

THE SEVENTY-FIFTH DAY

CARSON CITY (Friday), April 22, 2011

Assembly called to order at 11:45 a.m.

Mr. Speaker presiding.

Roll called.

All present.

Prayer by the Chaplain, Pastor Gary Gryte.

Our Heavenly Father, we ask Your presence with us today. May we make You proud of the way we, Your creatures, treat each other. Give us, please, of Your Spirit to know just how to say things and to do them. Bless us with Your warmth, and love, as we thank You in the name of Jesus.

AMEN.

Pledge of allegiance to the Flag.

Assemblyman Conklin moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Committee on Commerce and Labor, to which were referred Assembly Bills Nos. 31, 274, 352, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

KELVIN ATKINSON, *Chair*

Mr. Speaker:

Your Committee on Education, to which was referred Assembly Bill No. 171, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DAVID P. BOBZIEN, *Chair*

Mr. Speaker:

Your Committee on Government Affairs, to which were referred Assembly Bills Nos. 37, 42, 73, 130, 145, 146, 198, 228, 238, 330, 400, 413, 454, 472, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Government Affairs, to which were referred Assembly Bills Nos. 410, 544, 545, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MARILYN K. KIRKPATRICK, *Chair*

Mr. Speaker:

Your Concurrent Committee on Government Affairs, to which was referred Assembly Bill No. 474, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MARILYN K. KIRKPATRICK, *Chair*

Mr. Speaker:

Your Committee on Health and Human Services, to which were referred Assembly Bills Nos. 29, 110, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Health and Human Services, to which was referred Assembly Bill No. 362, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Health and Human Services, to which was referred Assembly Bill No. 316, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended and rerefer to the Committee on Ways and Means.

APRIL MASTROLUCA, *Chair*

Mr. Speaker:

Your Committee on Judiciary, to which was referred Assembly Bill No. 244, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Judiciary, to which were referred Assembly Bills Nos. 57, 128, 282, 408, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Judiciary, to which were referred Assembly Bills Nos. 226, 294, 552, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Judiciary, to which were referred Assembly Bills Nos. 246, 317, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Judiciary, to which was referred Senate Bill No. 86, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

WILLIAM C. HORNE, *Chair*

Mr. Speaker:

Your Committee on Legislative Operations and Elections, to which were referred Assembly Bills Nos. 260, 501, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

TICK SEGERBLOM, *Chair*

Mr. Speaker:

Your Committee on Taxation, to which was referred Assembly Bill No. 46, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MARILYN K. KIRKPATRICK, *Chair*

Mr. Speaker:

Your Committee on Transportation, to which were referred Assembly Bills Nos. 328, 384, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MARILYN DONDERO LOOP, *Chair*

MOTIONS, RESOLUTIONS AND NOTICES

NOTICE OF EXEMPTION

April 20, 2011

The Fiscal Analysis Division, pursuant to Joint Standing Rule 14.6, has determined the eligibility for exemption of: Senate Bill No. 347.

MARK KRMPOTIC
Fiscal Analysis Division

April 22, 2011

The Fiscal Analysis Division, pursuant to Joint Standing Rule 14.6, has determined the eligibility for exemption of: Assembly Bill No. 279.

RICK COMBS
Fiscal Analysis Division

Assemblyman Conklin moved that Assembly Bills Nos. 29, 31, 37, 42, 46, 57, 73, 110, 128, 130, 145, 146, 171, 198, 226, 228, 238, 244, 246, 260, 274, 282, 294, 316, 317, 328, 330, 352, 362, 384, 400, 408, 410, 413, 454, 472, 474, 501, 544, 545, 552; Senate Bill No. 86, just reported out of committee, be placed on the Second Reading File.

Motion carried.

Assemblyman Conklin moved that Assembly Bills Nos. 114, 255, 259, 279, 300, and 466 be taken from the General File and rereferred to the Committee on Ways and Means.

Motion carried..

Assemblyman Conklin moved that Assembly Bill No. 350 be taken from the General File and placed on the Chief Clerk's desk.

Motion carried.

Assemblyman Conklin moved that Assembly Bill No. 78 be taken from the General File and placed on the Chief Clerk's desk.

Motion carried.

Assemblyman Conklin moved that Assembly Bill No. 29 be taken from the Second Reading File and placed on the Chief Clerk's desk.

Motion carried.

Assemblyman Conklin moved that Assembly Bill No. 237 be taken from the Chief Clerk's desk and placed at the bottom of the General File.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 31.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 443.

AN ACT relating to contractors; revising an exemption for certain repairs or maintenance of property from the provisions governing contractors; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the licensing and regulation of contractors by the State Contractors' Board (chapter 624 of NRS) and imposes criminal and civil penalties for engaging in the business or acting in the capacity of a contractor without having an active contractor's license. (NRS 624.710, 624.750) Existing law also sets forth exemptions from the provisions of chapter 624 of NRS, including an exemption that applies under certain circumstances for work to repair or maintain property the value of which is less than \$1,000, including labor and materials. (NRS 624.031) This bill ~~reduces~~ **revises** that exemption by making it applicable for work to repair or maintain property the value of which is less than ~~[\$500,]~~ **\$1,000,** including labor and materials ~~if~~ **, aggregated for all work performed for a person and any member of his or her immediate family in the immediately preceding 12 months.**

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 624.031 is hereby amended to read as follows:

624.031 The provisions of this chapter do not apply to:

1. Work performed exclusively by an authorized representative of the United States Government, the State of Nevada, or an incorporated city, county, irrigation district, reclamation district, or other municipal or political corporation or subdivision of this State.

2. An officer of a court when acting within the scope of his or her office.

3. Work performed exclusively by a public utility operating pursuant to the regulations of the Public Utilities Commission of Nevada on construction, maintenance and development work incidental to its business.

4. An owner of property who is building or improving a residential structure on the property for his or her own occupancy and not intended for sale or lease. The sale or lease, or the offering for sale or lease, of the newly built structure within 1 year after its completion creates a rebuttable presumption for the purposes of this section that the building of the structure was performed with the intent to sell or lease that structure. An owner of property who requests an exemption pursuant to this subsection must apply to the Board for the exemption. The Board shall adopt regulations setting forth the requirements for granting the exemption.

5. Any work to repair or maintain property the value of which is less than **\$1,000,** ~~[\$500,]~~ including labor and materials, **aggregated for all work performed for a person and any member of his or her immediate family in the immediately preceding 12 months,** unless:

(a) A building permit is required to perform the work;

(b) The work is of a type performed by a plumbing, electrical, refrigeration, heating or air-conditioning contractor;

(c) The work is of a type performed by a contractor licensed in a classification prescribed by the Board that significantly affects the health, safety and welfare of members of the general public;

(d) The work is performed as a part of a larger project:

(1) The value of which is \$500 or more; or

(2) For which contracts of less than \$500 have been awarded to evade the provisions of this chapter; or

(e) The work is performed by a person who is licensed pursuant to this chapter or by an employee of that person.

6. The sale or installation of any finished product, material or article of merchandise which is not fabricated into and does not become a permanent fixed part of the structure.

7. The construction, alteration, improvement or repair of personal property.

8. The construction, alteration, improvement or repair financed in whole or in part by the Federal Government and conducted within the limits and boundaries of a site or reservation, the title of which rests in the Federal Government.

9. An owner of property, the primary use of which is as an agricultural or farming enterprise, building or improving a structure on the property for his or her use or occupancy and not intended for sale or lease.

10. Construction oversight services provided to a long-term recovery group by a qualified person within a particular geographic area that is described in a proclamation of a state of emergency or declaration of disaster by the State or Federal Government, including, without limitation, pursuant to NRS 414.070. A long-term recovery group may reimburse such reasonable expenses as the qualified person incurs in providing construction oversight services to that group. Except as otherwise provided in this subsection, nothing in this subsection authorizes a person who is not a licensed contractor to perform the acts described in paragraphs (a) and (b) of subsection 1 of NRS 624.700. As used in this subsection:

(a) "Construction oversight services" means the coordination and oversight of labor by volunteers.

(b) "Long-term recovery group" means a formal group of volunteers coordinating response and recovery efforts related to a state of emergency or disaster that is proclaimed or declared by the State or Federal Government.

(c) "Qualified person" means a person who possesses the abilities, education, experience, knowledge, skills and training that a long-term recovery group has identified as being necessary to provide construction oversight services for a project to be performed by that group.

Assemblyman Atkinson moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 37.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 57.

AN ACT relating to State Government; deleting the provisions that require the offices of all state officers, departments, boards, commissions and agencies to remain open during a certain period; **requiring such offices to post their days and hours of operation; requiring advance notice of any change in days or hours of operation;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the offices of all state officers, departments, boards, commissions and agencies are required to be open for business at least from 8 a.m. to 12 p.m. and from 1 p.m. to 5 p.m. every day except Saturdays, Sundays and legal holidays, unless otherwise required for the efficient transaction of business and the convenience of the persons with whom business is transacted. Any of those offices that are staffed by more than one person are also required to remain open during the noon hour of each working day. (NRS 281.110) **Sections 1-6 of this bill delete the requirement that those offices remain open during those hours. Section 1 requires additionally that the days and hours of operation of the office be posted at the office. Section 1 further provides that, if the days or hours of operation of the office change, the new days and hours of operation must be, at least 30 days before the change becomes effective: (1) posted at the office; (2) posted on the website of the office, if any; or (3) otherwise noticed publicly.**

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 281.110 is hereby amended to read as follows:

281.110 1. ~~{Unless required for the efficient transaction of business and the convenience of the persons with whom business is transacted, the}~~ **The** offices of all state officers, departments, boards, commissions and agencies must ~~[-~~

(a) ~~Maintain~~ **maintain** not less than a 40-hour workweek.

~~{(b) Be open for the transaction of business at least from 8 a.m. until 12 p.m. and from 1 p.m. until 5 p.m. every day of the year, with the exception of Saturdays, Sundays and legal holidays.}~~

2. Variable workweek scheduling may be required in those agencies where coverage is needed on Saturdays, Sundays and legal holidays or on other days or during other hours, as necessary.

3. The offices of all state officers, departments, boards, commissions and agencies ~~{that are open on the days and during the hours set forth in paragraph (b) of subsection 1 must remain open during the noon hour of each~~

~~working day if any such office has more than one person on its staff.] **must physically post the days and hours of operation at the office. If the days or hours of operation for the office change, the new days and hours of operation must be:**~~

~~**(a) Posted physically at the office;**~~

~~**(b) Posted on the website of the office, if any; or**~~

~~**(c) Otherwise noticed publicly.**~~

~~**↪ at least 30 days before the change becomes effective.**~~

Sec. 2. NRS 321.030 is hereby amended to read as follows:

321.030 The State Land Registrar shall keep an office at the seat of government . ~~[, which office must be open for the transaction of business on the days and during the hours established pursuant to NRS 281.110.]~~

Sec. 3. NRS 360.070 is hereby amended to read as follows:

360.070 The Nevada Tax Commission shall ~~[-~~

~~1. Keep] **keep** its office at Carson City . ~~[- Nevada; and~~~~

~~2. Be in general session and open for the transaction of business during the usual hours and days in which public offices are kept open.]~~

Sec. 4. NRS 532.070 is hereby amended to read as follows:

532.070 ~~{1-}~~ The State Engineer shall keep his or her office at the State Capital.

~~{2. The State Engineer shall keep his or her office open to the public on the days and during the hours established pursuant to NRS 281.110.]~~

Sec. 5. NRS 607.040 is hereby amended to read as follows:

607.040 ~~{1-}~~ The Labor Commissioner must be provided with properly furnished offices at the capital in Carson City, Nevada.

~~{2. The offices of the Labor Commissioner must be open for business during the hours and on the days established pursuant to NRS 281.110.]~~

Sec. 6. Section 2 of chapter 169, Statutes of Nevada 2009, at page 617, is hereby amended to read as follows:

Sec. 2. This act becomes effective on July 1, 2009 . ~~[, and expires by limitation on June 30, 2011.]~~

Sec. 7. 1. This section and section 6 of this act become effective upon passage and approval.

