

MINUTES OF THE
SENATE COMMITTEE ON FINANCE

Seventy-fifth Session
May 14, 2009

The Senate Committee on Finance was called to order by Cochair Bernice Mathews at 8:11 a.m. on Thursday, May 14, 2009, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

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:

Senator Allison Copenig, Clark County Senatorial District No. 6
Assemblywoman Barbara E. Buckley, Clark County Assembly District No. 8

STAFF MEMBERS PRESENT:

Rick Combs, Senior Program Analyst
Scott Edwards, Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Alexander Haartz, Program Analyst
Eric King, Program Analyst
Heidi Sakelarios, Program Analyst
Michael Bohling, Committee Secretary

OTHERS PRESENT:

Dana K. Bilyeu, Executive Officer, Public Employees' Retirement System

COCHAIR MATHEWS:

We will begin the hearing with testimony on Senate Bill (S.B.) 318.

SENATE BILL 318 (1st Reprint): Revises provisions governing tuition paid by persons in the Armed Forces of the United States and by veterans at campuses of the Nevada System of Higher Education. (BDR 34-744)

SENATOR ALLISON COPENING (Clark County Senatorial District No. 6):

Senate Bill 318 is being heard by the Senate Committee on Finance because it had a fiscal note in its original form. The reason for the fiscal note, approximately \$2 million, was because S.B. 318 was drafted incorrectly. This bill provides that members of the Armed Forces of the United States must be on active duty and stationed in Nevada to receive free tuition. In addition, this bill provides that tuition must also be free for veterans of the Armed Forces of the United States who were on active duty and stationed at a military installation in

the State of Nevada or certain other military installations on the date of their honorable discharge.

The Committee has been provided with a revised fiscal note ([Exhibit C](#)) for S.B. 318. The revised fiscal note essentially brings the fiscal impact to zero and is fully supported by the Nevada System of Higher Education (NSHE).

COCHAIR MATHEWS:

If there are no further comments on S.B. 318, we will discuss the budgets of the Department of Motor Vehicles (DMV).

SCOTT EDWARDS (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on Public Safety, Natural Resources and Transportation of the Senate Committee on Finance and the Assembly Committee on Ways and Means completed its review of the budgets for the DMV and developed the following closing recommendations.

Under section 408.235 of the *Nevada Revised Statutes* (NRS), the DMV may not expend more than 22 percent of the fees collected from the Highway Fund toward the cost of administration, excluding gasoline tax. Due to a decline in Highway Funds and authorized revenues caused by the economic downturn, the Agency's funding available under the existing 22-percent cap on administration expenses is also declining.

The Governor recommended a revision in funding sources for the Agency, whereby certain authorized revenues will be replaced with direct Highway Fund appropriations. In addition, the Governor recommended statutory amendments to reduce the Agency's cap on Highway Funds available for administration from 22 percent to 20 percent, while including motor vehicle gasoline tax revenue in the calculation of the cap.

The Subcommittee did not approve the Governor's recommendations to amend the statute or revise funding sources for the Agency as described. The Subcommittee approved Highway Fund reductions within the Department's budgets, as well as the use of 22 percent annually of the special plates trust account funds and redirection of Insurance Verification Program funds to offset Highway Fund requirements in the amount of \$5.75 million in fiscal year (FY) 2009-2010 and \$6.75 million in FY 2010-2011. This maintains the Department's budgets within the 22-percent cap in each year of the 2009-2011 biennium.

The Subcommittee's action leaves funding authority of approximately \$775,000 in FY 2009-2010 and \$740,000 in FY 2010-2011 under the cap, respectively. Assembly Bill (A.B.) 547 has been introduced to provide for the use of Insurance Verification Program proceeds to pay for the expenses related to the operations of the Department.

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

SENATOR RAGGIO:

By offsetting Highway Fund reductions with Insurance Verification Program funds, how much funding will remain in the Verification of Insurance account?

MR. EDWARDS:

After the redirection of funds to offset Highway Fund requirements, the amounts remaining in the Verification of Insurance account will be approximately \$8.1 million in FY 2009-2010 and \$7 million in FY 2010-2011.

In addition to the budget reductions recommended by the Governor, the Subcommittee approved the elimination of 106 vacant positions, related worker-driven costs, and other nonpersonnel expenses identified to achieve approximately \$8.1 million in Highway Fund reductions in FY 2009-2010 and \$8.2 million in FY 2010-2011. Beyond the initial 106 positions identified for elimination, the Agency proposed the elimination of an additional 18 vacant positions throughout the Department which it identified as more critical to operations. These 18 positions were prioritized, with the Subcommittee approving the elimination of 11 of the lowest priority positions, generating additional Highway Fund reductions of approximately \$590,000 in FY 2009-2010 and \$596,000 in FY 2010-2011.

Of the 117 total positions approved for elimination, 86 positions are budgeted in the Field Services account, with 83 DMV technicians and 3 DMV supervisors. Of the technicians to be eliminated, the Agency has reported 61 are assigned to the 4 metropolitan field offices in Las Vegas. Based upon data received from the Agency, the wait times in the southern metropolitan offices have remained under one hour, and the monthly average for the Galletti Way office in Reno has been 22.1 minutes. In consideration of the positions to be eliminated in field offices, as well as the closure of select field offices in the northern region, the Subcommittee has been advised transaction volumes in field offices have declined, which is primarily due to the economic downturn. Furthermore, the Subcommittee noted the increase in alternative services available for citizens to complete transactions via the Internet and kiosks.

SENATOR RAGGIO:

It is my understanding the Reno Express, Sparks Express, and Gardnerville field offices are to be closed. Where will the customers of those offices receive service?

MR. EDWARDS:

The proposed budget reductions, which include closing the Reno Express, Sparks Express, and Gardnerville field offices, were considered and deliberated by the Subcommittee. The Agency proposed the closure of the Reno and Sparks Express offices during the current biennium when they began experiencing a decline in revenue. The Agency provided a functional analysis of transaction volumes associated with the Reno and Sparks Express offices which indicate the transactions at those offices can be absorbed by the Galletti Way office in Reno. The Agency indicated average wait times at the Galletti Way office would increase by approximately ten minutes, from 22 to 32 minutes, after absorbing customers from the other two locations.

SENATOR RAGGIO:

Where will the customers from the Gardnerville office go for service?

MR. EDWARDS:

The Gardnerville office was considered for closure, but not proposed, during the current biennium. To identify further reductions for the Department to achieve operations within the 22-percent cap, the Gardnerville office was reviewed in terms of its functionality and the citizens it serves. Douglas County residents living in the Lake Tahoe area have the option of going to the Douglas County Assessor's Office for routine DMV services in Stateline.

