

**MINUTES OF THE
JOINT SUBCOMMITTEE ON HUMAN SERVICES/CIPS
OF THE SENATE COMMITTEE ON FINANCE
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-fifth Session
May 26, 2009**

The Joint Subcommittee on Human Services/CIPS of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Bob Coffin at 10:36 a.m. on Tuesday, May 26, 2009, in Room 3137 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.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Bob Coffin, Chair
Senator Bernice Mathews
Senator William J. Raggio

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Debbie Smith, Chair
Assemblyman Morse Arberry Jr., Vice Chair
Assemblywoman Barbara E. Buckley
Assemblywoman Heidi S. Gansert
Assemblyman Joseph (Joe) P. Hardy
Assemblywoman Sheila Leslie,
Assemblyman John Ocegüera,

GUEST LEGISLATORS PRESENT:

Assemblyman John C. Carpenter, Assembly District No. 33

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Rick Combs, Senior Program Analyst
Eric King, Program Analyst
Mark W. Stevens, Assembly Fiscal Analyst
Tracy Raxter, Principal Deputy Fiscal Analyst
Michael Bohling, Committee Secretary

OTHERS PRESENT:

Howard L. Skolnik, Director, Department of Corrections
Gustavo Nunez, P.E., Manager, State Public Works Board, Department of Administration
Daniel J. Klaich, Executive Vice Chancellor and Chief Operating Officer, System Administration Office, Nevada System of Higher Education

CHAIR COFFIN:

Since this Subcommittee last met to discuss Capital Improvement Programs (CIP), we have received news indicating property-tax revenues have sharply declined and forecasted revenues have declined as well. As a result, the

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State Public Works Board (SPWB) allocation has been significantly decreased. The SPWB and Legislative Fiscal Staff have worked to create sensible alternatives to the list of CIPs.

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

Item No.1 on the Human Services/CIPs Joint Subcommittee Work Session May 26, 2009: 2009 Capital Improvement Program – Items for Consideration ([Exhibit C](#), original is on file in the Research Library) indicates that since the original January 2009 submission there has been a reduction in the property-tax estimate and how it affects the Governor's recommended CIP. In January 2009 it was estimated that approximately \$404 million would be available in general obligation bond proceeds. By May, that estimate was reduced to approximately \$159 million.

When the recommended 2009 CIP was submitted in January, assessed property valuations for fiscal year (FY) 2009-2010 and FY 2010-2011 were estimated to remain consistent with FY 2008-2009 levels. The reduction in the amount of funding available for the 2009 CIP results from a revised estimate projecting assessed property valuations to decrease by 6.5 percent in FY 2009-2010 and 8.7 percent in FY 2010-2011.

Attachment 1 on page 5 of [Exhibit C](#) provides a scenario, as produced by the Budget Division, Department of Administration, depicting approximately \$158.4 million available for the CIP construction. This document indicates the inclusion of \$15 million for the line of credit interest payments for FY 2009-2010 and FY 2010-2011. Once other bond issuances are calculated into what would be issued by the Office of the Treasurer, the amount of bond availability for the CIP will be \$9 million in FY 2011-2012 and \$6 million in FY 2012-2013. This leaves approximately \$158.4 million available which was recommended by the Governor for the 2009 CIP on May 13, 2009.

CHAIR COFFIN:

Not only has the amount of funding been reduced, but the priority list for the 2009 CIP has been amended in the Governor's recommendation as well. Items which were high on the priority list in January have been reprioritized to a lower ranking.

MR. KING:

Item No. 2 on page 1 of [Exhibit C](#) concerns the repayment of the line of credit from the Local Government Pooled Investment Fund (LGPIF). Similar to the January 2009 recommendation, the Governor recommends \$15 million in each year of the 2009-2011 biennium. This is from reserve funding generated by the State's property tax for payment of a portion of the line of credit from the LGPIF.

It should be noted the Governor is not recommending funds from reserve generated by the State's property tax be used to repay the LGPIF in FY 2011-2012 and FY 2012-2013.