2. Sections 1 to 5, inclusive, of this act become effective on July 1, 2011.

Assemblywoman Bustamonte Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 42.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 58.

SUMMARY—Authorizes a county to ~~{dispose of}~~ lease certain real property acquired from the Federal Government in certain circumstances without obtaining an appraisal. (BDR 20-187)

AN ACT relating to counties; authorizing a county to ~~{sell,}~~ lease ~~for otherwise dispose of}~~ certain real property acquired directly from the Federal Government in certain circumstances without obtaining an appraisal; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a board of county commissioners is authorized to sell, lease or otherwise dispose of real property owned by the county for the purposes of redevelopment or economic development without first offering the real property to the public and for less than its fair market value if the board: (1) obtains an appraisal of the real property; and (2) adopts a resolution finding that it is in the best interest of the public to sell, lease or otherwise dispose of the real property on those terms. (NRS 244.2815)

Section 2 of this bill ~~{creates an exception to the requirement for}~~ authorizes the board of county commissioners of a county whose population is less than 45,000 (currently Churchill, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Mineral, Nye, Pershing, Storey and White Pine Counties) to lease real property without obtaining an appraisal if: (1) the real property was acquired by the county from the Federal Government; and (2) the terms and conditions under which the real property was acquired ~~{restrict}~~ **prohibit** the ~~{use of}~~ sale of the real property. ~~{}~~ **and provide for the reversion of the title to the real property to the Federal Government upon its demand. The board is required to comply with all other requirements of existing law applicable to such a lease, including the requirement for the adoption of a resolution that the lease is in the best interest of the public.**

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 244.2795 is hereby amended to read as follows:

244.2795 1. Except as otherwise provided in NRS 244.189, 244.276, 244.279, **244.2815**, 244.2825, 244.2835, 244.284, 244.287, 244.290, 278.479 to 278.4965, inclusive, and subsection 3 of NRS 496.080, except as otherwise required by federal law, except as otherwise required pursuant to a cooperative agreement entered into pursuant to NRS 277.050 or 277.053 or an interlocal agreement in existence on or before October 1, 2004, except if the board of county commissioners is entering into a joint development agreement for real property owned by the county to which the board of county commissioners is a party, except for a lease of residential property with a term of 1 year or less, except for the sale or lease of real property to a public utility, as defined in NRS 704.020, to be used for a public purpose, except for the sale or lease of real property to the State or another governmental entity and except for the sale or lease of real property larger

than 1 acre which is approved by the voters at a primary or general election or special election, the board of county commissioners shall, when offering any real property for sale or lease:

(a) Except as otherwise provided in this paragraph, obtain two independent appraisals of the real property before selling or leasing it. If the board of county commissioners holds a public hearing on the matter of the fair market value of the real property, one independent appraisal of the real property is sufficient before selling or leasing it. The appraisal or appraisals, as applicable, must have been prepared not more than 6 months before the date on which the real property is offered for sale or lease.

(b) Select the one independent appraiser or two independent appraisers, as applicable, from the list of appraisers established pursuant to subsection 2.

(c) Verify the qualifications of each appraiser selected pursuant to paragraph (b). The determination of the board of county commissioners as to the qualifications of the appraiser is conclusive.

2. The board of county commissioners shall adopt by ordinance the procedures for creating or amending a list of appraisers qualified to conduct appraisals of real property offered for sale or lease by the board. The list must:

(a) Contain the names of all persons qualified to act as a general appraiser in the same county as the real property that may be appraised; and

(b) Be organized at random and rotated from time to time.

3. An appraiser chosen pursuant to subsection 1 must provide a disclosure statement which includes, without limitation, all sources of income that may constitute a conflict of interest and any relationship with the real property owner or the owner of an adjoining real property.

4. An appraiser shall not perform an appraisal on any real property for sale or lease by the board of county commissioners if the appraiser or a person related to the appraiser within the first degree of consanguinity or affinity has an interest in the real property or an adjoining property.

5. If real property is sold or leased in violation of the provisions of this section:

(a) The sale or lease is void; and

(b) Any change to an ordinance or law governing the zoning or use of the real property is void if the change takes place within 5 years after the date of the void sale or lease.

Sec. 2. NRS 244.2815 is hereby amended to read as follows:

244.2815 1. A board of county commissioners may sell, lease or otherwise dispose of real property for the purposes of redevelopment or economic development:

(a) Without first offering the real property to the public; and

(b) For less than fair market value of the real property.

2. Before a board of county commissioners may sell, lease or otherwise dispose of real property pursuant to this section, the board must:

(a) ~~{Obtain}~~ Except as otherwise provided in subsection 3, obtain an appraisal of the real property pursuant to NRS 244.2795; ~~unless~~

~~(1) The real property was acquired by the county directly from the Federal Government; and~~

~~(2) The terms and conditions under which the real property was acquired restrict the use or sale of the real property;}~~ and

(b) Adopt a resolution finding that it is in the best interest of the public to sell, lease or otherwise dispose of the real property:

(1) Without offering the real property to the public; and

(2) For less than fair market value of the real property.

3. The board of county commissioners of a county whose population is less than 45,000 may lease real property pursuant to this section without obtaining the appraisal otherwise required pursuant to subsection 2 if:

(a) The real property was acquired by the county directly from the Federal Government; and

(b) The terms and conditions under which the real property was acquired prohibit the sale of the real property and provide for the reversion of the title to the real property to the Federal Government upon demand by the Federal Government.

4. As used in this section:

(a) “Economic development” means:

(1) The establishment of new commercial enterprises or facilities within the county;

(2) The support, retention or expansion of existing commercial enterprises or facilities within the county;

(3) The establishment, retention or expansion of public, quasi-public or other facilities or operations within the county;

(4) The establishment of residential housing needed to support the establishment of new commercial enterprises or facilities or the expansion of existing commercial enterprises or facilities; or

(5) Any combination of the activities described in subparagraphs (1) to (4), inclusive,

➔ to create and retain opportunities of employment for the residents of the county.

(b) “Redevelopment” has the meaning ascribed to it in NRS 279.408.

Sec. 3. NRS 244.2825 is hereby amended to read as follows:

244.2825 1. ~~{A}~~ Unless the provisions of NRS 244.2815 apply, a board of county commissioners may transfer real property which was acquired by the county directly from the Federal Government to a person without complying with the provisions of NRS 244.281 if the board of county commissioners determines that:

(a) The property is part of an original mining townsite;

(b) The person and the person’s predecessors in interest, if any, have continuously claimed, possessed and occupied such property for at least the 25 years immediately preceding the date of the transfer;

(c) The person's claim of right to possession of the property is based upon a written instrument issued to the person or the person's predecessors in interest by a person who claimed a right to possess the property; and

(d) The person or the person's predecessors in interest have paid all taxes that have been assessed against the property for the period during which the person and the person's predecessors in interest have claimed, possessed and occupied the property.

2. ~~The [Unless the provisions of NRS 244.2815 apply, the]~~ board of county commissioners may sell real property which was acquired by the county directly from the Federal Government to a person without complying with the provisions of NRS 244.281 if the board of county commissioners determines that the requirements set forth in paragraphs (a) and (b) of subsection 1 apply to the property. To establish a price for a sale pursuant to this subsection, a board of county commissioners shall obtain an appraisal of the property from a person who is certified to appraise real estate pursuant to chapter 645C of NRS. The price of property sold pursuant to this subsection must be equal to the sum of the appraised value of the property plus the greater of:

(a) One hundred dollars; or

(b) The balance of the state, county and municipal taxes that are due and owing on the land for the 5 years immediately preceding the date of the sale.

3. For purposes of this section, a person shall be deemed to have continuously possessed and occupied real property if during the time the person claims that the person and the person's predecessors in interest, if any, have possessed and occupied the real property, the real property has been:

(a) Usually inhabited, cultivated or improved by the person or the person's predecessors in interest;

(b) Protected by a substantial enclosure erected by the person or the person's predecessors in interest; or

(c) Used by the person or the person's predecessors in interest for the production of fuel, timber, ore or minerals, for husbandry or pasturage or for any other habitual use that the board of county commissioners determines to be indicative of possession and occupancy.

4. Before submitting documents to the county recorder to record a transfer or sale of property to a person pursuant to this section, the board of county commissioners shall:

(a) Charge and collect from the person to whom the real property is being transferred or sold a payment in an amount equal to the sum of:

(1) If applicable, the sales price determined pursuant to subsection 2; and

(2) The total cost to the county of:

(I) Acquiring the property from the Federal Government; and

(II) Conveying the property to the person; and

(b) Submit the money collected pursuant to this section to the county treasurer.

5. As used in this section, “original mining townsite” means real property owned by the Federal Government upon which improvements were made:

(a) Because a mining operation was located near the property; and

(b) Based upon the belief that:

(1) The property had been or would be acquired from the Federal Government by the entity that operated the mine; or

(2) The person who made the improvement had a valid claim for acquiring the property from the Federal Government.

Sec. 4. This act becomes effective upon passage and approval.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 46.

Bill read second time.

The following amendment was proposed by the Committee on Taxation:

Amendment No. 70.

AN ACT relating to taxation; clarifying the inapplicability of certain partial abatements of property taxes to various assessments relating to the adjudication of water rights and management of water resources; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires a partial abatement of property taxes. (NRS 361.4722, 361.4723, 361.4724) Under existing law, a board of county commissioners is required to cause certain assessments relating to water resources to be levied on real property, including the court costs which may be assessed against the participants in certain proceedings for the adjudication of water rights, the budgetary expenses of certain stream systems or water districts which may be assessed against the property served, and the salaries of well supervisors and other assistants employed by the State Engineer which may be assessed against the property in certain groundwater basins. (NRS 533.190, 533.285, 534.040) This bill clarifies that the assessments relating to water resources are not ~~and have never been~~ subject to those partial abatements of property taxes.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 361 of NRS is hereby amended by adding thereto a new section to read as follows:

“Ad valorem taxes” does not include any assessments levied pursuant to NRS 533.190, 533.285 or 534.040.

Sec. 2. NRS 361.471 is hereby amended to read as follows:

361.471 As used in NRS 361.471 to 361.4735, inclusive, **and section 1 of this act**, unless the context otherwise requires, the words and terms

defined in NRS 361.4712, 361.4715 and 361.4721 *and section 1 of this act* have the meanings ascribed to them in those sections.

Sec. 3. The amendatory provisions of this act:

1. Are intended to ~~1.~~

~~(a) Clarify the original intent of the Legislature when it enacted and subsequently amended the provisions of NRS 361.4722, 361.4723 and 361.4724; and~~

~~(b) Clarify~~ **clarify** rather than change the operation of NRS 361.4722, 361.4723 and 361.4724 with respect to the application of the partial abatements of ad valorem taxes set forth in those sections; and

2. ~~[Apply retroactively to July 1, 2005.]~~ **Must not be applied in a manner that affects any calculations made to carry out the provisions of NRS 361.471 to 361.4735, inclusive, and any regulations adopted pursuant to those provisions for any fiscal year ending before July 1, 2011.**

Sec. 4. This act becomes effective upon passage and approval.

Assemblywoman Kirkpatrick moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 57.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 358.

AN ACT relating to crimes; revising provisions relating to the registration of offenders convicted of a crime against a child and of sex offenders; **adding a member to the Advisory Committee to Study Laws Concerning Sex Offender Registration;** requiring notification of certain agencies after changes in a sex offender's location or length of stay in a jurisdiction; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that a record of registration as an offender (a person convicted of a crime against a child) or as a sex offender must contain certain information identifying the offender or sex offender and also provides that a sex offender must notify certain law enforcement agencies of any address change where he or she resides, is a student or is employed. (NRS 179D.150, 179D.470) **Section 3** of this bill requires an offender or sex offender who has no fixed residence to provide the address or certain details of the location where the person habitually sleeps to be included in a record of registration.