There will be a greater impact on residents who reside in the Wellington, Smith Valley and Topaz Lake area, who will be required to commute longer distances to Yerington or Carson City. The Subcommittee directed the Agency to retain a kiosk within the Gardnerville location to provide routine services to residents of the area in the absence of a full service office.

SENATOR RAGGIO:

Are the Reno and Sparks Express offices located on rental properties?

MR. EDWARDS:

Yes.

SENATOR RAGGIO:

Will they be liable for future rent payments in their lease agreements?

MR. EDWARDS:

The Agency has provided Fiscal Staff copies of the language included in its standard lease agreements. This language provides the Agency the opportunity to terminate leases upon the cessation of funding as determined by the Legislature.

SENATOR RAGGIO:

Will the employees in those offices face layoffs or will they be transferred?

MR. EDWARDS:

Regarding this issue, no layoffs are proposed as a result of any of the actions taken by the Subcommittee. The employees currently staffing the Reno and Sparks Express offices are actually employees of the Galletti Way office. They are assigned on a rotation basis to operate within those satellite offices. They will be permanently assigned to the Galletti Way office to serve the resulting increase in transactions.

SENATOR RAGGIO:

If we are retaining the same number of employees, why will the wait time increase?

MR. EDWARDS:

With the closure of the Express offices, it is anticipated the number of citizens visiting those offices would be redirected to the Galletti Way office and increase that office's transaction volume. To some extent, reassigning the Express office's employees to the Galletti Way office will benefit its ability to withstand increases in wait times, but the Agency estimates the increased transaction volume will accelerate wait times by approximately ten minutes.

SENATOR RAGGIO:

This will be inconvenient for many people.

SENATOR COFFIN:

The Subcommittee discussed this issue at length. The wait times in southern Nevada are approximately one hour, and comparatively, the Subcommittee members did not think a 32-minute wait time was unreasonable.

MR. EDWARDS:

Highway Fund reductions approved by the Subcommittee include reductions in overtime, travel, training expenses and equipment. Agency-specific reductions were also approved in expenses associated with the kiosk program, tag plant materials, driver's license photo and electronic payment fees, Real ID implementation costs, and the elimination of two new positions recommended for the hearings account. The Subcommittee also approved an Agency proposal to begin mailing renewal notifications with postcards rather than envelopes to reduce annual printing and postage expenses. This action requires a statutory amendment to NRS 482.280. The Agency proposed an amendment to A.B. 547 yesterday morning to include language which would allow the DMV to achieve these savings.

The Subcommittee approved the closure of the Reno Express, Sparks Express, and Gardnerville field offices, including Highway Fund reductions of approximately \$550,000 in FY 2009-2010 and \$575,000 in FY 2010-2011. The Agency reported existing staff associated with the Reno and Sparks Express offices will be permanently assigned to the Galletti Way field office in Reno, and the Gardnerville field office staff will be reassigned to Carson City, Reno, or other offices as needed by the Agency.

The first account is the Director's Office, budget account (B/A) 201-4744.

PUBLIC SAFETY

MOTOR VEHICLES

DMV - Director's Office – Budget Page DMV-1 (Volume III)
Budget Account 201-4744

The Subcommittee approved the reduction of staffing and replacement equipment to address the 22-percent cap, as discussed in the overview.

The next item is the Real ID account, B/A 201-4746.

DMV - Real ID – Budget Page DMV-6 (Volume III)
Budget Account 201-4746

The Real ID Act was signed into law by President Bush on May 11, 2005, creating national standards for issuing state driver's licenses and identification cards, and originally requiring each state to issue Real ID-compliant driver's licenses and identification cards by May 11, 2008. The Department of Homeland Security (DHS) released the final rule for the Real ID Act on January 11, 2008, which allows for a phased approach to implementation, extending deadlines, risk-based/age-based enrollment, increasing flexibility for states, and the availability of federal grants.

In FY 2007-2008, the State applied for, and the DHS granted, an extension to achieve material compliance by December 31, 2009. In FY 2008-2009, the

DHS awarded an approximate \$1.7 million Real ID demonstration grant to the State, with an additional \$1.2 million awarded for Nevada to collaborate with the lead state, Mississippi, and other lead pilot project states, Indiana and Florida, in the development of a Real ID verification hub. The federal grants will allow the Department to accomplish tasks to achieve material compliance by December 31, 2009, and full compliance by May 11, 2011.

The Governor recommended approximately \$1.5 million in Highway Funds over the 2009-2011 biennium for completing the implementation of Real ID, including a public information campaign, regulation workshops and hearings, field office modifications, a centralized Real ID call center with temporary staff and identity verification expenses. The Agency has been awarded additional federal assistance under the Driver's License Security Grant Program, which includes funding of \$833,717 over the biennium, with corresponding reductions to Highway Funds recommended by the Subcommittee. In addition, the Agency has identified additional existing federal funds to offset \$342,240 in program manager contract fees over the biennium which the Subcommittee considered to further reduce Highway Fund requirements.

In total, the Subcommittee approved Staff recommendations to use Highway Funds in the amount of \$325,639 and federal fund authorizations of approximately \$1.2 million over the biennium to complete Real ID implementation. Senate Bill 52 has been introduced to achieve statutory amendments necessary to implement the requirements of the Real ID Act in Nevada. Passage of S.B. 52 is required to implement the Real ID budget.

SENATE BILL 52: Revises provisions relating to drivers' licenses and identification cards to facilitate implementation of the federal Real ID Act of 2005. (BDR 43-391)

SENATOR RAGGIO:

It is extremely important to remain on schedule with the implementation of the Real ID program. When is this Committee scheduled to process S.B. 52?

COCHAIR MATHEWS:

Senate Bill 52 is scheduled to be processed in today's meeting.

SENATOR COFFIN:

Was any language amended into S.B. 52 during yesterday's meeting of the Assembly Committee on Ways and Means?

MR. EDWARDS:

The amendment in yesterday's meeting of the Assembly Committee on Ways and Means was made to A.B. 547 and did not involve the Real ID Act.

The next item is the Hearings account, B/A 201-4732.

DMV - Hearings – Budget Page DMV-10 (Volume III)
Budget Account 201-4732

The Governor recommended one new driving under the influence (DUI) adjudicator and one legal secretary, as well as related furniture, equipment and operating expenses, to conduct DUI hearings on a timely basis. Pursuant to NRS 484.387.1, hearings concerning the revocation of a person's driver's

license must be conducted within 15 days of receipt of the request, or as soon as practicable. The Subcommittee did not approve the Governor's recommendation for the new positions in order to generate savings for the Department to remain within the existing 22-percent cap and based upon the fact this recommendation would reduce, but not eliminate, the average delay in hearings.