Attachment 2 on page 9 of [Exhibit C](#) provides a projection of funding from the Budget Office which would be available for the 2009 CIP if property tax

reserves of \$13 million and \$10 million in FY 2011-2012 and FY 2012-2013, respectively, were used to repay the LGPIF. Additionally, Attachment 2 shows the \$15 million which would be paid in each year of the 2009-2011 biennium. Those four payments would reduce the amount of bond availability for the 2009 CIP to approximately \$69.4 million. The Governor's Revised 2009 CIP Recommendation will need to be reduced by \$89 million, due to the reduction in debt capacity created by the LGPIF payments.

Item No. 3, page 1 of [Exhibit C](#), concerns major changes to the Governor's recommended CIP. As a result of the revised projection of general obligation bond proceeds available to fund the 2009 CIP, the SPWB submitted a revised CIP on May 13 which includes total funding of approximately \$336.4 million. The Governor's revised 2009 CIP recommends supporting the costs of the 2009 CIP, as depicted in the first table on page 2.

To offset a portion of the reduction in general obligation bond proceeds, the Governor recommends reallocating approximately \$14.7 million from projects approved in the 2007 CIP to projects included in the 2009 CIP. The funds which would be reallocated to the 2009 CIP are from projects the SPWB has determined will be completed for less than the amount approved by the 2007 Legislature. Attachment 3 on page 10 lists the 2007 CIP projects which would have funding reallocated to the 2009 CIP.

Attachment 4, page 11 of [Exhibit C](#), compares the Governor's original recommendation for the 2009 CIP and the revisions submitted in April and May. The significant changes to the Governor's recommendation, which were submitted since the April version of the 2009 CIP recommendation, have been highlighted in yellow.

As seen in Attachment 4, Project 09-C01 is a recommendation to retrofit Housing Unit No. 11 at the High Desert State Prison (HDSP) from a housing unit to a Regional Medical Facility (RMF) at a cost of approximately \$7.9 million in State funds.

Project No. C01– Retrofit Housing Unit No. 11 at HDSP Phase V

The Governor's January proposal was to construct a men's prison, the RMF and an execution chamber at a cost of approximately \$221 million. In April, this recommendation was changed to construct only a RMF and an execution chamber at a cost of approximately \$62 million. The current recommendation, at a cost of approximately \$7.9 million, is to convert an unoccupied housing unit at the HDSP to the RMF. The housing unit recommended to be converted to the RMF was one of two housing units constructed in the 2007 CIP for approximately \$53 million.

CHAIR COFFIN:

We need to take our time in deliberating each of these changes and determine which options we have available. We have moved away from constructing a new RMF to remodeling Housing Unit No. 11, but this is a temporary solution. When the prison population increases, we would need to remodel the RMF back to a housing unit.

ASSEMBLYWOMAN BUCKLEY:

There may be a need for further prioritization by the Department of Corrections (NDOC). We may not have sufficient funding for both the retrofitted RMF and the Southern Desert Correctional Center (SDCC) core expansion described in project 09-C03.

Project No. C03– Southern Desert Correctional Center Core Expansion

I would like to have a sense of the NDOC's priorities. We have unfinished projects and projects for which we may lose federal matching grants. Our Staff did an analysis indicating the new plan for the RMF would cost more in operational funds than the original plan.

HOWARD L. SKOLNIK (Director, Department of Corrections):

The RMF is probably our highest priority. There will be a slight increase in the cost of operations, but this will provide the NDOC with 100 beds and a mental health facility we currently do not have. At this time, we are operating with approximately 2,500 inmates diagnosed with some level of mental illness and have limited resources, particularly in southern Nevada, to care for them. As you know, there is a class-action lawsuit filed against the NDOC regarding the medical facility at the Ely State Prison. Part of the problem in White Pine County is finding the type of medical care required to treat our inmates. We are currently required to transport inmates to and from medical appointments which, considering the nature of the inmates housed at the Ely State Prison, is a serious public-safety and staff-safety concern.

The facility we have identified for conversion at the HDSP is secure enough to maintain death row inmates if necessary. We have completed enough of the first phase of core improvements at the SDCC to help the NDOC get through the next few years, but we do not have the type of medical facility we need in southern Nevada.

ASSEMBLYWOMAN BUCKLEY:

There is no doubt we need a RMF in southern Nevada; it is a matter of when. If we retrofit Housing Unit No. 11 to become the RMF now, we will eventually need to convert it back to a housing unit. It might be more cost effective to wait and build the RMF without having to incur the cost of changing it back and forth. If we need to remove a project from the list of priorities, would you prefer to remove the SDCC core expansion project at Indian Springs and leave the RMF?