Section 5 of this bill expands the duty of a sex offender to notify certain law enforcement agencies ~~[to include notification after any change in location, temporary shelter or place where the sex offender habitually sleeps, or]~~ after staying in a jurisdiction longer than ~~[45]~~ **30** days under certain circumstances. **Section 5 also requires a sex offender who has no fixed address to notify law enforcement at least every 30 days if there are any**

changes in the sex offender's temporary shelter or place where the sex offender habitually sleeps.

Section 4.3 of this bill adds a member who is a mental health professional to the Advisory Committee to Study Laws Concerning Sex Offender Registration.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 179A.071 is hereby amended to read as follows:

179A.071 "Record of registration" has the meaning ascribed to it in NRS ~~[179D.150.]~~ **179D.070.**

Sec. 2. NRS 179B.090 is hereby amended to read as follows:

179B.090 "Record of registration" ~~[means a record of registration that contains the information required by NRS 179D.150.]~~ **has the meaning ascribed to it in NRS 179D.070.**

Sec. 3. Chapter 179D of NRS is hereby amended by adding thereto a new section to read as follows:

A record of registration must include, if the information is available:

1. Information identifying the offender or sex offender, including, but not limited to:

(a) The name of the offender or sex offender and all aliases that the offender or sex offender has used or under which he or she has been known;

(b) A complete physical description of the offender or sex offender, a current photograph of the offender or sex offender and the fingerprints and palm prints of the offender or sex offender;

(c) The date of birth and the social security number of the offender or sex offender;

(d) The identification number from a driver's license or an identification card issued to the offender or sex offender by this State or any other jurisdiction and a photocopy of such driver's license or identification card;

(e) A report of the analysis of the genetic markers of the specimen obtained from the offender or sex offender pursuant to NRS 176.0913; and

(f) Any other information that identifies the offender or sex offender.

2. Except as otherwise provided in subsection 3, information concerning the residence of the offender or sex offender, including, but not limited to:

(a) The address at which the offender or sex offender resides;

(b) The length of time the offender or sex offender has resided at that address and the length of time the offender or sex offender expects to reside at that address;

(c) The address or location of any other place where the offender or sex offender expects to reside in the future and the length of time the offender or sex offender expects to reside there; and

(d) *The length of time the offender or sex offender expects to remain in the county where the offender or sex offender resides and in this State.*

3. *If the offender or sex offender has no fixed residence, the address of any dwelling that is providing the offender or sex offender temporary shelter, or any other location where the offender or sex offender habitually sleeps, including, but not limited to, the cross streets, intersection, direction and identifiable landmarks of the city, county, state and zip code of that location.*

4. *Information concerning the offender's or sex offender's occupations, employment or work or expected occupations, employment or work, including, but not limited to, the name, address and type of business of all current and expected future employers of the offender or sex offender.*

5. *Information concerning the offender's or sex offender's volunteer service or expected volunteer service in connection with any activity or organization within this State, including, but not limited to, the name, address and type of each such activity or organization.*

6. *Information concerning the offender's or sex offender's enrollment or expected enrollment as a student in any public or private educational institution or school within this State, including, but not limited to, the name, address and type of each such educational institution or school.*

7. *Information concerning whether:*

(a) *The offender or sex offender is, expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of the offender or sex offender's enrollment at an institution of higher education; or*

(b) *The offender or sex offender is, expects to be or becomes a worker at an institution of higher education or changes the date of commencement or termination of the offender or sex offender's work at an institution of higher education,*

↪ *including, but not limited to, the name, address and type of each such institution of higher education.*

8. *The license plate number and a description of all motor vehicles registered to or frequently driven by the offender or sex offender.*

9. *The level of registration and community notification of the offender or sex offender.*

10. *The criminal history of the offender or sex offender, including, without limitation:*

(a) *The dates of all arrests and convictions of the offender or sex offender;*

(b) *The status of parole, probation or supervised release of the offender or sex offender;*

(c) *The status of the registration of the offender or sex offender; and*

(d) *The existence of any outstanding arrest warrants for the offender or sex offender.*

11. *The following information for each offense for which the offender or sex offender has been convicted:*

- (a) *The court in which the offender or sex offender was convicted;*
- (b) *The text of the provision of law defining each offense;*
- (c) *The name under which the offender or sex offender was convicted;*
- (d) *The name and location of each penal institution, school, hospital, mental facility or other institution to which the offender or sex offender was committed;*
- (e) *The specific location where the offense was committed;*
- (f) *The age, the gender, the race and a general physical description of the victim; and*
- (g) *The method of operation that was used to commit the offense, including, but not limited to:*
 - (1) *Specific sexual acts committed against the victim;*
 - (2) *The method of obtaining access to the victim, such as the use of enticements, threats, forced entry or violence against the victim;*
 - (3) *The type of injuries inflicted on the victim;*
 - (4) *The types of instruments, weapons or objects used;*
 - (5) *The type of property taken; and*
 - (6) *Any other distinctive characteristic of the behavior or personality of the offender or sex offender.*

12. *Any other information required by federal law.*

Sec. 4. NRS 179D.070 is hereby amended to read as follows:

179D.070 "Record of registration" means a record of registration that contains the information required by ~~NRS 179D.150.~~ **section 3 of this act.**

Sec. 4.3. NRS 179D.132 is hereby amended to read as follows:

179D.132 1. The Advisory Committee to Study Laws Concerning Sex Offender Registration is hereby created.

2. The Committee consists of the following members:

- (a) The Attorney General or the Attorney General's designee;
- (b) One member of the Assembly appointed by the Speaker of the Assembly;
- (c) One member of the Senate appointed by the Majority Leader of the Senate;
- (d) One member appointed by the Nevada Sheriffs' and Chiefs' Association, or a successor organization;
- (e) One member appointed by the Nevada District Attorneys Association, or a successor organization;
- (f) One member who is a public defender, appointed by the governing body of the State Bar of Nevada;
- (g) One member appointed by the American Civil Liberties Union, or a successor organization; ~~and~~
- (h) **One member who is a mental health professional, appointed by the Attorney General; and**

(i) Any member appointed by an organization that has been authorized by the Attorney General to appoint a member of the Committee pursuant to NRS 179D.134.

3. The Attorney General or the Attorney General's designee is the Chair of the Committee.

4. Each member who is appointed to the Committee serves a term of 2 years. Except as otherwise provided in subsection 3 of NRS 179D.134:

(a) Members may be reappointed for additional terms of 2 years in the same manner as the original appointments; and

(b) Any vacancy occurring in the membership of the Committee must be filled in the same manner as the original appointment not later than 30 days after the vacancy occurs.

5. The Committee shall meet at least twice each year and may meet at such further times as deemed necessary by the Chair.

6. A majority of the members of the Committee constitutes a quorum for the transaction of business, and a majority of those members present at any meeting is sufficient for any official action taken by the Committee.

7. The Committee shall comply with the provisions of chapter 241 of NRS, and all meetings of the Committee must be conducted in accordance with that chapter.

8. For each day or portion of a day during which a member of the Committee who is a Legislator attends a meeting of the Committee or is otherwise engaged in the business of the Committee, except during a regular or special session of the Legislature, the Legislator is entitled to receive the:

(a) Compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding regular session;

(b) Per diem allowance provided for state officers generally; and

(c) Travel expenses provided pursuant to NRS 218A.655.

➡ The compensation, per diem allowances and travel expenses of the members of the Committee who are Legislators must be paid from the Legislative Fund.

9. While engaged in the business of the Committee, to the extent of legislative appropriation, the members of the Committee who are not Legislators are entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

10. A member of the Committee who is an officer or employee of this State or a political subdivision of this State must be relieved from his or her duties without loss of regular compensation so that he or she may prepare for and attend meetings of the Committee and perform any work necessary to carry out the duties of the Committee in the most timely manner practicable. A state agency or political subdivision of this State shall not require an officer or employee who is a member of the Committee to:

(a) Make up the time the member is absent from work to carry out his or her duties as a member of the Committee; or

(b) Take annual leave or compensatory time for the absence.

11. The Attorney General shall provide the Committee with such staff as is necessary to carry out the duties of the Committee.

Sec. 4.7. NRS 179D.134 is hereby amended to read as follows:

179D.134 1. An organization which is concerned with state and federal laws concerning the registration of sex offenders and which wishes to appoint a member to the Committee pursuant to paragraph ~~(4)~~ **(i)** of subsection 2 of NRS 179D.132 may apply to the Attorney General, or the Attorney General's designee, for authorization to appoint a member to the Committee. At the Attorney General's discretion, the Attorney General may authorize the organization to appoint a member to the Committee.

2. At any time after the Attorney General has authorized an organization to appoint a member to the Committee, the Attorney General may revoke the organization's authorization to appoint a member to the Committee.

3. If, after receiving authorization to appoint a member to the Committee, an organization ceases to exist or has its authorization to appoint a member to the Committee revoked by the Attorney General, any member of the Committee appointed by the organization may complete the term to which the member was appointed, and upon the completion of that term, the organization, or a successor organization, may not appoint a member to the Committee.

Sec. 5. NRS 179D.470 is hereby amended to read as follows:

179D.470 1. If a sex offender changes the address ~~for location~~ at which he or she resides, ~~for obtains temporary shelter or habitually sleeps,~~ including moving from this State to another jurisdiction, ~~for~~ changes the primary address at which ~~the sex offender~~ **he or she** is a student or worker ~~for~~ **or remains in a jurisdiction longer than ~~45~~ 30 days after initially reporting a stay of less than ~~45~~ 30 days, the sex offender shall,** not later than 48 hours after ~~changing such an address, the sex offender shall~~ **such a change in status,** provide **notice of the change in status, including, without limitation,** the new address, ~~for location,~~ in person, to the local law enforcement agency in whose jurisdiction the sex offender now resides ~~for has temporary shelter or habitually sleeps,~~ and, in person or in writing, to the local law enforcement agency in whose jurisdiction the sex offender formerly resided ~~for had temporary shelter or habitually slept,~~ and shall provide all other information that is relevant to updating the record of registration, including, but not limited to, any change in the sex offender's name, occupation, employment, work, volunteer service or driver's license and any change in the license number or description of a motor vehicle registered to or frequently driven by the sex offender.

2. Upon receiving a change of address ~~for location~~ from a sex offender, the local law enforcement agency shall immediately forward the new address ~~for location~~ and any updated information to the Central Repository and:

(a) If the sex offender has changed an address ~~for location~~ within this State, the Central Repository shall immediately provide notification concerning the sex offender to the local law enforcement agency in whose

jurisdiction the sex offender is now residing ~~[, has temporary shelter or habitually sleeps]~~ or is a student or worker and shall notify the local law enforcement agency in whose jurisdiction the sex offender last resided ~~[, had temporary shelter or habitually slept]~~ or was a student or worker; or

(b) If the sex offender has changed an address ~~[or location]~~ from this State to another jurisdiction, the Central Repository shall immediately provide notification concerning the sex offender to the appropriate law enforcement agency in the other jurisdiction and shall notify the local law enforcement agency in whose jurisdiction the sex offender last resided or was a student or worker.

3. In addition to any other requirement pursuant to this section and upon notification of the requirements of this subsection, any sex offender who has no fixed residence shall at least every 30 days notify the local law enforcement agency in whose jurisdiction the sex offender resides if there are any changes in the address of any dwelling that is providing the sex offender temporary shelter or any changes in location where the sex offender habitually sleeps. The court may dismiss any criminal charges filed for failure to comply with this subsection if the sex offender immediately updates his or her record of registration.