The next item is the Automation account, B/A 201-4715.

DMV - Automation – Budget Page DMV-17 (Volume III)
Budget Account 201-4715

The Subcommittee did not approve the Governor's recommendation to replace authorized revenues with Highway Fund appropriations, as previously noted. The Subcommittee approved reductions in replacement equipment to address the 22-percent cap, as well as technical adjustments for revenues and budgetary amendments.

The next item is the Administrative Services account, B/A 201-4745.

DMV - Administrative Services – Budget Page DMV-23 (Volume III)
Budget Account 201-4745

The Subcommittee approved the Governor's recommendation to eliminate one supply technician for this account, which has been vacant since November 2007. The Subcommittee did not approve the Governor's recommendation to replace authorized revenues with Highway Fund appropriations. Instead, the Subcommittee approved reductions in staffing and replacement equipment to address the 22-percent cap, as well as technical adjustments.

The next item is the Compliance Enforcement account, B/A 201-4740.

DMV - Compliance Enforcement – Budget Page DMV-30 (Volume III)
Budget Account 201-4740

The Governor recommended a transfer of one vacant DMV technician position from the Central Services account, B/A 201-4741, to Compliance Enforcement to perform duties attributed to undercover law enforcement activities. The Agency agreed to continue its current practice of using other existing staff to perform these functions and the transfer recommendation may be eliminated. As a result, the Subcommittee did not concur with the Governor's recommendation and eliminated the vacant DMV technician position to maintain the existing 22-percent cap.

The Subcommittee approved other staff recommendations, including Highway Fund reductions in staffing and replacement equipment, as well as technical adjustments. The Subcommittee also approved a budget amendment which transferred one compliance/audit investigator position from the Consumer Affairs Division, recommended by the Governor for elimination, to the Compliance Enforcement Division to continue to perform functions associated with consumer recovery involving vehicle sales, garages and repair shops. Bill Draft Request (BDR) 18-1201 has been established to eliminate the

Consumer Affairs Division and transfer the appropriate responsibilities related to the transferred position to the DMV.

BILL DRAFT REQUEST 18-1201: Eliminates Consumer Affairs Division. (Later introduced as A.B. 561.)

The next item is the Motor Vehicle Pollution Control account, B/A 201-4722.

DMV - Motor Vehicle Pollution Control – Budget Page DMV-37 (Volume III)
Budget Account 101-4722

The Subcommittee concurred with the Governor's recommendations for this account, including the addition of one new supervisory compliance enforcement investigator position to reduce the employer-to-supervisor ratio for the southern region, and funding for a smoking vehicle hotline in both Clark and Washoe Counties. The Subcommittee also approved a budget amendment for this account which restored transfers from the Pollution Control account to the Department of Agriculture, the State Environmental Commission and the Tahoe Regional Planning Authority, as well as technical adjustments.

The next item is the Central Services account, B/A 201-4741.

DMV - Central Services – Budget Page DMV-45 (Volume III)
Budget Account 201-4741

The Subcommittee approved the Governor's recommendations for this account to eliminate a total of six vacant DMV technicians associated with functions including registration renewal by mail, centralized call center, and the title section's night shift, based upon the implementation of alternative technologies such as the Internet, kiosks, emission stations and operational efficiencies. The Subcommittee did not concur with the Governor's recommended revision in funding sources for this account, and approved reductions in staffing, replacement equipment and tag plant materials to address the 22-percent cap, as well as technical adjustments.

The next item is the Verification of Insurance account, B/A 201-4731.

DMV - Verification of Insurance – Budget Page DMV-53 (Volume III)
Budget Account 201-4731

The Subcommittee approved reductions in staffing and replacement equipment to address the 22-percent cap, as well as technical adjustments. In addition, the Subcommittee approved the reduction in Highway Fund reversions, totaling \$5.75 million in FY 2009-2010 and \$6.75 million in FY 2010-2011, with corresponding transfers to the Field Services account and Central Services account to reduce Highway Fund requirements and address the 22-percent cap.

The next item is the Records Search account, B/A 201-4711.

DMV - Records Search – Budget Page DMV-58 (Volume III)
Budget Account 201-4711

The Subcommittee did not concur with the Governor's recommended revision in funding sources for this account and approved reductions in staffing, new

equipment, and replacement equipment to address the 22-percent cap, as well as technical adjustments.

The next item is the Field Services account, B/A 201-4735.

DMV - Field Services – Budget Page DMV-64 (Volume III)
Budget Account 201-4735

The Subcommittee approved the Governor's recommendations for this account to eliminate a total of seven vacant DMV technician positions associated with the Fernley and North Las Vegas field offices, which were approved by the 2007 Legislature but never established due to budgetary reductions, in response to a decline in revenues. Although the circumstances surrounding the need for these offices do not appear to have changed since they were originally approved, the Agency reported it is exploring partnerships with local governments to establish kiosks in these areas and provide services. The Subcommittee did not concur with the Governor's recommended revision in funding sources for this account, and approved reductions in staffing, transfers, and replacement equipment to address the 22-percent cap, as well as technical adjustments.

The next item is the Motor Carrier account, B/A 201-4717.

DMV - Motor Carrier – Budget Page DMV-72 (Volume III)
Budget Account 201-4717

The Subcommittee did not concur with the Governor's recommended revision in funding sources for this account but approved the Governor's recommendation to eliminate one vacant administrative assistant position which has been vacant since June 2008. The Subcommittee also approved reductions in staffing and replacement equipment to address the 22-percent cap, as well as technical adjustments.

The final item is the Research and Development account, B/A 201-4742.

DMV - Research & Development – Budget Page DMV-79 (Volume III)
Budget Account 201-4742

The Subcommittee approved reductions in staffing and replacement equipment to address the 22-percent cap, as well as technical adjustments.

In addition to the information provided to the Committee, there is information which provides the Subcommittee-approved Highway Fund adjustments and reductions to achieve reductions and remain within the 22-percent cap.

SENATOR WOODHOUSE MOVED TO CLOSE B/A 201-4744, B/A 201-4746, B/A 201-4732, B/A 201-4715, B/A 201-4745, B/A 201-4740, B/A 101-4722, B/A 201-4741, B/A 201-4731, B/A 201-4711, B/A 201-4735, B/A 201-4717, AND B/A 201-4742 AS RECOMMENDED BY THE SUBCOMMITTEE; AND TO GIVE STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

THE BUDGETS ARE CLOSED.

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COCHAIR MATHEWS:

We will now hear testimony on A.B 493.