MR. SKOLNIK:

Yes. If we need to remove a project from the priority list, we would prefer removing the SDCC core expansion project at Indian Springs. We currently have 336 vacant beds in the other cell house at the HDSP which was completed in Phase V of the project. Additionally, we have 600 vacant beds at the Southern Nevada Correctional Center (SNCC) which we closed during previous budget reductions. Based on current projections, those 936 beds will easily carry us through the next 4 to 6 years. The conversion of Housing Unit No. 11 to the RMF could probably stand intact at least until the 2013 Legislative Session.

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ASSEMBLYWOMAN BUCKLEY:

We currently have no operating expenses at the SNCC in Jean.

MR. SKOLNIK:

We also have no operating expenses for Phase V at the HDSP at this time.

CHAIR COFFIN:

The SDCC facility is old and the inmate population is small enough that we could go without completing the core expansion.

MR. SKOLNIK:

The core expansion at the SDCC was scheduled to be completed in two phases. The first phase is underway. We have operated the facility without the core expansion with an increased inmate population. It is not the best of circumstances and creates some operational difficulties, but if we have to choose between the RMF and completing the core expansion at the SDCC, the RMF is currently a greater need.

ASSEMBLYWOMAN BUCKLEY:

In the past, we have had difficulties in recruiting health professionals to care for our inmates. Fiscal Staff has indicated the State is currently paying commercial hospitals up to \$2,000 a day per inmate and that the RMF would reduce hospital and custody costs by \$3.7 million per year. However, when the estimated cost of \$4.4 million for staffing the RMF is considered, the proposal to create a RMF will result in an additional annual operating cost of approximately \$700,000. Are we considering a concurrent operating budget for this facility, or will operating expenses begin in the next biennium?

MR. SKOLNIK:

The operating expenses are not included in this budget request because the conversion of Housing Unit No. 11 would not be completed during the 2009-2011 biennium. The current costs are being paid out of the overtime budget. We are not staffed for the transportation of medical patients or their supervision while they are in a community facility. Paying for this with overtime funding is far more expensive, in terms of the cost-per-inmate, than being able to operate within our own facility. Every time we move an inmate into the community for medical treatment, we are transporting the inmate with limited staff and under overtime expenses. Many of the offenders who go to community medical facilities are dangerous and there are legitimate concerns regarding public safety.

ASSEMBLYWOMAN BUCKLEY:

Would you not still be transporting inmates to the HDSP in Indian Springs?

MR. SKOLNIK:

Yes, but we would be transporting them one time and would not have to maintain 24-hour supervision in the community. We already make regular inmate transports from our facilities and medical transportation could be incorporated into an existing run as opposed to transporting inmates for special medical emergencies.

The largest portions of our RMF populations consist of chronically ill inmates who require constant medical care. In some instances, we cannot place these inmates into double-occupancy cells due to the nature of their offenses or the status of their mental health. We average an approximately 90-percent capacity rate at the RMF in Carson City, but we need to maintain some of those cells for individual inmates.

ASSEMBLYWOMAN BUCKLEY:

It would be helpful if you could provide the Subcommittee with an operating plan. If we are relying on recruiting a certain number of physicians that do not materialize, will our plans be prudent?

MR. SKOLNIK:

We will provide the Subcommittee with an operating plan. I would note that we have not had difficulty in staffing our medical facilities in the Clark County area. Our difficulties in recruiting medical staff have been predominantly in the rural areas.

CHAIR COFFIN:

We will need an operating plan as soon as possible because this is a last-minute change. For example:

- What impact would eliminating the 168 cells from HDSP have on the NDOC's ability to house inmates if populations are higher than projected?
- When will medical equipment for the facility be purchased?
- Are the catwalks, hallways, and doors in the housing unit designed in a manner that will allow the use of the housing unit as a medical facility?
- How much will the medical equipment cost and how will it be funded?

How soon can you provide the Subcommittee with answers to these questions?

GUSTAVO NUNEZ, P.E. (Manager, State Public Works Board, Department of Administration):

Converting the 168 cells in Housing Unit No. 11 to a RMF will accelerate the opening and expansion of the HDSP which will be needed in three to four biennia. The retrofit of Housing Unit No. 11 includes items required to be built into the RMF. The other parts of the Furniture, Fixtures & Equipment (FF&E), such as an electrocardiogram machine or supplies and stethoscopes for the doctors, are not included in the cost. We can provide a list of items and the costs to the Subcommittee.