Sec. 6. NRS 391.314 is hereby amended to read as follows:

391.314 1. If a superintendent has reason to believe that cause exists for the dismissal of a licensed employee and the superintendent is of the opinion that the immediate suspension of the employee is necessary in the best interests of the pupils in the district, the superintendent may suspend the employee without notice and without a hearing. Notwithstanding the provisions of NRS 391.312, a superintendent may suspend a licensed employee who has been officially charged but not yet convicted of a felony or a crime involving moral turpitude or immorality. If the charge is dismissed or if the employee is found not guilty, the employee must be reinstated with back pay, plus interest, and normal seniority. The superintendent shall notify the employee in writing of the suspension.

2. Within 5 days after a suspension becomes effective, the superintendent shall begin proceedings pursuant to the provisions of NRS 391.312 to 391.3196, inclusive, to effect the employee's dismissal. The employee is entitled to continue to receive his or her salary and other benefits after the suspension becomes effective until the date on which the dismissal proceedings are commenced. The superintendent may recommend that an employee who has been charged with a felony or a crime involving immorality be dismissed for another ground set forth in NRS 391.312.

3. If sufficient grounds for dismissal do not exist, the employee must be reinstated with full compensation, plus interest.

4. A licensed employee who furnishes to the school district a bond or other security which is acceptable to the board as a guarantee that the employee will repay any amounts paid to him or her pursuant to this subsection as salary during a period of suspension is entitled to continue to

receive his or her salary from the date on which the dismissal proceedings are commenced until the decision of the board or the report of the hearing officer, if the report is final and binding. The board shall not unreasonably refuse to accept security other than a bond. An employee who receives salary pursuant to this subsection shall repay it if the employee is dismissed or not reemployed as a result of a decision of the board or a report of a hearing officer.

5. A licensed employee who is convicted of a crime which requires registration pursuant to NRS 179D.010 to 179D.550, inclusive, **and section 3 of this act**, or is convicted of an act forbidden by NRS 200.508, 201.190, 201.265, 201.540, 201.560 or 207.260 forfeits all rights of employment from the date of his or her arrest.

6. A licensed employee who is convicted of any crime and who is sentenced to and serves any sentence of imprisonment forfeits all rights of employment from the date of his or her arrest or the date on which his or her employment terminated, whichever is later.

7. A licensed employee who is charged with a felony or a crime involving immorality or moral turpitude and who waives his or her right to a speedy trial while suspended may receive no more than 12 months of back pay and seniority upon reinstatement if the employee is found not guilty or the charges are dismissed, unless proceedings have been begun to dismiss the employee upon one of the other grounds set forth in NRS 391.312.

8. A superintendent may discipline a licensed employee by suspending the employee with loss of pay at any time after a hearing has been held which affords the due process provided for in this chapter. The grounds for suspension are the same as the grounds contained in NRS 391.312. An employee may be suspended more than once during the employee's contract year, but the total number of days of suspension may not exceed 20 in 1 contract year. Unless circumstances require otherwise, the suspensions must be progressively longer.

Sec. 7. NRS 179D.150 is hereby repealed.

Sec. 8. This act becomes effective upon passage and approval.

TEXT OF REPEALED SECTION

179D.150 Contents. A record of registration must include, if the information is available:

1. Information identifying the offender or sex offender, including, but not limited to:

(a) The name of the offender or sex offender and all aliases that the offender or sex offender has used or under which he or she has been known;

(b) A complete physical description of the offender or sex offender, a current photograph of the offender or sex offender and the fingerprints and palm prints of the offender or sex offender;

(c) The date of birth and the social security number of the offender or sex offender;

(d) The identification number from a driver's license or an identification card issued to the offender or sex offender by this State or any other jurisdiction and a photocopy of such driver's license or identification card;

(e) A report of the analysis of the genetic markers of the specimen obtained from the offender or sex offender pursuant to NRS 176.0913; and

(f) Any other information that identifies the offender or sex offender.

2. Information concerning the residence of the offender or sex offender, including, but not limited to:

(a) The address at which the offender or sex offender resides;

(b) The length of time the offender or sex offender has resided at that address and the length of time the offender or sex offender expects to reside at that address;

(c) The address or location of any other place where the offender or sex offender expects to reside in the future and the length of time the offender or sex offender expects to reside there; and

(d) The length of time the offender or sex offender expects to remain in the county where the offender or sex offender resides and in this State.

3. Information concerning the offender's or sex offender's occupations, employment or work or expected occupations, employment or work, including, but not limited to, the name, address and type of business of all current and expected future employers of the offender or sex offender.

4. Information concerning the offender's or sex offender's volunteer service or expected volunteer service in connection with any activity or organization within this State, including, but not limited to, the name, address and type of each such activity or organization.

5. Information concerning the offender's or sex offender's enrollment or expected enrollment as a student in any public or private educational institution or school within this State, including, but not limited to, the name, address and type of each such educational institution or school.

6. Information concerning whether:

(a) The offender or sex offender is, expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of the offender or sex offender's enrollment at an institution of higher education; or

(b) The offender or sex offender is, expects to be or becomes a worker at an institution of higher education or changes the date of commencement or termination of the offender or sex offender's work at an institution of higher education,

↪ including, but not limited to, the name, address and type of each such institution of higher education.

7. The license plate number and a description of all motor vehicles registered to or frequently driven by the offender or sex offender.

8. The level of registration and community notification of the offender or sex offender.

9. The criminal history of the offender or sex offender, including, without limitation:

- (a) The dates of all arrests and convictions of the offender or sex offender;
- (b) The status of parole, probation or supervised release of the offender or sex offender;
- (c) The status of the registration of the offender or sex offender; and
- (d) The existence of any outstanding arrest warrants for the offender or sex offender.

10. The following information for each offense for which the offender or sex offender has been convicted:

- (a) The court in which the offender or sex offender was convicted;
- (b) The text of the provision of law defining each offense;
- (c) The name under which the offender or sex offender was convicted;
- (d) The name and location of each penal institution, school, hospital, mental facility or other institution to which the offender or sex offender was committed;
- (e) The specific location where the offense was committed;
- (f) The age, the gender, the race and a general physical description of the victim; and
- (g) The method of operation that was used to commit the offense, including, but not limited to:
 - (1) Specific sexual acts committed against the victim;
 - (2) The method of obtaining access to the victim, such as the use of enticements, threats, forced entry or violence against the victim;
 - (3) The type of injuries inflicted on the victim;
 - (4) The types of instruments, weapons or objects used;
 - (5) The type of property taken; and
 - (6) Any other distinctive characteristic of the behavior or personality of the offender or sex offender.

11. Any other information required by federal law.

Assemblyman Ohrenschall moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 73.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 138.

AN ACT relating to water; authorizing the State Engineer or any assistant or authorized agent of the State Engineer to enter certain ~~premises~~ land to investigate and carry out the duties of the State Engineer; ~~requiring the State Engineer to cancel a permit to appropriate water for a beneficial use if the holder of the permit fails to file certain information within a certain period after the date of the notice to file that information;~~ revising provisions

relating to the forfeiture of certain water rights; removing provisions requiring the State Engineer to adopt regulations establishing a program to allow a public water system to receive a credit for adding a new customer to the system; ~~authorizing a public water system to receive such a credit under certain circumstances;~~ and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, if an owner or proprietor appropriates underground water through the use of a well, the State Engineer or any assistant or authorized agent of the State Engineer is authorized to enter the premises of the owner or proprietor where such a well is situated to investigate and carry out the duties of the State Engineer in the administration of the provisions of chapter 534 of NRS governing underground water and wells. (NRS 534.130) However, existing law does not confer similar authority upon the State Engineer or any assistant or authorized agent of the State Engineer to enter the ~~premises~~ **land** of an owner or proprietor for the purpose of carrying out the provisions of chapter 533 of NRS governing vested water rights and rights to appropriate public water for a beneficial use. **Section 1** of this bill specifically confers such authority upon the State Engineer or any assistant or authorized agent of the State Engineer for the purpose of carrying out the provisions of chapter 533 of NRS.

~~Existing law requires the State Engineer to notify a holder of a permit to appropriate water for a beneficial use if the holder of the permit fails to file with the State Engineer proof of an application of water to the beneficial use and any required map for that appropriation. Existing law further provides that, if the holder of the permit fails to file the required affidavit and map with the State Engineer within 30 days after the mailing of the notice, the State Engineer is required to cancel the permit. (NRS 533.410) Section 2 of this bill requires the State Engineer to cancel the permit if the holder of the permit fails to file the required affidavit and map within 30 days after the date of the notice rather than 30 days after the mailing of the notice.~~

Under existing law, the State Engineer is authorized to inspect at any time the construction of a dam for which he or she has issued a permit to appropriate, store and use the water to be impounded or diverted by the dam. (NRS 535.010) Existing law also requires the State Engineer to make inspections of dams from time to time. (NRS 535.030) In addition to any such authorized or required inspections, and similarly to the authority conferred in section 1, section 5 of this bill specifically confers authority upon the State Engineer or any assistant or authorized agent of the State Engineer to enter the land of any owner or proprietor where any dam or other obstruction is situated to investigate and carry out the duties of the State Engineer pursuant to chapter 535 of NRS.

Existing law provides for the forfeiture of a right to use beneficially all or any part of underground water for the purpose for which the underground water is acquired or claimed. Existing law also authorizes the State Engineer to extend the amount of time required to work the forfeiture. (NRS 534.090)

Section 3 of this bill ~~[provides]~~ **clarifies** that groundwater rights for which a certificate of beneficial use has been issued, instead of groundwater rights held under a permit, are subject to the forfeiture procedure. Permitted rights are lost through the process of cancellation. (NRS 533.395) In addition, **section 3** requires the State Engineer to declare a water right forfeited for nonuse if the State Engineer grants an extension of time to the owner of the water right and, before the expiration of that extension of time, proof of resumption of beneficial use or another request for an extension of time is not filed in the Office of the State Engineer.

Existing law requires the State Engineer to adopt regulations establishing a program that allows a public water system to receive a credit for adding a new customer to the public water system in any area that the State Engineer has designated as a groundwater basin and in which the State Engineer has denied one or more applications for a municipal use of groundwater. Before adopting those regulations, existing law requires the State Engineer to hold a public hearing within the basin to which the regulations will apply or within the county in which a major portion of the groundwater basin lies. (NRS 534.350) **Section 4** of this bill deletes the requirement for the State Engineer to adopt those regulations and to hold a public hearing before adopting the regulations. ~~In lieu of adopting the regulations, section 4 sets forth directly in NRS the requirements for a public water system to receive a credit for adding a new customer to the public water system in a designated groundwater basin.~~

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 533 of NRS is hereby amended by adding thereto a new section to read as follows:

*The State Engineer or any assistant or authorized agent of the State Engineer may enter the ~~[premises]~~ land of any owner or proprietor where any water ~~[right or water user]~~ is [situated] **being diverted or used pursuant to this chapter at any reasonable hour of the day to investigate and carry out the duties of the State Engineer pursuant to this chapter.***

Sec. 2. ~~[NRS 533.410 is hereby amended to read as follows:~~

~~533.410 If any holder of a permit from the State Engineer fails, before the date set for filing in the permit or the date set by any extension granted by the State Engineer, to file with the State Engineer proof of application of water to beneficial use, and the accompanying map, if a map is required, the State Engineer shall advise the holder of the permit, by registered or certified mail, that the permit is held for cancellation. If the holder, within 30 days after the [mailing] date of [this] the notice, fails to file with the State Engineer the required affidavit and map, if a map is required, or an application for an extension of time to file the instruments, the State Engineer shall cancel the permit. For good cause shown, upon application made before the expiration of the 30-day period, the State Engineer may grant an~~

~~extension of time in which to file the instruments.] (Deleted by amendment.)~~

Sec. 3. NRS 534.090 is hereby amended to read as follows:

534.090 1. Except as otherwise provided in this section, failure for 5 successive years after April 15, 1967, on the part of the holder of any right, whether it is an adjudicated right, an unadjudicated right or a ~~permitted~~ right ~~[]~~ **for which a certificate has been issued pursuant to NRS 533.425,** and further whether the right is initiated after or before March 25, 1939, to use beneficially all or any part of the underground water for the purpose for which the right is acquired or claimed, works a forfeiture of both undetermined rights and determined rights to the use of that water to the extent of the nonuse. If the records of the State Engineer or any other documents specified by the State Engineer indicate at least 4 consecutive years, but less than 5 consecutive years, of nonuse of all or any part of a water right which is governed by this chapter, the State Engineer shall notify the owner of the water right, as determined in the records of the Office of the State Engineer, by registered or certified mail that the owner has 1 year after the date of the notice in which to use the water right beneficially and to provide proof of such use to the State Engineer or apply for relief pursuant to subsection 2 to avoid forfeiting the water right. If, after 1 year after the date of the notice, proof of **resumption of** beneficial use is not ~~sent to~~ **filed in the Office of the** State Engineer, the State Engineer shall, unless the State Engineer has granted a request to extend the time necessary to work a forfeiture of the water right, declare the right forfeited within 30 days. Upon the forfeiture of a right to the use of groundwater, the water reverts to the public and is available for further appropriation, subject to existing rights. If, upon notice by registered or certified mail to the owner of record whose right has been declared forfeited, the owner of record fails to appeal the ruling in the manner provided for in NRS 533.450, and within the time provided for therein, the forfeiture becomes final. The failure to receive a notice pursuant to this subsection does not nullify the forfeiture or extend the time necessary to work the forfeiture of a water right.