ASSEMBLY BILL 493 (1st Reprint): Requires the Public Employees' Retirement Board to identify and report concerning investments of money from the Public Employees' Retirement System in certain scrutinized companies with certain business activities or connections to Iran's petroleum sector. (BDR 23-1232)

ASSEMBLYWOMAN BARBARA E. BUCKLEY (Clark County Assembly District No. 8): Things in Iran have not markedly improved since the American Embassy in Tehran was stormed and 52 Americans were held hostage for 444 days. The United States government has outlined the following objections to official behavior by Iran:

- Iran's support for international terrorism.
- Iran's effort to acquire nuclear weapons.
- Iran's support for violent opposition to the Middle East peace process.
- Iran's dismal record on human rights.

Iran remains an active state sponsor of terrorism. Its Islamic Revolutionary Guard and Ministry of Intelligence and Security were directly involved in the planning and support of various terrorist acts, including the bombing of western embassies in Kuwait and the plot to overthrow the Bahrain government. Senior Iraqi officials have expressed concern over Iranian interference in Iraq. Iran has been publicly accused of providing funding, safe passage and arms to militant groups engaged in destabilization efforts which are killing American and coalition troops in Iraq.

This Committee is familiar with these facts. By Executive Order and Congressional Legislation, most trade with Iran is prohibited. Commercial relations consist mainly of Iranian purchases of food and medical products. Assembly Bill 493, as amended, requires the Public Employees' Retirement System (PERS) to report to the Legislature each biennium on its investments in companies actively engaged in investing in companies which conduct business in Iran which directly and significantly contribute to the enhancement of Iran's ability to develop its petroleum resources. The definition specifically excludes retail sale gasoline and consumer products.

This bill is directly patterned on House Bill 211 which passed the Utah Legislature this year. Other states have passed similar, and, in some cases, stronger measures. California recently passed a bill prohibiting the investment of PERS funds and companies with specified business in Iran. While this Legislature cannot interfere with investments undertaken by the PERS, this does not mean the PERS cannot be held to public account on the amount it invests in, and profits from, companies which actively do business with a country engaged in undermining our military efforts and whose public statements are intended to incite anti-Americanism and derail the Middle East peace process.

I have provided the Committee a list of PERS investment accounts currently engaged in investing in companies which conduct business with Iran ([Exhibit D](#)).

SENATOR RAGGIO:

We have had a number of similar resolutions over the years. The PERS Board has always taken the position it was counterproductive to limit their ability to invest in companies which have some nexus to rogue countries. I see in [Exhibit D](#) the PERS has investments in companies involved in conducting business with Iran. Does the PERS board have any concern with this transparency in investments?

ASSEMBLYWOMAN BUCKLEY:

The bill was originally drafted to prohibit these investments. We are limited because we are constitutionally prevented from dictating the companies in which the PERS invests and the bill was amended. Investment strategy changes behavior. It worked in South Africa. Transparency is a means in which this Legislature can affect the current situation.

DANA K. BILYEU (Executive Officer, Public Employees' Retirement System):

Assembly Bill 493 requires the Retirement Board to identify and report certain investments of the PERS in companies doing business in the country of Iran. The Retirement Board has adopted a neutral position on AB 493 because this is a reporting bill only. The PERS currently provides investment information to the Interim Retirement and Benefits Committee of the Legislature and is prepared to provide any further information regarding holdings of the System as may be required by this bill.

Article 9, Section 2, of the *Constitution of the State of Nevada* requires all investment decisions must be made for the exclusive financial benefit of the members and beneficiaries of trust funds, preventing consideration of social issues in the investment decision process. In keeping with past requests for information on the investments of the trust, we will certainly provide the requested information.

Lists regarding Iran-related investments are not readily available. There are a couple of companies which sell this information, but the provisions in AB 493 require we utilize only public information to identify companies which have investments in Iran. In researching this issue, we reviewed the portfolio for exposure to investments which may fall within this reporting requirement. Because of the conservative nature of the fund, there are only a few investments, based upon publicly available lists, which would be reportable.

The single largest holding is Royal Dutch Shell Petroleum, the second-largest oil company in the world. It is a European firm contained in the Morgan Stanley Europe, Asia and Far East Index and is considered a global company with holdings all over the world. Royal Dutch has over 100,000 employees, less than 1 percent of which are located in Iran. For comparison, over 23,000 people are employed by Royal Dutch within the United States. Because these are significant multinational corporations, it is difficult to remove them from the fund without potentially impacting the returns for the best interest of the members and beneficiaries of the fund.

SENATOR RAGGIO:

This is a worthy goal. When you have many investment managers and the portfolio is changing from month-to-month, it is difficult to determine whether or not an investment has a connection to Iran.

Ms. BILYEU:

The PERS Board will do the research and provide information as required by the bill.

SENATOR RAGGIO:

The provision in the *Constitution* requiring all investment decisions to be made for the exclusive financial benefit of the PERS members is absolutely necessary. If we begin to make investments based primarily on social considerations, we would do a disservice to our own economy.

COCHAIR MATHEWS:

If there is no further testimony on A.B. 493, we will take action on S.B. 52. We heard this bill on March 16 and it faced no opposition.

SENATOR RAGGIO MOVED TO DO PASS S.B. 52.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:

We will now hear the closing presentation for the Western Interstate Commission for Higher Education (WICHE) budgets.

ALEX HAARTZ (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on K-12/Higher Education of the Senate Committee on Finance and the Assembly Committee on Ways and Means completed its review of the WICHE Loan and Stipend budget for the 2009-2011 biennium. The Subcommittee approved the Governor's recommendation that the WICHE program be administratively transferred to the Nevada System of Higher Education (NSHE). The first budget is the WICHE Loan and Stipend account, B/A 614-2681.

EDUCATION

WICHE

W.I.C.H.E. Loan & Stipend – Budget Page WICHE-1 (Volume I)
Budget Account 614-2681

The Subcommittee did not agree with the Governor's recommendation that the revenues and expenditures in this account be merged into the NSHE System Administration budget, B/A 101-2986, and that this account be eliminated from the *Executive Budget*. Instead, the Subcommittee recommends all Loan and Stipend Program revenues and expenditures be restored to this budget account and this budget be continued as part of the *Executive Budget*.

NSHE

NSHE - System Administration – Budget Page NSHE-1 (Volume I)
Budget Account 101-2986

The Subcommittee approved the Governor's recommendation to reduce General Fund support by a combined amount of \$168,581 in FY 2009-2010 and \$201,615 in FY 2010-2011. In doing so, the Subcommittee recommends 115 slots in the fields of dentistry, optometry, pharmacy, physical therapy, nursing, mental health, physician assistant, veterinary medicine and teaching of hearing-impaired students be funded in FY 2009-2010 and 114 slots funded in FY 2010-2011. The Subcommittee's recommendation does not result in slot reductions compared to the current fiscal year, as the WICHE program reduced slots to a maximum of 115 in FY 2008-2009 to meet mandated budget reductions.