CHAIR COFFIN:

Will there be any demolition costs we have not discussed?

MR. NUNEZ:

We are converting approximately 20 cells into 10 cells. We are adding security and additional office space in part of the existing T-shaped housing unit. One of the units will also be air conditioned in the medical ward.

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SENATOR RAGGIO:

Is there adequate funding for the FF&E?

MR. NUNEZ:

There is adequate funding for the portion of the FF&E which must be built into the remodel of the housing unit.

MR. KING:

The next project is 09-C02a which is a child and adolescent hospital in Las Vegas. This project was added by the Governor in April 2009 to replace the proposal to add 14 new beds to the existing Desert Willow Treatment Center in Las Vegas for a total approximate cost of \$22.8 million.

Project No. C02a– 36 Bed Child & Adolescent Hospital

CHAIR COFFIN:

This project for the Division of Child and Family Services must be built for the State to continue to receive Medicaid funding.

MR. KING:

The next item is project 09-C04, the construction completion for exhibits at the Las Vegas Springs Preserve Museum. This project was added in April at a cost of approximately \$6 million and has been recommended to be reduced by \$1 million which is available from the 2007 CIP project that has finished construction. The recommended cost for the completion of the exhibits is now approximately \$5 million.

Project No. C04– Exhibits Construction-Completion

The next project is 09-C06, the Advanced Clinical Training and Research Center for the University of Nevada Health Sciences System. This project has been recommended to be eliminated for a savings of approximately \$50 million.

Project No. C06– Advanced Clinical Training and Research Center

The next project is 09-C07, the construction of a nursing and sciences building at the Nevada State College. This project has been recommended for elimination for a savings of approximately \$34.5 million.

Project No. C07- Nursing and Science Building

The next project is 09-C11, the Americans with Disabilities Act (ADA) retrofit for the Western Nevada College (WNC). Portions of this project have been recommended to be reduced, bringing the cost down to approximately \$900,000 for a cost savings of approximately \$1.3 million. The portions being reduced are the Andy Butti Welding Technology Center, Child Development Center and the Jack C. Davis Observatory retrofits and corridor access improvements for the college.

Project No. C11– ADA and Life Safety Retrofit

The next project is 09-C12, the construction of a consolidated services facility for the Northern Nevada Adult Mental Health Services Building. This project is recommended to be eliminated for a cost savings of approximately \$56.9 million.

Project No. C12– Consolidated Services Facility

The next project is 09-C16, the renovation of a laboratory building at the Desert Research Institute at Boulder City. This project is recommended to be eliminated for a cost savings of approximately \$2.3 million.

Project No. C16– Renovate Laboratory

The next project is 09-M21, which recommended the replacement of a Heating, Ventilating and Air-Conditioning (HVAC) system at the Truckee Meadows Community College. This project is recommended to be eliminated for a cost savings of approximately \$2 million.

Project No. M21– HVAC Renovation

The next project is 09-M24, which upgrades the Caliente Youth Center. This project is recommended to be eliminated for a cost savings of approximately \$3.2 million.

Project No. M24– Facility Upgrades

The next project is 09-M33, which is a proposal to eliminate a certain amount of turf at the Desert Regional Center in Las Vegas. This project is recommended to be eliminated for a cost savings of \$423,464.

Project No. M33– Turf Reduction

The next project, 09-M36, is for the computer facility security and safety upgrades for the Department of Information and Technology in Carson City. This project is recommended to be eliminated for a cost savings of \$288,217.

Project No. M36– Computer Facility Security, and Safety Upgrades

The next project, 09-P01, is for the advance planning of an expansion, including three housing units and core upgrades, at the Warm Springs Correctional Center in Carson City. This project is recommended to be eliminated for a cost savings of approximately \$9.6 million.

Project No. P01– WSCC Expansion-Advance Planning

The next project with significant changes is 09-P02a, which is the planning for an academic building for the William F. Harrah College of Hotel Administration in Las Vegas. This project cost has been reduced from approximately \$6.4 million to approximately \$2.6 million. The original recommendation has been reduced from the completion of construction documents to the completion of only the schematic design.