2. The State Engineer may, upon the request of the holder of any right described in subsection 1, extend the time necessary to work a forfeiture under that subsection if the request is made before the expiration of the time necessary to work a forfeiture. The State Engineer may grant, upon request and for good cause shown, any number of extensions, but a single extension must not exceed 1 year. In determining whether to grant or deny a request, the State Engineer shall, among other reasons, consider:

(a) Whether the holder has shown good cause for the holder's failure to use all or any part of the water beneficially for the purpose for which the holder's right is acquired or claimed;

(b) The unavailability of water to put to a beneficial use which is beyond the control of the holder;

(c) Any economic conditions or natural disasters which made the holder unable to put the water to that use;

(d) Any prolonged period in which precipitation in the basin where the water right is located is below the average for that basin or in which indexes that measure soil moisture show that a deficit in soil moisture has occurred in that basin; and

(e) Whether the holder has demonstrated efficient ways of using the water for agricultural purposes, such as center-pivot irrigation.

➔ The State Engineer shall notify, by registered or certified mail, the owner of the water right, as determined in the records of the Office of the State Engineer, of whether the State Engineer has granted or denied the holder's request for an extension pursuant to this subsection. ***If the State Engineer grants an extension pursuant to this subsection and, before the expiration of that extension, proof of resumption of beneficial use or another request for an extension is not filed in the Office of the State Engineer, the State Engineer shall declare the water right forfeited within 30 days after the expiration of the extension granted pursuant to this subsection.***

3. If the failure to use the water pursuant to subsection 1 is because of the use of center-pivot irrigation before July 1, 1983, and such use could result in a forfeiture of a portion of a right, the State Engineer shall, by registered or certified mail, send to the owner of record a notice of intent to declare a forfeiture. The notice must provide that the owner has at least 1 year after the date of the notice to use the water beneficially or apply for additional relief pursuant to subsection 2 before forfeiture of the owner's right is declared by the State Engineer.

4. A right to use underground water whether it is vested or otherwise may be lost by abandonment. If the State Engineer, in investigating a groundwater source, upon which there has been a prior right, for the purpose of acting upon an application to appropriate water from the same source, is of the belief from his or her examination that an abandonment has taken place, the State Engineer shall so state in the ruling approving the application. If, upon notice by registered or certified mail to the owner of record who had the prior right, the owner of record of the prior right fails to appeal the ruling in the manner provided for in NRS 533.450, and within the time provided for therein, the alleged abandonment declaration as set forth by the State Engineer becomes final.

Sec. 4. NRS 534.350 is hereby amended to read as follows:

534.350 1. ~~{The State Engineer shall adopt regulations establishing a program that allows a}~~ A public water system ~~{to}~~ **may** receive credits, as provided in this section, for the addition of new customers to the system. The ~~{program}~~ **granting of a credit pursuant to this section** must be limited to public water systems in areas:

(a) Designated as groundwater basins by the State Engineer pursuant to the provisions of NRS 534.030; and

(b) ~~In which the State Engineer has denied one or more applications for any municipal uses of groundwater; [.] [.] and~~

~~(c) For which the State Engineer has issued an order for granting a credit pursuant to this section.~~

2. ~~[Before] [At least 30 days before the State Engineer] [adopts any regulations] [issues an order granting a credit pursuant to this section] [regarding any particular groundwater basin, the State Engineer shall hold a public hearing:~~

(a) ~~Within the basin to which the regulations will apply if adequate facilities to hold a hearing are available within that basin; or~~

(b) ~~In all other cases, within the county where the major portion of that basin lies;~~

~~to take testimony from any interested persons regarding the proposed regulations.] [the public water system requesting the credit shall submit to the State Engineer a written confirmation indicating that each customer of the public water system has been notified of the request by the public water system. The written confirmation must include the response, if any, the public water system received from each of those customers.~~

~~3.] [Upon adoption of the regulations required by this section regarding a particular groundwater basin, a] A public water system which provides service in [that] **a groundwater** basin is entitled to receive a credit for each customer who is added to the system [after the adoption of those regulations] and:~~

(a) Voluntarily ceases to draw water from a domestic well located within that basin; or

(b) Is the owner of a lot or other parcel of land, other than land used or intended solely for use as a location for a domestic well, which:

(1) Is located within that basin;

(2) Was established as a separate lot or parcel before July 1, 1993;

(3) Was approved by a local governing body or planning commission for service by an individual domestic well before July 1, 1993; and

(4) Is subject to a written agreement which was voluntarily entered into by the owner with the public water system pursuant to which the owner agrees not to drill a domestic well on the land and the public water system agrees that it will provide water service to the land. Any such agreement must be acknowledged and recorded in the same manner as conveyances affecting real property are required to be acknowledged and recorded pursuant to chapter 111 of NRS.

~~4.]~~ 3. If a county requires, by ordinance, the dedication to the county of a right to appropriate water from a domestic well which is located on a lot or other parcel of land that was established as a separate lot or parcel on or after July 1, 1993, the county may, by relinquishment to the State Engineer, allow the right to appropriate water to revert to the source of the water. The State Engineer shall not accept a relinquishment of a right to appropriate water pursuant to this subsection unless the right is in good standing as determined

by the State Engineer. A right to appropriate water that is dedicated and relinquished pursuant to this subsection:

(a) Remains appurtenant only to the parcel of land in which it is located as specified on the parcel map; and

(b) Maintains its date of priority established pursuant to NRS 534.080.

~~15.1 4.~~ **4.** If an owner of a parcel of land specified in subsection ~~14.1 3~~ becomes a new customer of a public water system for that parcel of land, the public water system is entitled to receive a credit in the same manner as the addition of any other customer to the public water system pursuant to this section.

~~16.1 5.~~ **5.** The State Engineer may require a new customer, who voluntarily ceases to draw water from a domestic well as provided in paragraph (a) of subsection ~~13.1 2~~ or whose right to appropriate water is dedicated pursuant to subsection ~~14.1 3~~ to plug that well.

~~17.1 6.~~ **6.** A credit granted pursuant to this section:

(a) Must be sufficient to enable the public water system to add one service connection for a single-family dwelling to the system, except that the credit may not exceed the increase in water consumption attributable to the additional service connection or 2 acre-feet per year, whichever is less.

(b) May not be converted to an appropriative water right.

~~18.1 7.~~ **7.** This section does not:

(a) Require a public water system to extend its service area.

(b) Authorize any increase in the total amount of groundwater pumped in a groundwater basin.

(c) Affect any rights of an owner of a domestic well who does not voluntarily comply with the provisions of this section.

~~19.1 8.~~ **8.** As used in this section:

(a) “Domestic well” means a well used for culinary and household purposes in:

(1) A single-family dwelling; and

(2) An accessory dwelling unit for a single-family dwelling if provided for in an applicable local ordinance,

↪ including the watering of a garden, lawn and domestic animals and where the draught does not exceed 2 acre-feet per year.

(b) “Public water system” has the meaning ascribed to it in NRS 445A.840.

Sec. 5. Chapter 535 of NRS is hereby amended by adding thereto a new section to read as follows:

In addition to any inspection conducted pursuant to NRS 535.010 or 535.030, the State Engineer or any assistant or authorized agent of the State Engineer may enter the land of any owner or proprietor where any dam or other obstruction is situated at any reasonable hour of the day to investigate and carry out the duties of the State Engineer pursuant to this chapter.

Sec. 6. The Legislature hereby declares that:

1. It has examined the past and present practice of the State Engineer with respect to the forfeiture of water rights on and after March 15, 1947, and finds that the State Engineer has applied the provisions of Nevada law relating to the forfeiture of water rights in a manner consistent with the provisions of subsection 1 of NRS 534.090, as amended by section 3 of this act.

2. The amendatory provisions of subsection 1 of section 3 of this act are intended to clarify rather than change the existing application of NRS 534.090 relating to the forfeiture of water rights and to promote thereby stability and consistency in the administration of chapters 533 and 534 of NRS.

~~{Sec. 5.}~~ **Sec. 7.** This act becomes effective upon passage and approval.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 110.

Bill read second time.

The following amendment was proposed by the Committee on Health and Human Services:

Amendment No. 462.

AN ACT relating to public welfare; requiring the Department of Health and Human Services to establish and administer the Kinship Guardianship Assistance Program; requiring the Department to ~~include in certain~~ **adopt a** state ~~plan provisions relating to~~ **plan for the administration of** the Program; authorizing agencies which provide child welfare services to enter into agreements to provide assistance under the Program; prescribing the requirements for receiving assistance pursuant to the Program; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Federal law authorizes states to establish programs to provide financial incentives to certain relatives who become the legal guardians of children in foster care. (42 U.S.C. 671 and 673)

Section 5 of this bill requires the Department of Health and Human Services to establish and administer the Kinship Guardianship Assistance Program in accordance with the Federal law to provide assistance to a relative of a child who is seeking appointment as the legal guardian of the child under certain circumstances. **Section 5** also requires the Department to ~~include the Program in~~ **adopt** a state plan ~~adopted by the Department relating to child and family services.~~ **for the administration of the Program.** **Sections 6-9** of this bill prescribe the requirements of the Program and set forth the conditions for the provision of assistance including, without limitation, the criteria for a child and a relative to receive assistance, the

content of any agreements for assistance and the duties of agencies which provide child welfare services that provide assistance pursuant to the Program.

Existing law provides that a person who obtains or attempts to obtain public assistance through fraudulent means is guilty of a category E felony and shall pay restitution. (NRS 422A.700) The Program is considered public assistance for purposes of imposing a penalty pursuant to that section.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter ~~422A~~ **432B** of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 9, inclusive, of this act.