The Subcommittee concurred with the *Executive Budget* that General Funds for support fees paid to schools on behalf of the WICHE students be reduced by \$24,600 in each year of the 2009-2011 biennium. While most support payments decrease by \$500 a year, other support payments increase by between \$200 and \$1,000 per year. Spreading the General Fund reduction across the approved professions appears to be a reasonable approach, rather than eliminating payments for a particular profession or reducing slots.

The Subcommittee heard the issues of whether or not interest income, loan repayment and stipend repayment revenues built into the *Executive Budget* are overstated. Based upon a review by Fiscal Analysis Division Staff, the NSHE staff, the WICHE and the Budget Division, Department of Administration, the consensus was, as built based upon three-year average collections, sufficient revenues should be collected to fully fund the recommended slots. The notable distinction is that the total recommended 2009-2011 biennium revenues will continue to be contingent upon the WICHE graduates accelerating their loan and stipend payments, in essence paying off their debt early. If graduates do not continue this payment trend in either FY 2009-2010 or FY 2010-2011, the program may not have sufficient fee revenues, and program slots will need to be held vacant.

Finally, the Subcommittee recommended the 2007 Legislature's Letter of Intent, pertaining to the WICHE's ability to reallocate slots among professional fields based upon student demand, be reissued for the 2009-2011 biennium and amended to include reporting on fee revenue shortfalls which require slots to be held vacant.

COCHAIR MATHEWS:

Why are we still funding the dentistry, nursing, physical therapy and pharmacy programs when we have these programs in Nevada?

MR. HAARTZ:

The 1997 Legislature established the Health Care Access Program (HCAP) in conjunction with the traditional programs in which students go out-of-State for education. The HCAP provides an opportunity under which Nevada residents can attend if there is a school in-State in addition to attending a program out-of-State.

COCHAIR MATHEWS:

Upon graduation, are these students still obligated to serve in Nevada?

MR. HAARTZ:

Yes.

The next item is the WICHE Administration budget, B/A 101-2995.

W.I.C.H.E. Administration – Budget Page WICHE-7 (Volume I)
Budget Account 101-2995

While the Subcommittee approved the Governor's recommendation that the WICHE program be administratively transferred to the NSHE, the Subcommittee did not agree with the Governor's recommendation to merge revenues and expenditures in this account into the NSHE System Administration budget. In disagreeing, the Subcommittee recommends the General Fund appropriation, which supports the WICHE administrative expenditures, be restored to this account and this budget be continued as part of the *Executive Budget*.

The Subcommittee only partially concurred with the Governor's recommendation to eliminate two positions for the 2009-2011 biennium. While the Governor recommended the unclassified director position and the classified accountant technician position be eliminated for budget savings, the Subcommittee disagreed with respect to the accountant technician and recommended the elimination of a vacant half-time program officer position instead. In addition, the Subcommittee approved two other modifications requested by the WICHE Commission and the NSHE:

- The Subcommittee approved a salary adjustment for the program officer position of five percent to reflect the assumption of some duties previously performed by the director position, at \$2,996 in FY 2009-2010 and \$2,991 in FY 2010-2011;
- The Subcommittee approved the WICHE paying the NSHE, as a direct charge, \$17,993 in each fiscal year to cover the cost of a 0.20 full-time equivalent NSHE position which will provide financial oversight and assistance with the WICHE's transition to the NSHE financial system.

Collectively, the changes to the *Executive Budget* have the effect of reducing General Fund savings by \$56,105 in FY 2009-2010 and \$55,069 in FY 2010-2011. As a result, the Subcommittee recommends total General Fund support of \$310,812 in FY 2009-2010 and \$315,815 in FY 2010-2011 for the WICHE Program Administration. The Subcommittee recommended closing the remainder of the WICHE budget as recommended by the Governor, with technical adjustments by staff.

SENATOR RAGGIO MOVED TO CLOSE B/A 614-2681 AND B/A 101-2995 AS RECOMMENDED BY THE SUBCOMMITTEE; AND TO GIVE STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

THE BUDGETS ARE CLOSED.

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COCHAIR MATHEWS:

We will now hear the closing presentation for the budgets of the Department of Health and Human Services (DHHS).

RICK COMBS (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on Human Services and Capital Improvement Programs of the Senate Committee on Finance and the Assembly Committee on Ways and Means has developed the following recommendations for the Director's Office of the Department of Health and Human Services (DHHS). The recommendations increase General Fund appropriations for the Department by \$1,262,463 in FY 2009-2010 and \$1,589,769 in FY 2010-2011.

The Subcommittee approved the Governor's recommendation to transfer the Office of Disability Services, the Senior Rx and Disability Rx programs from the Director's Office to the Division for Aging Services to create a new Division for Aging and Disability Services. The Subcommittee determined the transfer of the programs would create efficiencies and bring together common services which seniors and disabled persons most often need; it will result in better coordination of services provided by the two agencies.

HUMAN SERVICES

HEALTH AND HUMAN SERVICES ADMINISTRATION

HHS - Administration – Budget Page DHHS DIRECTOR'S OFC-1 (Volume II)
Budget Account 101-3150

The Subcommittee voted to restore General Fund appropriations totaling \$26,129 in FY 2009-2010 and \$130,834 in FY 2010-2011 for the Nevada 211 system. The Governor recommended eliminating General Funds for the program entirely during the 2009-2011 biennium. The Subcommittee voted to use UnitedHealth settlement funds to offset the amount of the General Fund restoration in FY 2009-2010. The Subcommittee also voted to approve authority to receive a new suicide prevention grant from the Inter-Tribal Council of Nevada totaling \$150,000 in each year of the 2009-2011 biennium. The grant will be used to establish a program to increase awareness and education regarding youth suicide and to provide training to improve the identification of suicide risks and the appropriate response to those risks.

HEIDI SAKELARIOS (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The next item is the Grants Management Unit budget, B/A 101-3195.

HHS - Grants Management Unit – Budget Page DHHS DIRECTOR'S OFC-14
(Volume II)
Budget Account 101-3195

The Subcommittee did not approve the Governor's recommendation to increase federal Title XX funding for nonState agencies by \$198,791 in each year of the biennium which would have increased the Title XX funding for non-State agencies to \$1.4 million in each year of the biennium. The Subcommittee voted to utilize these funds instead to offset General Fund expenditures for other DHHS budgets which currently receive Title XX grant funds. The Subcommittee approved the allocation of \$600,321 of Title XX funds, remaining from previous fiscal years and not accounted for in the Governor's recommended budget, to other Department budgets which reduces the need for General Funds in those budgets by a like amount.

