create the database.

Assemblyman Conklin said the Affordable Housing Trust Fund could accept any other federal funds for organizations to construct a homeless database. The cities and counties that wanted to create a homeless database could apply

for Community Development Block Grant (CDBG) funds and other federal grants. The database was a big issue at the national level. The government wanted to track the data, make it available, and connect the data for consumers that needed housing. The available funding was probably set up in block grants available through the U.S. Department of Housing and Urban Development (HUD) and distributed to the local level. The state could accept money for the trust fund and spend it on the database. There was money out there for such a database, and the state just had to apply for it, and then there would be no cost at the city and county level.

Assemblyman Hardy said he wondered whether private industry wanted to contribute to the cost of the database, or was there sufficient money from the federal grants. Assemblyman Conklin answered he thought most of the available money was federal grants. If there was private money available, then that money would be spent in the development of housing units. Assemblyman Conklin said the better the economy, the less likely developers would develop housing for low-income and disabled persons, because that was not lucrative. He guessed there was more desire to see the database funded by entities that wanted to make sure that affordable housing was available, and that was not necessarily a private entity.

Vice Chair Leslie liked the Utah model. She noted that Utah had a better affordable housing network than Nevada, at least for persons with mental illness.

Julianna Ormsby said HUD had a national website which showed detail at the county level, but the website was for technology agencies. The HUD lost funding in 2005 for the website.

Vice Chair Leslie asked for testimony from any other persons, but hearing none declared the hearing on A.B. 139 closed.

Assembly Bill 528: Eliminates the requirement that the State Library and Archives be open to the public during certain days and hours. (BDR 33-1198)

Mike Fischer, Director, Department of Cultural Affairs testified the Department might need to reduce hours of operation at the Library as a result of several budget scenarios discussed. The statute required the Library be open for an eight-hour day. Assembly Bill (A.B.) 528 would delete the eight-hour per day requirement and would authorize the State Library and Archives administrator to designate the hours that the Library must be open for use of the public.

Vice Chair Leslie asked whether it was typical to specify in statute the hours that an office must be open and was there any similar requirement for the museums or other state institutions. Mr. Fischer said he was unaware of any other similar requirements. Vice Chair Leslie said this was a bill requested by the Department of Administration that was tied to the budget process.

Vice Chair Leslie asked for testimony from any other persons, but hearing none declared the hearing on A.B. 528 closed.

Vice Chair Leslie asked for public comment on anything relating to actions of the Committee today. Hearing none, she reminded members that the Subcommittee on Human Services and Capital Improvements would close

budgets of the Department of Health and Human Services tomorrow. There being no further business before the Committee, Vice Chair Leslie declared the meeting adjourned at 10:25 a.m.

RESPECTFULLY SUBMITTED:

Janice Wright
Committee Secretary

APPROVED BY:



Assemblywoman Sheila Leslie, Vice Chair

DATE: _____

EXHIBITS			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>April 13, 2009</u>		Time of Meeting: <u>9:05 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A	Agenda	
	B	Sign-In Sheet	