Sec. 2. *As used in sections 2 to 9, inclusive, of this act, unless the context otherwise requires, ~~the words and terms defined in sections 3 and 4 of this act have the meanings ascribed to them in those sections.~~ “Program” means the Kinship Guardianship Assistance Program established and administered by the Department pursuant to section 5 of this act.*

Sec. 3. ~~“Agency which provides child welfare services” has the meaning ascribed to it in NRS 432B.030.~~ **(Deleted by amendment.)**

Sec. 4. ~~“Program” means the Kinship Guardianship Assistance Program established and administered by the Department pursuant to section 5 of this act.~~ **(Deleted by amendment.)**

Sec. 5. 1. *The Department, through a division of the Department designated by the Director, shall establish and administer the Kinship Guardianship Assistance Program to provide assistance pursuant to the provisions of sections 2 to 9, inclusive, of this act and 42 U.S.C. 671 and 673.*

2. *The Department shall ~~include in~~ adopt a state plan ~~adopted pursuant to NRS 422A.260 relating to child and family services provisions~~ for the administration of the Program.*

3. ~~To the extent that money is available for that purpose and in accordance with any requirements prescribed by the Department, an~~ *An agency which provides child welfare services may enter into an agreement to provide assistance to a relative of a child pursuant to the Program. Such an agreement may be entered into with a relative who is located outside the State of Nevada. If a guardianship for the child is established in the other state, the agency which provides child welfare services must comply with any order of the court of the state in which the child resides concerning the guardianship.*

Sec. 6. 1. *As a condition to the provision of assistance pursuant to the Program:*

~~1.~~ **(a)** *A child must:*

~~(a)~~ **(1)** *Have been removed from his or her home:*

~~[(1)]~~ (I) Pursuant to a written agreement voluntarily entered by the parent or guardian of the child and an agency which provides child welfare services; or

~~[(2)]~~ (II) By a court which has determined that it is in the best interests of the child for the child to remain in protective custody or to be placed in temporary or permanent custody outside his or her home;

~~[(b)]~~ (2) For not less than 6 consecutive months, have been eligible to receive maintenance pursuant to Part E of Title IV of the Social Security Act, 42 U.S.C. 670 et seq., while residing with the relative of the child;

~~[(c)]~~ (3) Not have as an option for permanent placement the return to the home or the adoption of the child;

~~[(d)]~~ (4) Demonstrate a strong attachment to the relative;

~~[(e)]~~ (5) If the child is 14 years of age or older, be consulted regarding the guardianship arrangement; and

~~[(f)]~~ (6) Meet any other requirements for eligibility set forth in 42 U.S.C. 671 and 673.

~~[(2)]~~ (b) A relative of the child must:

~~[(a)]~~ (1) Demonstrate a strong commitment to caring for the child permanently;

~~[(b)]~~ (2) Be a provider of family foster care as defined in NRS 424.017;

(3) Enter into ~~an~~ a written agreement for assistance with an agency which provides child welfare services before the relative is appointed as the legal guardian of the child;

~~[(c)]~~ (4) Be appointed as the legal guardian of the child by a court of competent jurisdiction and comply with any requirements imposed by the court; and

~~[(d)]~~ (5) Meet any other requirements for eligibility set forth in 42 U.S.C. 671 and 673.

2. If the sibling of a child who is eligible for assistance pursuant to the Program is not eligible for such assistance, the sibling may be placed with the child who is eligible for assistance upon approval of the agency which provides child welfare services and the relative. In such a case, payments may be made for the sibling so placed as if the sibling is eligible for the Program.

Sec. 7. 1. An agreement for assistance entered into pursuant to the Program must include, without limitation:

(a) The amount of assistance provided under the agreement for each eligible child, which must not exceed the amount that the agency which provides child welfare services would provide to a foster parent if the child had been placed in foster care;

(b) The manner in which the assistance will be provided;

(c) The manner in which the agency which provides child welfare services may periodically adjust the amount of assistance, in consultation with the relative, based on the circumstances of the relative and the child;

(d) Any additional services or assistance that the child or relative may be eligible to receive under the agreement and a description of those services or assistance;

(e) The procedure by which the relative may apply for additional services or assistance, as needed; and

~~(f) To the extent that money is available for that purpose, a provision for the payment of the total cost of nonrecurring expenses associated with the appointment of the relative as the legal guardian of the child, not to exceed \$2,000; and~~

~~(g)~~ Any other requirements set forth in 42 U.S.C. 671 and 673.

2. The agency which provides child welfare services shall provide a copy of the agreement to the relative before he or she is appointed as the legal guardian of the child.

3. An agreement for assistance entered into pursuant to the Program remains in effect even if the relative changes the state of his or her residence.

4. An agreement made pursuant to this section does not affect the eligibility of the child to receive federal assistance for his or her adoption if the child is later adopted.

Sec. 8. 1. An agency which provides child welfare services shall, before entering into an agreement for assistance pursuant to the Program, obtain from appropriate law enforcement agencies information on the background and personal history of each relative of a child who seeks assistance pursuant to the Program and each resident of the home of such relative who is 18 years of age or older, to determine whether the person investigated has been arrested for or convicted of any crime.

2. The relative and each resident of the home of such relative must submit to the agency which provides child welfare services or its approved designee:

(a) A complete set of fingerprints and written permission authorizing the agency or its approved designee to forward those fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report to enable the agency or its approved designee to conduct an investigation pursuant to this subsection; and

(b) Written permission to conduct a child abuse and neglect screening.

Sec. 9. If a child is appointed a legal guardian who receives assistance pursuant to the Program, an agency which provides child welfare services shall document in the ~~records~~ case plan maintained for the child:

1. The steps taken by the agency which provides child welfare services to determine that adoption or returning the child to his or her home is not an appropriate placement for the child.

2. The reason that the child was separated from any siblings during placement, if applicable.

3. *The reasons that a permanent placement with a relative is in the best interests of the child.*

4. *That the child meets the requirements for eligibility set forth in section 6 of this act.*

5. *The efforts made by the agency which provides child welfare services to discuss adoption of the child by the relative as an alternative to appointment as the legal guardian of the child and the reason that the relative has chosen not to pursue adoption.*

6. *The efforts made by the agency which provides child welfare services to discuss with the natural parent of the child the agreement to provide assistance to a relative or the reason that the agency was unable to discuss the agreement with the natural parent of the child, as applicable.*

Sec. 10. NRS 232.320 is hereby amended to read as follows:

232.320 1. The Director:

(a) Shall appoint, with the consent of the Governor, administrators of the divisions of the Department, who are respectively designated as follows:

(1) The Administrator of the Aging and Disability Services Division;

(2) The Administrator of the Health Division;

(3) The Administrator of the Division of Welfare and Supportive Services;

(4) The Administrator of the Division of Child and Family Services;

(5) The Administrator of the Division of Health Care Financing and Policy; and

(6) The Administrator of the Division of Mental Health and Developmental Services.

(b) Shall administer, through the divisions of the Department, the provisions of chapters 63, 424, 425, 427A, 432A to 442, inclusive, 446 to 450, inclusive, 458A and 656A of NRS, NRS 127.220 to 127.310, inclusive, ~~sections 2 to 9, inclusive, of this act,~~ 422.001 to 422.410, inclusive, 422.580, 432.010 to 432.133, inclusive, 444.003 to 444.430, inclusive, and 445A.010 to 445A.055, inclusive, **sections 2 to 9, inclusive, of this act** and all other provisions of law relating to the functions of the divisions of the Department, but is not responsible for the clinical activities of the Health Division or the professional line activities of the other divisions.

(c) Shall administer any state program for persons with developmental disabilities established pursuant to the Developmental Disabilities Assistance and Bill of Rights Act of 2000, 42 U.S.C. 15001 et seq.

(d) Shall, after considering advice from agencies of local governments and nonprofit organizations which provide social services, adopt a master plan for the provision of human services in this State. The Director shall revise the plan biennially and deliver a copy of the plan to the Governor and the Legislature at the beginning of each regular session. The plan must:

(1) Identify and assess the plans and programs of the Department for the provision of human services, and any duplication of those services by federal, state and local agencies;

- (2) Set forth priorities for the provision of those services;
 - (3) Provide for communication and the coordination of those services among nonprofit organizations, agencies of local government, the State and the Federal Government;
 - (4) Identify the sources of funding for services provided by the Department and the allocation of that funding;
 - (5) Set forth sufficient information to assist the Department in providing those services and in the planning and budgeting for the future provision of those services; and
 - (6) Contain any other information necessary for the Department to communicate effectively with the Federal Government concerning demographic trends, formulas for the distribution of federal money and any need for the modification of programs administered by the Department.
- (e) May, by regulation, require nonprofit organizations and state and local governmental agencies to provide information regarding the programs of those organizations and agencies, excluding detailed information relating to their budgets and payrolls, which the Director deems necessary for the performance of the duties imposed upon him or her pursuant to this section.
- (f) Has such other powers and duties as are provided by law.
2. Notwithstanding any other provision of law, the Director, or the Director's designee, is responsible for appointing and removing subordinate officers and employees of the Department, other than:
- (a) The Executive Director of the Nevada Indian Commission who is appointed pursuant to NRS 233A.055; and
 - (b) The State Public Defender of the Office of State Public Defender who is appointed pursuant to NRS 180.010.

Sec. 11. This act becomes effective on July 1, 2011.

Assemblywoman Mastroluca moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 128.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 372.

AN ACT relating to smoking; prohibiting the smoking of tobacco on the property of the Nevada System of Higher Education ~~to~~ **except in certain designated smoking areas;** providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~[The Nevada Clean Indoor Air Act was proposed by an initiative petition and approved by voters at the 2006 General Election. (NRS 202.2483) The Act]~~ **Existing law** generally prohibits the smoking of tobacco in certain locations, such as within indoor places of employment ~~to~~ **and** within buildings or office space owned or occupied by the Nevada System of Higher

Education, ~~and within school buildings and on school property. This bill expands the Act to prohibit~~ **(NRS 202.2483) This bill generally prohibits** the smoking of tobacco on any property or campus owned or occupied by the Nevada System of Higher Education. **This bill also provides that the Nevada System of Higher Education may designate certain areas where smoking may be permitted, if the areas are separate from normal pedestrian access and entrances of buildings.**

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 202.2483 is hereby amended to read as follows:

202.2483 1. Except as otherwise provided in subsection 3, smoking tobacco in any form is prohibited within indoor places of employment including, but not limited to, the following:

- (a) Child care facilities;
- (b) Movie theatres;
- (c) Video arcades;
- (d) Government buildings and public places;
- (e) Malls and retail establishments;
- (f) All areas of grocery stores; and
- (g) All indoor areas within restaurants.

2. Without exception, smoking tobacco in any form is prohibited within ~~within~~ ~~(a) Within~~ school buildings and on school property.

~~† (b) On any property or campus owned or occupied by any component of the Nevada System of Higher Education and used for any purpose related to the System.~~

3. Smoking tobacco is not prohibited in:

(a) Areas within casinos where loitering by minors is already prohibited by state law pursuant to NRS 463.350;

(b) Stand-alone bars, taverns and saloons;

(c) Strip clubs or brothels;

(d) Retail tobacco stores;

(e) Private residences, including private residences which may serve as an office workplace, except if used as a child care, an adult day care or a health care facility; and

(f) The area of a convention facility in which a meeting or trade show is being held, during the time the meeting or trade show is occurring, if the meeting or trade show:

(1) Is not open to the public;

(2) Is being produced or organized by a business relating to tobacco or a professional association for convenience stores; and

(3) Involves the display of tobacco products.

4. In areas or establishments where smoking is not prohibited by this section, nothing in state law shall be construed to prohibit the owners of said

establishments from voluntarily creating nonsmoking sections or designating the entire establishment as smoke free.

5. Nothing in state law shall be construed to restrict local control or otherwise prohibit a county, city or town from adopting and enforcing local tobacco control measures that meet or exceed the minimum applicable standards set forth in this section.

6. "No Smoking" signs or the international "No Smoking" symbol shall be clearly and conspicuously posted in every public place and place of employment where smoking is prohibited by this section. Each public place and place of employment where smoking is prohibited shall post, at every entrance, a conspicuous sign clearly stating that smoking is prohibited. All ashtrays and other smoking paraphernalia shall be removed from any area where smoking is prohibited.

7. Health authorities, police officers of cities or towns, sheriffs and their deputies shall, within their respective jurisdictions, enforce the provisions of this section and shall issue citations for violations of this section pursuant to NRS 202.2492 and 202.24925.

8. No person or employer shall retaliate against an employee, applicant or customer for exercising any rights afforded by, or attempts to prosecute a violation of, this section.