Additionally, the Subcommittee did not approve the Governor's recommendation to transfer Title XX funds totaling \$20,000 in each year of the biennium to the Division for Aging Services' Federal Programs and Administration account, B/A 101-3151. The transfer is no longer needed because the Nevada State Energy Office has indicated petroleum overcharge rebate funds are available to continue funding transportation services for seniors.

HHS - Aging Federal Programs and Administration – Budget Page AGING-24
(Volume II)
Budget Account 101-3151

The available Title XX funds identified by the Subcommittee will reduce General Fund need by \$819,112 in FY 2009-2010 and \$218,791 in FY 2010-2011 in the Division of Child and Family Services (DCFS) Administration account, B/A 101-3145. The funds will be used for children's mental health room-and-board expenditures in that account.

CHILD AND FAMILY SERVICES

HHS - Children, Youth & Family Administration – Budget Page DCFS-31
(Volume III)
Budget Account 101-3145

The Subcommittee approved the use of \$200,000 in Temporary Assistance for Needy Families (TANF) funding to support the DCFS's Domestic Violence program. The transfer of funding to that program was inadvertently left out of the Governor's recommended budget.

The Subcommittee voted to approve the receipt of \$170,000 in each year of the 2009-2011 biennium from the Casey Family Program to support the Differential Response program. The funding will support the expansion of the Differential Response program in five counties and expand the evaluation component to include the new sites. Additionally, the Subcommittee voted to use UnitedHealth settlement funds of \$170,988 in FY 2009-2010 to offset the amount of the General Fund expenditures for the Differential Response program.

The next item is the Healthy Nevada Fund, B/A 262-3261.

HHS - Healthy Nevada Fund – Budget Page DHHS DIRECTOR'S OFC-31
(Volume II)
Budget Account 262-3261

The Subcommittee approved caseload and inflationary increases for the Senior Rx and Disability Rx programs based on revised projections from the Department. This will allow the Senior Rx program to serve up to 4,922 clients in FY 2009-2010 and 5,031 clients in FY 2010-2011, and allow the Disability Rx program to serve up to 518 clients in FY 2009-2010 and 523 clients in FY 2010-2011.

MR. COMBS:

The next item is the Public Defender account, B/A 101-1499.

HHS – Public Defender – Budget Page DHHS DIRECTOR'S OFC-43 (Volume II)
Budget Account 101-1499

The Subcommittee approved the Governor's recommendation for three new positions for the Office of the Public Defender. The positions include a deputy public defender and an administrative assistant for the Carson City office and an investigator for the Ely office. The positions were recommended to address the performance standards adopted by the Supreme Court regarding the representation of indigent defendants in criminal and juvenile delinquency cases. The Subcommittee also approved the Governor's recommendation for increased training funds which were also requested to address the court order.

The Subcommittee voted not to approve the \$20,000 in General Funds recommended by the Governor in each year of the 2009-2011 biennium for the Office of the Public Defender to administer a permanent statewide commission for the oversight of indigent defense. The Subcommittee expressed concerns the office would be responsible for administering a commission which would have oversight for the services provided by the Office. The Subcommittee was also informed the Judicial Branch was requesting the Department of Administration not to introduce the BDR to establish the commission.

MS. SAKELARIOS:

The next item is the Indian Affairs Commission, B/A 101-2600

Indian Affairs Commission – Budget Page DHHS DIRECTOR'S OFC-50
(Volume II)

Budget Account 101-2600

The Subcommittee voted to approve the use of Casey Family Program and Inter-Tribal Council of Nevada Suicide Prevention grant funds to restore the executive director position to full time and to restore other expenditure reductions recommended by the Governor, including Indian Commission pay and in-State and out-of-State travel expenditures.

MR. COMBS:

The next item is the Community Based Services account, B/A 101-3266

AGING SERVICES

HHS – Community Based Services – Budget Page AGING-49 (Volume II)
Budget Account 101-3266

The Subcommittee approved the Governor's recommendation to provide personal assistance services (PAS) to 17 additional people in each year of the 2009-2011 biennium at a cost of \$368,097 each year.

The Subcommittee did not approve the Governor's recommendation to reduce the reimbursement rate for the PAS from approximately \$18.50 per hour to approximately \$15.50 per hour for all Department programs which use these services. It was noted during the Budget Hearings the provider of services for the PAS program for the Office of Disability Services also performs case management services for the clients of the program. In the Medicaid and Division for Aging Services programs, case management services are provided by State employees.

Based on this information, the Subcommittee voted to approve a proposal submitted by the Department to retain the \$18.50 reimbursement rate for the Office of Disability Services program and to reduce the rate for the Medicaid and Division for Aging Services programs to \$17.00 per hour, which is one-half of the reduction recommended by the Governor. The Subcommittee's decision resulted in the need for additional General Funds totaling \$593,462 in each year of the biennium for the office of disability services' PAS program.

The Subcommittee voted to provide traumatic brain injury (TBI) services for 93 people during the 2009-2011 biennium in an effort to reduce the waiting list for the program to 11 people and to decrease the average wait time to 90 days. The Governor had recommended additional General Funds totaling \$616,067 in each year of the biennium to provide TBI services to 122 people over the biennium. The Office of Disability Services indicated an error had occurred in calculating the additional funding necessary to provide services, and the funding included in the Governor's budget was more than was needed to eliminate the waiting list for the program completely. The Subcommittee's actions produced General Fund savings totaling \$197,247 over the biennium.

The Subcommittee also voted to reduce the additional funding recommended by the Governor for the Independent Living Program by \$605,284 in each year of the 2009-2011 biennium. The Governor recommended General Funds totaling \$1,184,424 in each year of the biennium to provide services for 712 people. The 2007 Legislature had approved funding for 374 people. Based on revised cost-per-case information and revised projections of caseload provided by the Agency, the Subcommittee determined the wait time for the program could be reduced significantly below the six-month level projected by the Agency at its Budget Hearing, while serving fewer people than the 712 people for which funding was provided in the Governor's budget. The funding approved by the Subcommittee will enable the Agency to provide services for 559 people over the biennium.

Through the enactment of A.B. No. 629 of the 74th Session, the 2007 Legislature appropriated \$2 million in General Funds to the Department to provide for expenses of the Nevada Autism Task Force created by the legislation and to assist parents in paying the costs for the treatment of children with autism. The Governor did not recommend additional funds for autism services in the *Executive Budget* for the 2009-2011 biennium. The Subcommittee voted to approve additional General Funds totaling \$3.2 million over the 2009-2011 biennium to continue services for the 109 children currently being served by the program. The Subcommittee indicated the funds should not be included in the Base Budget for the 2011-13 biennium.