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Project No. P02a– Hotel College Academic Building

The last project with significant changes is 09-S09. This is the Statewide Building Official Projects Program. This project funding is recommended to be reduced by approximately \$933,000 for the elimination of project management services included in the estimate.

Project No. S09– Statewide Building Official Projects Program

CHAIR COFFIN:

Before we make any decisions, we want to be sure every project which has potential for preserving our facilities is still in the budget. We cannot afford to have any facility fall into further disrepair.

MR. NUNEZ:

The projects included in this recommendation are the items we believe must be performed within the next two years.

CHAIR COFFIN:

Are any critical projects deferred from the 2007 CIP not included in this recommendation?

MR. NUNEZ:

Not with respect to deferred maintenance. The 2007 deferred maintenance projects are completed or well underway.

ASSEMBLYWOMAN SMITH:

Regarding the ADA retrofits at the WNC, will there be ADA compliance issues left unresolved due to this recommended reduction?

MR. NUNEZ:

Some ADA compliance items still need to be completed. Now that we have completed approximately one-half of the 2007 project, we have some funding remaining with which, along with the 2009 funding, we can address the rest of the barriers and code issues.

ASSEMBLYWOMAN SMITH:

With the approximately \$894,000 in new funding, in addition to the remaining funding from the 2007 CIP, do you believe we can complete all of the ADA compliance issues at the WNC?

MR. NUNEZ:

We can complete improvements modifying ADA barriers in accordance with statewide standards.

ASSEMBLYMAN JOHN C. CARPENTER (Assembly District No. 33):

Regarding the proposed National Guard Readiness Center in Carlin, my recommendation is if funding is available, it should be placed under the control of the Interim Finance Committee (IFC) to be used in the event the National Guard comes forward with a viable proposal which would be of advantage to the Fire Science Academy (FSA). If the National Guard does not

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come through with a proposal, I would recommend the funding be used toward the new National Guard facility in Elko.

CHAIR LESLIE:

If there is a choice between Carlin and Elko, where do you believe the facility should be built?

ASSEMBLYMAN CARPENTER:

If the National Guard produces a viable plan, I would have no issue with the Readiness Center being built in Carlin. The Elko plan is ready to go. The infrastructure is in place. Since the recommendation to build in Carlin came with no real plan and no guarantees of feasibility, Elko would be my first choice. The people of Elko and the National Guard personnel I have spoken with believe the Readiness Center should be built in Elko because of Elko's convenient location.

CHAIR LESLIE:

Our Fiscal Staff agrees we should wait to see what sort of plan materializes. My concern is, if we wait too long, the Elko facility may not move forward either.

CHAIR COFFIN:

We have already spent over \$2 million preparing the Elko location for this facility.

ASSEMBLYMAN CARPENTER:

The Elko community has also spent money on infrastructure to prepare the site for the facility. The preparations were made in cooperation with the airport expansion. The taxpayers and the City of Elko have invested in this project. If the National Guard comes through with a workable plan for the Carlin site it would be good, but I do not want to lose the whole project while waiting for a plan to materialize.

SENATOR RAGGIO:

Is there some concern the FSA in Carlin will close unless the National Guard participates in a plan to keep the FSA open?

ASSEMBLYMAN CARPENTER:

The stakeholders came up with the plan to place the FSA on firm operational footing. Assemblyman Oceguela also has a plan to help the FSA which we could put into place if we knew how the National Guard planned to proceed. With the stakeholder's plan, we will be able achieve the goal of operating the FSA in a financially sound manner.

CHAIR COFFIN:

The revised list of recommended projects comes at the expense of other projects. I am concerned the campus of the College of Southern Nevada (CSN) at 3200 Cheyenne Avenue North Las Vegas, which has a critical need for maintenance in its science and biology laboratories, will not be repaired. We also appear to be leaving money on the table from the Harrah's Foundation for work being completed on the new building at the University of Nevada at Las Vegas (UNLV).

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ASSEMBLYMAN ARBERRY:

I have a deep concern with the state of the CSN's biology laboratories. I understand they are approximately 35-years old. They were on the Board of Regents' (BOR) agenda for repair and were eliminated.