9. For the purposes of this section, the following terms have the following definitions:

(a) "Casino" means an entity that contains a building or large room devoted to gambling games or wagering on a variety of events. A casino must possess a nonrestricted gaming license as described in NRS 463.0177 and typically uses the word 'casino' as part of its proper name.

(b) "Child care facility" has the meaning ascribed to it in NRS 432A.024.

(c) "Completely enclosed area" means an area that is enclosed on all sides by any combination of solid walls, windows or doors that extend from the floor to the ceiling.

(d) "Government building" means any building or office space owned or occupied by:

(1) Any component of the Nevada System of Higher Education and used for any purpose related to the System;

(2) The State of Nevada and used for any public purpose; or

(3) Any county, city, school district or other political subdivision of the State and used for any public purpose.

(e) "Health authority" has the meaning ascribed to it in NRS 202.2485.

(f) "Incidental food service or sales" means the service of prepackaged food items including, but not limited to, peanuts, popcorn, chips, pretzels or any other incidental food items that are exempt from food licensing requirements pursuant to subsection 2 of NRS 446.870.

(g) "Place of employment" means any enclosed area under the control of a public or private employer which employees frequent during the course of employment including, but not limited to, work areas, restrooms, hallways,

employee lounges, cafeterias, conference and meeting rooms, lobbies and reception areas.

(h) “Public places” means any enclosed areas to which the public is invited or in which the public is permitted.

(i) “Restaurant” means a business which gives or offers for sale food, with or without alcoholic beverages, to the public, guests or employees, as well as kitchens and catering facilities in which food is prepared on the premises for serving elsewhere.

(j) “Retail tobacco store” means a retail store utilized primarily for the sale of tobacco products and accessories and in which the sale of other products is merely incidental.

(k) “School building” means all buildings on the grounds of any public school described in NRS 388.020 and any private school as defined in NRS 394.103.

(l) “School property” means the grounds of any public school described in NRS 388.020 and any private school as defined in NRS 394.103.

(m) “Stand-alone bar, tavern or saloon” means an establishment devoted primarily to the sale of alcoholic beverages to be consumed on the premises, in which food service is incidental to its operation, and provided that smoke from such establishments does not infiltrate into areas where smoking is prohibited under the provisions of this section. In addition, a stand-alone bar, tavern or saloon must be housed in either:

(1) A physically independent building that does not share a common entryway or indoor area with a restaurant, public place or any other indoor workplaces where smoking is prohibited by this section; or

(2) A completely enclosed area of a larger structure, such as a strip mall or an airport, provided that indoor windows must remain shut at all times and doors must remain closed when not actively in use.

(n) “Video arcade” has the meaning ascribed to it in paragraph (d) of subsection 3 of NRS 453.3345.

10. Any statute or regulation inconsistent with this section , unless such statute or regulation meets or exceeds the minimum applicable standards set forth in this section, is null and void.

11. The provisions of this section are severable. If any provision of this section or the application thereof is declared by a court of competent jurisdiction to be invalid or unconstitutional, such declaration shall not affect the validity of the section as a whole or any provision thereof other than the part declared to be invalid or unconstitutional.

Sec. 2. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 2, smoking tobacco in any form is prohibited on any property or campus owned or occupied by any component of the System and used for any purpose related to the System.

2. The System may designate certain outside areas, that are separate from areas of normal pedestrian use or ingress and egress from buildings, where smoking tobacco may be permitted.

3. A person who violates the provisions of this section is guilty of a misdemeanor.

4. The police department of the System shall prepare, sign and serve written citations on persons accused of violating this section.

Assemblyman Ohrenschall moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 130.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 131.

AN ACT relating to affordable housing; allowing affordable housing entities to participate in a program of joint self-insurance; exempting such a program of joint self-insurance from the Nevada Insurance Code; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, any two or more public agencies or nonprofit medical facilities may enter into a cooperative agreement to establish a self-insurance reserve or purchase certain kinds of insurance. (NRS 277.055) **Section 1** of this bill allows any two or more affordable housing entities to establish and participate in a program to jointly self-insure and purchase certain kinds of insurance and establishes provisions to govern such a program. **Section 1** also: (1) exempts such a program from the Nevada Insurance Code; (2) requires certain information relating to the program to be submitted to the Commissioner of Insurance; and (3) authorizes the Commissioner to **order an examination**, issue a cease and desist order **or hold a hearing** regarding ~~the program to stop~~ any violation of **section 1 of the program** or ~~to stop a program from being operated~~ **the operation of the program** while in an unsafe financial condition.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 315 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 3, any two or more affordable housing entities may establish and participate in a program to jointly self-insure and jointly purchase insurance or reinsurance for coverage under a plan of:

(a) Casualty insurance, as that term is defined in NRS 681A.020, except for workers' compensation and employer's liability coverage;

(b) Marine and transportation insurance, as that term is defined in NRS 681A.050;

(c) Property insurance, as that term is defined in NRS 681A.060;

(d) Surety insurance, as that term is defined in NRS 681A.070; or

(e) Insurance for any combination of the kinds of insurance listed in paragraphs (a) to (d), inclusive.

2. A program established pursuant to subsection 1 must be administered by an entity which is organized as a nonprofit corporation, limited-liability company, partnership or trust, whether organized under the laws of this State or another state or operating in another state. A majority of the board of directors or other governing body of the entity administering the program must be affiliated with one or more of the affordable housing entities participating in the program.

3. This section does not apply to an affordable housing entity that individually self-insures or participates in a risk pooling arrangement, including a risk retention group or a risk purchasing group, with respect to the kinds of insurance set forth in subsection 1.

4. Except as otherwise provided in this section or by specific statute:

(a) A program established pursuant to subsection 1 and the entity administering the program:

(1) Shall be deemed not to be providing coverage which constitutes insurance; and

(2) Are not subject to the provisions of title 57 of NRS; and

(b) The entity administering a program established pursuant to subsection 1 shall be deemed not to be engaging in the transaction of insurance.

5. The entity administering a program established pursuant to subsection 1 shall provide any affordable housing entity that seeks to participate in the program with a written notice, in 10-point type or larger, before the affordable housing entity begins participating in the program, that the program is not regulated by the Commissioner and that, if the program or the entity administering the program is found insolvent, a claim under the program is not covered by the Nevada Insurance Guaranty Association Act.

6. The entity administering a program established pursuant to subsection 1 shall submit to the Commissioner:

(a) Within 105 days after the end of the program's fiscal year:

(1) An annual financial statement for the program audited by a certified public accountant; and

(2) An annual actuarial analysis for the program prepared by an actuary ~~for~~ who meets the qualification standards for issuing statements of actuarial opinion in the United States established by the American Academy of Actuaries or its successor organization; and

(b) Within 30 days after:

(1) Filing with any other regulatory body, a claims audit report relating to the entity or the program, a copy of the claims audit report filed with the other regulatory body;

(2) Issuance by any other regulatory body of a report of examination relating to the entity or the program, a copy of the report of examination issued by the other regulatory body;

(3) The effective date of a plan of financing, management and operation for the entity or the program or any material change in such a plan, a copy of the plan or material change; and

(4) The effective date of any material change in the scope of regulation of the entity or the program by any other state in which the entity operates, a statement of the material change.

7. The Commissioner may order an examination of a program established pursuant to subsection 1 or the entity administering the program based upon any credible evidence that the program or entity is in violation of this section or is operating or being operated while in an unsafe financial condition. Such an examination must be administered in accordance with NRS 679B.230 to 679B.300, inclusive, and any regulations adopted pursuant thereto.

8. If the Commissioner determines that a program established pursuant to subsection 1 or the entity administering the program is in violation of this section or is operating or being operated while in an unsafe financial condition, the Commissioner may issue and serve upon the entity administering the program an order to cease and desist from the violation or from administering or in any way operating the program.

~~9.~~ 9. The Commissioner may hold a hearing, without a request by any party, to determine whether a program established pursuant to subsection 1 or the entity administering the program is in violation of this section or is operating or being operated while in an unsafe financial condition. A person aggrieved by any act, threatened act or failure of the Commissioner to act, or by any report, rule, regulation or order of the Commissioner relating to this section, may request a hearing. Any hearing held pursuant to this subsection must be held in accordance with NRS 679B.310 to 679B.370, inclusive, and any regulations adopted pursuant thereto.

10. The provisions of this section must be liberally construed to grant affordable housing entities maximum flexibility to jointly self-insure and jointly purchase insurance or reinsurance to the extent that a program established pursuant to subsection 1 is being administered and otherwise operated in a safe financial condition and in a sound manner.

~~11.~~ 11. Each entity administering a program established pursuant to subsection 1 shall, on or before January 15 of each odd-numbered year, submit a report to the Director of the Legislative Counsel Bureau for transmittal to the Legislature. The report must include, without limitation,

a list of the affordable housing entities participating in the program and any other information the Director deems relevant.

12. As used in this section:

(a) “Affordable housing” means housing projects in which some of the dwelling units may be purchased or rented, with or without government assistance, on a basis that is affordable to persons of low income.

(b) “Affordable housing entity” means:

(1) A housing authority created under the laws of this State or another jurisdiction and any agency or instrumentality of a housing authority, including, but not limited to, a legal entity created to enter into an agreement which complies with NRS 277.055;

(2) A nonprofit corporation organized under the laws of this State or another state that is engaged in providing affordable housing; or

(3) A general or limited partnership or limited-liability company which is engaged in providing affordable housing and which is affiliated with a housing authority described in subparagraph (1) or a nonprofit corporation described in subparagraph (2) if the housing authority or nonprofit corporation:

(I) Has, or has the right to acquire, a financial or ownership interest in the partnership or limited-liability company;

(II) Has the power to direct the management or policies of the partnership or limited-liability company; or

(III) Has entered into a contract to lease, manage or operate the affordable housing owned by the partnership or limited-liability company.

(c) “Commissioner” means the Commissioner of Insurance.

Sec. 2. NRS 315.150 is hereby amended to read as follows:

315.150 Unless the context otherwise requires, the definitions contained in NRS 315.160 to 315.300, inclusive, govern the construction of NRS 315.140 to 315.7813, inclusive ~~1-1~~, **and section 1 of this act.**

Sec. 3. NRS 315.360 is hereby amended to read as follows:

315.360 Any housing authority created and existing prior to July 1, 1975, pursuant to the Housing Authorities Law of 1943 or the Housing Law of 1951 continues in existence for the purposes of and has all of the powers granted by NRS 315.140 to 315.7813, inclusive ~~1-1~~, **and section 1 of this act.**

Sec. 4. NRS 679A.160 is hereby amended to read as follows:

679A.160 Except as otherwise provided by specific statute, no provision of this Code applies to:

1. Fraternal benefit societies, as identified in chapter 695A of NRS, except as stated in chapter 695A of NRS.

2. Hospital, medical or dental service corporations, as identified in chapter 695B of NRS, except as stated in chapter 695B of NRS.

3. Motor clubs, as identified in chapter 696A of NRS, except as stated in chapter 696A of NRS.

4. Bail agents, as identified in chapter 697 of NRS, except as stated in NRS 680B.025 to 680B.039, inclusive, and chapter 697 of NRS.

5. Risk retention groups, as identified in chapter 695E of NRS, except as stated in chapter 695E of NRS.

6. Captive insurers, as identified in chapter 694C of NRS, with respect to their activities as captive insurers, except as stated in chapter 694C of NRS.

7. Health and welfare plans arising out of collective bargaining under chapter 288 of NRS, except that the Commissioner may review the plan to ensure that the benefits are reasonable in relation to the premiums and that the fund is financially sound.

8. *Programs established pursuant to subsection 1 of section 1 of this act and the entities administering those programs, except as stated in section 1 of this act.*

Sec. 5. NRS 679A.165 is hereby amended to read as follows:

679A.165 A person who is required by statute to obtain insurance or any other type of security as a condition of licensure or conducting business must obtain the insurance or other security in the manner set forth in NRS 277.067, 277.069 or 277.0695 **or section 1 of this act** or from an insurer who is licensed or otherwise allowed to transact insurance under this title.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 145.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 59.