The following budgets were closed by the Subcommittee as recommended by the Governor or as recommended by the Fiscal Analysis Division, with only technical adjustments:

HHS - Director's Office - Problem Gambling – Budget Page DHHS DIRECTOR'S
OFC-24 (Volume II)
Budget Account 101-3200

HHS - Children's Trust Account – Budget Page DHHS DIRECTOR'S OFC-26
(Volume II)
Budget Account 101-3201

HHS – Developmental Disabilities – Budget Page AGING-37 (Volume II)
Budget Account 101-3154

HHS – IDEA Part C Compliance – Budget Page AGING-59 (Volume II)
Budget Account 101-3276

SENATOR COFFIN:

The Subcommittee concurred with the Governor's recommendation to merge the Office of Disability Services, the Senior Rx and Disability Rx programs from the Director's Office to the Division for Aging Services and increase the number of people served. No one who is receiving benefits today will lose their benefits. Case management is important and it is worth the extra \$1.50 per hour paid for the PAS.

SENATOR COFFIN MOVED TO CLOSE B/A 101-3145, B/A 101-3151, B/A 101-3150, B/A 101-3195, B/A 262-3261, B/A 101-1499, B/A 101-2600, B/A 101-3266, B/A 101-3200, B/A 101-3201, B/A 101-3154 AND B/A 101-3276 AS RECOMMENDED BY THE SUBCOMMITTEE; AND TO GIVE STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR HORSFORD SECONDED THE MOTION.

SENATOR RHOADS:

How will passage of A.B. 162, which requires insurance coverage for screening and treatment of autism, mesh with the \$3.2 million approved by the Subcommittee for the Nevada Autism Task Force?

[ASSEMBLY BILL 162 \(1st Reprint\)](#): Requires certain policies of health insurance and health care plans to provide coverage for screening for and treatment of autism. (BDR 57-44)

MR. COMBS:

Assembly Bill 162 requires autism coverage for screening of people covered by private insurance. The \$3.2 million the Subcommittee approved for the Nevada Autism Task Force is for people not covered by private health insurance.

SENATOR COFFIN:

Many of the insurance plans are not administered by private insurers. Assembly Bill 162 does not place any mandates on Taft-Hartley or Employee Retirement Income Security Act plans administered by the Department of Labor.

THE MOTION CARRIED (SENATOR HARDY WAS ABSENT FOR THE VOTE.)

THE BUDGETS ARE CLOSED.

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COCHAIR MATHEWS:

We will now hear the closing presentation for the budgets of the Judicial Branch.

ERIC KING (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on General Government and Accountability of the Senate Committee on Finance and the Assembly Committee on Ways and Means has completed its review of the Judicial Branch budget request for the 2009-2011 biennium. The closing recommendations of the Subcommittee resulted in General Fund reductions of \$478,013 in FY 2009-2010 and \$497,322 in FY 2010-2011.

Pursuant to NRS 353.246, the Judicial Branch budgets are included in the *Executive Budget*, but are not subject to review by the Governor. Therefore, the budgets presented in the *Executive Budget*, represent the Judicial Branch's budget request.

For issues affecting multiple accounts, the budget submitted by the Judicial Branch requested funding of \$112.7 million over the 2009-2011 biennium which is a 17.9 percent increase over the \$95.6 million approved by the 2007 Legislature for the 2007-09 biennium. General Funds of \$55.1 million were requested, which is a 12.4-percent increase over the \$49 million approved by the 2007 Legislature for the 2007-2009 biennium. For the 5 General Fund accounts over which the Judicial Branch controls expenditures, the Judicial Branch's budget request reduced General Fund expenditures by 4.1 percent from the amount approved for those 5 accounts in the 2007-2009 biennium.

The Subcommittee approved the Judicial Branch's projected growth in administrative assessment revenue of approximately 8.9 percent in FY 2009-2010 and 8.5 percent in FY 2010-2011. Total administrative assessment revenue approved by the Subcommittee includes \$32 million in FY 2009-2010 and \$34.8 million in FY 2010-2011, of which the Judicial Branch receives 51 percent. Unlike prior biennia, when the Judicial Branch used a projection methodology based on the average amount of each assessment and the number of assessments, the revenue projection for the 2009-2011 biennium is based on an evaluation of revenues from FY 2002-2003 through FY 2007-2008. For the fiscal years evaluated, the rate of growth was normalized by either removing a fiscal year, which included a spike in receipts, or by removing the abnormal receipts from the fiscal year's total receipts.

This method resulted in average growth of approximately \$2.5 million per fiscal year, which was then inflated by 4 percent each year. The Subcommittee determined the projection of administrative assessment revenue for the 2009-2011 biennium was reasonable, given the variation between actual

receipts and authorized revenues in past biennia using the former projection methodology.

The Subcommittee approved employee salary reductions, for positions other than District Court judges and Supreme Court justices, based on the reductions proposed for Executive and Legislative branch employees. The reductions reduce General Fund appropriations for the Judicial Branch by \$828,760 over the 2009-2011 biennium. In addition, to offset General Fund need, the Subcommittee approved the one-time transfer of administrative assessment reserve funds totaling \$968,111 from the Judicial Education account.

The transfers from the Judicial Education account which were approved include: \$354,335 for the Judicial Programs and Services Division account for personnel costs; \$532,500 for the Uniform System of Judicial Records account for technology enhancements related to court integration; and \$81,276 for the Supreme Court account for staff training costs.

The first budget for discussion is the Supreme Court account, B/A 101-1494.

LEGISLATIVE JUDICIAL

JUDICIAL BRANCH

Supreme Court – Budget Page COURTS-1 (Volume I)
Budget Account 101-1494

The Subcommittee approved \$60,676 in each year of the 2009-2011 biennium for information technology (IT) staff training after receiving information from the Judicial Branch indicating the amount of the original request could be reduced due to a reduction in the number of staff which would receive training.

The Subcommittee also approved budget amendments submitted by the Judicial Branch which reduced General Funds by \$48,284 during the 2009-2011 biennium, including a reduction of the Judicial Retirement System contribution rate from 23.5 to 23.25 percent and a reduction of the operating and maintenance costs for the space occupied by the Supreme Court at the Las Vegas Regional Justice Center. The Subcommittee closed the remainder of the Supreme Court budget as requested by the Judicial Branch, with technical adjustments recommended by Fiscal Staff, including an adjustment to reduce General Funds by \$34,241 during the 2009-2011 biennium for the cost for Capitol Police security coverage at the Regional Justice Center.