DANIEL J. KLAICH (Executive Vice Chancellor and Chief Operating Officer, System Administration Office, Nevada System of Higher Education):

We have had recent discussions with the Harrah's Foundation and if we do not complete some design work, possibly through the schematic phase, we will lose the gift funding. We would urge the Subcommittee to do whatever is possible to keep this project alive. In our discussions, the Harrah's Foundation has indicated that if the State can get through the schematic phase of the project and possibly complete some work on the site, they would renew the gift funding and carry it forward. This is a critical project for the Nevada System of Higher Education (NSHE), the UNLV and southern Nevada.

The Cheyenne Campus of the CSN is in desperate need of updates. The priority from the BOR took this campus through a series of updates in terms of safety, fire safety, HVAC renovation and updating the laboratories. We would change the scope of this project to accommodate any available funding. The Cheyenne Campus is in desperate need of repair. We would need to make a decision about whether to plan the project for the 2011-2013 biennium or to allow the NSHE to utilize a portion of existing funding to present a project of reduced scope to the IFC for repair work during the 2009-2011 biennium.

ASSEMBLYMAN ARBERRY:

The students at the CSN are very proud of the Cheyenne Campus and I do not want them to be treated differently than any other campus with regard to maintenance of the facilities. We always think about these problems when it is too late. It would be preferable to put a plan together for facility maintenance in the 2009-2011 biennium.

CHAIR COFFIN:

Do any of the three college campuses in southern Nevada have the equivalent capability of the Cheyenne Campus to teach science?

MR. KLAICH:

I cannot answer that question. I can provide the Subcommittee with curricula from all southern Nevada campuses.

CHAIR COFFIN:

The Cheyenne Campus is the biggest and the oldest campus in southern Nevada. We must do something to keep it from deteriorating further. The original recommendation was to fund approximately \$1 million for planning and \$8.5 million for renovation. Will the \$1 million for planning be enough to get the project started?

MR. KLAICH:

I contacted Dr. Michael Richards, President, College of Southern Nevada, Las Vegas, and requested that he layer the project in terms of the highest priority items with the understanding that the entire funding of \$31 million is unlikely. I will forward the information to the Subcommittee when it is received.

CHAIR COFFIN:

Can you detail how much State funding will be required to make maximum use of the Harrah's Foundation grant?

MR. KLAICH:

One alternative is for a matching project which will require approximately \$3.2 million in State funds. This would include schematic designs and some work on the site for the extension of utilities. These projects would be in conjunction with the Clark County Department of Public Works. Regardless of what occurs with this project, this would be an investment in the UNLV campus, the value of which will never be lost. Allocating \$3.2 million in State funds will secure the maximum benefit of \$3.2 million in matching funds from the Harrah's Foundation grant for a total of approximately \$6.4 million for the project.

CHAIR COFFIN:

This would certainly consume the presently allocated funds of approximately \$2.6 million.

MR. NUNEZ:

The original figure of approximately \$6.4 million included documents from design through construction, final design and plan checking. There was funding included in this amount for the Clark County Regional Flood Control District (CCRFCD) to close in the flood-control channel, making several acres of the UNLV property above the channel usable for parking or other uses.

The current proposal in the Governor's recommendation only takes the project through the schematic-design phase. It also funds the UNLV's contribution to the CCRFCD for the work on the flood-control channel. If there is funding available in the 2011-2013 biennium to proceed with the project, we can proceed in a variety of ways.

If we need to proceed quickly, we would only need to add some performance specifications to the schematics and could then proceed with design-build construction. If there is no need to move that quickly, we could finish the design ourselves and move forward to construction. If there is no funding available in the 2011-2013 biennium, by only completing the schematic-design phase we will not be wasting money.

MR. KLAICH:

If we complete only the schematic phase of the project, with State funding of approximately \$1.3 million and a matching contribution from the Harrah's Foundation, the Harrah's Foundation indicates the \$1.3 million allocation will be the termination of the grant. This is not an option which allows us to move forward with the project.

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CHAIR COFFIN:
We now have the figures with which we must base our decisions. I suggest the members consider these figures and the impacts of our decisions until the Subcommittee meets again tomorrow.

There being no further business before the Committee, the meeting is adjourned at 11:31 a.m.

RESPECTFULLY SUBMITTED:

Michael Bohling,
Committee Secretary

APPROVED BY:

Senator Bob Coffin, Chair

DATE: _____

Assemblywoman Debbie Smith, Chair

DATE: _____