The next item is the Specialty Court account, B/A 101-1495.

Specialty Court – Budget Page COURTS-18 (Volume I)
Budget Account 101-1495

The Subcommittee approved the Judicial Branch's projection of Specialty Court administrative assessment revenue of \$4.3 million in FY 2009-2010 and \$4.6 million in FY 2010-2011. The projection of assessment revenue represents a 7-percent increase in each year of the 2009-2011 biennium. The Subcommittee also approved the Judicial Branch's request to increase funding for Specialty Court programs by \$316,584 in each year of the

2009-2011 biennium, based upon the funding level approved by the Specialty Court funding committee.

The next item is the Administrative Office of the Courts account, B/A 101 1483.

Administrative Office of the Courts – Budget Page COURTS-31 (Volume I)
Budget Account 101-1483

The Subcommittee approved \$332,769 in FY 2009-2010 and \$319,896 in FY 2010-2011 for the establishment of four new positions. The positions approved by the Subcommittee include: an IT help-desk position which will allow the Judicial Branch to consolidate three computer technology help desks into one; a personnel assistant position to ensure timely payroll and personnel services are provided for the Judicial Branch; an auditor position to assist the Judicial Branch in collecting outstanding administrative assessment revenues and implement accounting standards; and an audio visual technician position to operate and maintain the Supreme Court and Administrative Office of the Court's audio and video equipment.

The Subcommittee also approved \$36,538 during the 2009-2011 biennium for IT staff training after receiving information from the Judicial Branch indicating the amount of the original request could be reduced due to a reduction in the number of staff which would receive training. The Subcommittee closed the remainder of the Administrative Office of the Courts budget as requested.

The next item is the Judicial Programs and Services Division account, B/A 101-1484.

Judicial Programs and Services Division – Budget Page COURTS-41 (Volume I)
Budget Account 101-1484

The Subcommittee approved \$93,220 during the 2009-2011 biennium for the addition of an administrative assistant position which will provide administrative support for the federally funded Court Improvement Program. Approval of the position was based on the need to provide staffing continuity for the program which was not being provided through the use of temporary contract services. The Subcommittee closed the remainder of the Judicial Programs and Services Division budget as requested.

The next item is the Uniform System of Judicial Records account, B/A 101-1486.

Uniform System of Judicial Records – Budget Page COURTS-49 (Volume I)
Budget Account 101-1486

After determining the hourly contracted rate for configuration and installation support could be reduced, the Subcommittee approved \$375,765 during the 2009-2011 biennium for IT system enhancements. The technology improvements include enhancements which will allow public access to nonsensitive case information, electronic payment of traffic fines and disaster recovery and service continuity for the Multi-County Integrated Justice Information System.

The Subcommittee also approved \$452,100, as requested by the Judicial Branch, for the migration of 40 courts using the Trial Court Case Management System from an existing client server application to a Web-based environment. The request included the establishment of two IT positions in FY 2010-2011. The Subcommittee closed the remainder of the Uniform System of Judicial Records budget as requested.

The next item is the Judicial Education account, B/A 101-1487.

Judicial Education – Budget Page COURTS-58 (Volume I)
Budget Account 101-1487

The Subcommittee approved \$192,570 during the 2009-2011 biennium to establish a new position which will create and update court-related reference materials and implement a distance education program. The position was approved because existing staff are fully employed with the planning and implementation of on-site training events and do not possess the skills needed to update reference materials and implement a distance education program. The Subcommittee closed the remainder of the Judicial Education budget as requested.

The Subcommittee also reviewed the budgets for the following accounts: District Judges' Salary; Judicial Retirement System State Share; Senior Justice and Senior Judge Program; Law Library; Judicial Support, Governance and Special Events; and Judicial Selection. With the exception of approving an amendment to the Judicial Retirement State Share budget, which reduces General Funds by \$64,050 during the 2009-2011 biennium for the reduction of the contribution rate for the judicial retirement system from 23.5 percent to 23.25 percent, the Subcommittee recommended these accounts be closed as requested by the Judicial Branch, with technical adjustments by Staff.

District Judges' Salary – Budget Page COURTS-10 (Volume I)
Budget Account 101-1490

Judicial Retirement System State Share – Budget Page COURTS-13 (Volume I)
Budget Account 101-1491

Senior Justice & Senior Judge Program – Budget Page COURTS-14 (Volume I)
Budget Account 101-1496

Law Library – Budget Page COURTS-21 (Volume I)
Budget Account 101-2889

Judicial Support, Governance and Special Events – Budget Page COURTS-26
(Volume I)
Budget Account 101-1493

Judicial Selection – Budget Page COURTS-29 (Volume I)
Budget Account 101-1498

SENATOR RAGGIO:

In closing these budgets, is Staff confident with the methodology used in projecting administrative assessments?

MR. KING:

In the past, the Judicial Branch used a projection methodology based on the average amount and number of each assessment. The revenue projection for the 2009-2011 biennium is based on an evaluation of revenues from FY 2002-2003 through FY 2007-2008. After removing the anomalies, they determined an average growth of approximately \$2.5 million per fiscal year and increased that figure by 4 percent in each year of the coming biennium. The Subcommittee affirmed that 4 percent is a reasonable amount to increase the assessment each year.

SENATOR RAGGIO:

Did the Subcommittee's action, or the request from the Judicial Branch, change the allocation of assessment revenues by any material degree?

MR. KING:

No. Other than the one-time transfer of \$968,111 from the Judicial Education account to the Judicial Programs and Services Division, Uniform System of Judicial Records and Supreme Court accounts, the assessment revenues are allocated to the Judicial Branch budget accounts as stipulated by statute.

SENATOR HORSFORD MOVED TO CLOSE B/A 101-1494, B/A 101-1495, B/A 101-1483, B/A 101-1484, B/A 101-1486, B/A 101-1487, B/A 101-1490, B/A 101-1491, B/A 101-1496, B/A 101-2889, B/A 101-1493 AND B/A 101-1498 AS RECOMMENDED BY THE SUBCOMMITTEE; AND TO GIVE STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED (SENATOR HARDY WAS ABSENT FOR THE VOTE.)

THE BUDGETS ARE CLOSED.

Senate Committee on Finance
May 14, 2009
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COCHAIR MATHEWS:
There being no further business before the Committee, the meeting is adjourned
at 9:37 a.m.

RESPECTFULLY SUBMITTED:

Michael Bohling,
Committee Secretary

APPROVED BY:

Senator Bernice Mathews, Cochair

DATE: _____