SUMMARY—~~Requires a copy of an ordinance proposing the~~ **the posting of certain notices of a proposed** annexation of an area by an unincorporated town ~~to be sent to each owner of real property in the area~~ under certain circumstances. (BDR 21-11)

AN ACT relating to unincorporated towns; requiring a copy of an ordinance proposing the annexation of an area by an unincorporated town to be sent to each owner of real property in the area under certain circumstances; **requiring a notice of the proposed annexation to be posted on the Internet website, if any, established and maintained by the town board or board of county commissioners proposing the annexation;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the annexation of areas requiring certain services by an unincorporated town whose population is less than 25,000 and which is located in a county whose population is less than 400,000 (currently counties other than Clark County). Such an annexation is carried out by the adoption of an ordinance by the town board or the board of county commissioners. (NRS 269.650) This bill requires a town board or board of county

commissioners that proposes to adopt such an ordinance to send a copy of the ordinance to each owner of real property in the area proposed to be annexed ~~to~~ **and to post a notice of the proposed annexation on the Internet website, if any, established and maintained by the town board or board of county commissioners.**

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 269 of NRS is hereby amended by adding thereto a new section to read as follows:

If a town board or board of county commissioners proposes to adopt an ordinance that provides for the annexation of an area by an unincorporated town pursuant to NRS 269.650, the town board or board of county commissioners shall, at the time the title and summary of the proposed ordinance are published in a newspaper pursuant to NRS 269.155 ~~to send~~ :

1. Send a copy of the proposed ordinance by certified mail, return receipt requested, to each owner of real property in the area proposed to be annexed ~~to~~ ; and

2. Post a notice of the proposed annexation on the Internet website, if any, established and maintained by the town board or board of county commissioners.

Sec. 2. This act becomes effective on July 1, 2011.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 146.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 132.

AN ACT relating to the Office for Consumer Health Assistance; expanding the definition of “consumer” to include more situations in which the Office may render assistance; expanding the authority of the Director of the Office to adopt regulations; authorizing the Director to appoint a designee to mediate, arbitrate or resolve by alternative means certain disputes between patients and hospitals; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law establishes the Office for Consumer Health Assistance in the Office of the Governor to provide assistance to consumers in obtaining information or other assistance relating to a variety of medical issues. (NRS 223.550, 223.560) **Section 1** of this bill adds to the definition of “consumer” a person who is in need of information or other assistance regarding his or

her health care services or disputes in billing related to his or her medical claims.

Existing law authorizes the Director of the Office to adopt regulations relating to the duties the Director is required to perform and the annual report the Director must file with the Governor and the Director of the Legislative Counsel Bureau. (NRS 223.570) **Existing law also authorizes the Director of the Office to hear, mediate, arbitrate or resolve by alternative means disputes between patients and hospitals. (NRS 223.575)** Section 2 of this bill expands ~~this~~ **the Director's** regulatory authority to authorize the Director to adopt regulations to ~~carry out any provisions relating to the Office, which would allow, for example, the adoption of regulations addressing~~ **establish** procedures for hearing **such** disputes between patients and hospitals.

~~Existing law authorizes the Director to hear, mediate, arbitrate or resolve by alternative means of dispute resolution disputes between patients and hospitals. (NRS 223.575)~~ **Section 4** of this bill authorizes the Director to appoint a designee to hear, mediate, arbitrate or resolve such disputes in his or her place.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 223.510 is hereby amended to read as follows:

223.510 "Consumer" means a natural person who:

1. Has or is in need of coverage under a health care plan;
2. Is in need of information or other assistance regarding a prescription drug program; ~~or~~
3. May need information concerning purchasing prescription drugs from Canadian pharmacies ~~}; or~~

4. *Is in need of information or other assistance regarding his or her health care services or disputes in billing related to his or her medical claims.*

Sec. 2. NRS 223.560 is hereby amended to read as follows:

223.560 **1.** The Director shall:

~~{1-}~~ **(a)** Respond to written and telephonic inquiries received from consumers and injured employees regarding concerns and problems related to health care and workers' compensation;

~~{2-}~~ **(b)** Assist consumers and injured employees in understanding their rights and responsibilities under health care plans, including, without limitation, the Public Employees' Benefits Program, and policies of industrial insurance;

~~{3-}~~ **(c)** Identify and investigate complaints of consumers and injured employees regarding their health care plans, including, without limitation, the Public Employees' Benefits Program, and policies of industrial insurance and assist those consumers and injured employees to resolve their complaints, including, without limitation:

~~{(a)}~~ (1) Referring consumers and injured employees to the appropriate agency, department or other entity that is responsible for addressing the specific complaint of the consumer or injured employee; and

~~{(b)}~~ (2) Providing counseling and assistance to consumers and injured employees concerning health care plans, including, without limitation, the Public Employees' Benefits Program, and policies of industrial insurance;

~~{4-}~~ (d) Provide information to consumers and injured employees concerning health care plans, including, without limitation, the Public Employees' Benefits Program, and policies of industrial insurance in this State;

~~{5-}~~ (e) Establish and maintain a system to collect and maintain information pertaining to the written and telephonic inquiries received by the Office for Consumer Health Assistance;

~~{6-}~~ (f) Take such actions as are necessary to ensure public awareness of the existence and purpose of the services provided by the Director pursuant to this section;

~~{7-}~~ (g) In appropriate cases and pursuant to the direction of the Governor, refer a complaint or the results of an investigation to the Attorney General for further action;

~~{8-}~~ (h) Provide information to and applications for prescription drug programs for consumers without insurance coverage for prescription drugs or pharmaceutical services;

~~{9-}~~ (i) Establish and maintain an Internet website which includes:

~~{(a)}~~ (1) Information concerning purchasing prescription drugs from Canadian pharmacies that have been recommended by the State Board of Pharmacy for inclusion on the Internet website pursuant to subsection 4 of NRS 639.2328;

~~{(b)}~~ (2) Links to websites of Canadian pharmacies which have been recommended by the State Board of Pharmacy for inclusion on the Internet website pursuant to subsection 4 of NRS 639.2328; and

~~{(c)}~~ (3) A link to the website established and maintained pursuant to NRS 439A.270 which provides information to the general public concerning the charges imposed and the quality of the services provided by the hospitals and surgical centers for ambulatory patients in this State; and

~~{10-}~~ (j) Assist consumers with filing complaints against health care facilities and health care professionals. As used in this subsection, "health care facility" has the meaning ascribed to it in NRS 162A.740.

2. The Director may adopt regulations to carry out the provisions of ~~NRS 223.500~~ NRS 223.560 to 223.580, inclusive.

Sec. 3. NRS 223.570 is hereby amended to read as follows:

223.570 1. The Director, within the limits of available money:

(a) Shall, to carry out the provisions of this section and NRS 223.560 and 223.580, employ at least two persons who have experience in the field of workers' compensation, including, without limitation, persons who have experience in administering claims or programs related to policies of

industrial insurance, representing employees in contested claims relating to policies of industrial insurance or advocating for the rights of injured employees; and

(b) May, in addition to the persons required to be employed pursuant to paragraph (a), employ:

(1) Such persons in the unclassified service of the State as the Director determines to be necessary to carry out the provisions of this section and NRS 223.560 and 223.580, including, without limitation, a provider of health care, as that term is defined in NRS 449.581.

(2) Such additional personnel as may be required to carry out the provisions of this section and NRS 223.560 and 223.580, who must be in the classified service of the State.

↪ A person employed pursuant to the authority set forth in this subsection must be qualified by training and experience to perform the duties for which the Director employs that person.

2. The Director may:

(a) To the extent not otherwise prohibited by law, obtain such information from consumers, injured employees, health care plans, prescription drug programs and policies of industrial insurance as the Director determines to be necessary to carry out the provisions of this section and NRS 223.560 and 223.580.

(b) ~~Adopt such regulations as the Director determines to be necessary to carry out the provisions of this section and NRS 223.560 and 223.580.~~

~~(c) Apply for any available grants, accept any gifts, grants or donations and use any such gifts, grants or donations to aid the Office for Consumer Health Assistance in carrying out its duties pursuant to subsections 8 and 9~~
paragraphs (h) and (i) of subsection 1 of NRS 223.560.

3. The Director and the Director's employees shall not have any conflict of interest relating to the performance of their duties pursuant to this section and NRS 223.560 and 223.580. For the purposes of this subsection, a conflict of interest shall be deemed to exist if the Director or employee, or any person affiliated with the Director or employee:

(a) Has direct involvement in the licensing, certification or accreditation of a health care facility, insurer or provider of health care;

(b) Has a direct ownership interest or investment interest in a health care facility, insurer or provider of health care;

(c) Is employed by, or participating in, the management of a health care facility, insurer or provider of health care; or

(d) Receives or has the right to receive, directly or indirectly, remuneration pursuant to any arrangement for compensation with a health care facility, insurer or provider of health care.

Sec. 4. NRS 223.575 is hereby amended to read as follows:

223.575 1. The Bureau for Hospital Patients is hereby created within the Office for Consumer Health Assistance in the Office of the Governor.

2. The Director:

(a) Is responsible for the operation of the Bureau, which must be easily accessible to the clientele of the Bureau.

(b) Shall appoint and supervise such additional employees as are necessary to carry out the duties of the Bureau. The employees of the Bureau are in the unclassified service of the State.

(c) On or before February 1 of each year, shall submit a written report to the Governor, and to the Director of the Legislative Counsel Bureau concerning the activities of the Bureau for Hospital Patients for transmittal to the appropriate committee or committees of the Legislature. The report must include, without limitation, the number of complaints received by the Bureau, the number and type of disputes heard, mediated, arbitrated or resolved through alternative means of dispute resolution by the Director and the outcome of the mediation, arbitration or alternative means of dispute resolution.

3. The Director *or the Director's designee* may, upon request made by either party, hear, mediate, arbitrate or resolve by alternative means of dispute resolution disputes between patients and hospitals. The Director *or the Director's designee* may decline to hear a case that in the Director's opinion is trivial, without merit or beyond the scope of his or her jurisdiction. The Director *or the Director's designee* may hear, mediate, arbitrate or resolve through alternative means of dispute resolution disputes regarding:

(a) The accuracy or amount of charges billed to a patient;

(b) The reasonableness of arrangements made *for a patient to pay any bill for medical services, including, without limitation, arrangements to pay hospital bills made* pursuant to paragraph (c) of subsection 1 of NRS 439B.260; and

(c) Such other matters related to the charges for care provided to a patient as the Director *or the Director's designee* determines appropriate for arbitration, mediation or other alternative means of dispute resolution.

↪ *The Director's designee must be an employee of the State and, except for the purposes of this subsection, must not be employed by, or otherwise associated with, the Bureau or the Office for Consumer Health Assistance.*

4. The decision of the Director *or the Director's designee* is a final decision for the purpose of judicial review.

5. Each hospital, other than federal and state hospitals, with 49 or more licensed or approved hospital beds shall pay an annual assessment for the support of the Bureau. On or before July 15 of each year, the Director shall notify each hospital of its assessment for the fiscal year. Payment of the assessment is due on or before September 15. Late payments bear interest at the rate of 1 percent per month or fraction thereof.

6. The total amount assessed pursuant to subsection 5 for a fiscal year must not be more than \$100,000 adjusted by the percentage change between January 1, 1991, and January 1 of the year in which the fees are assessed, in the Consumer Price Index (All Items) published by the United States Department of Labor.

7. The total amount assessed must be divided by the total number of patient days of care provided in the previous calendar year by the hospitals subject to the assessment. For each hospital, the assessment must be the result of this calculation multiplied by its number of patient days of care for the preceding calendar year.

Sec. 5. NRS 223.580 is hereby amended to read as follows:

223.580 On or before February 1 of each year, the Director shall submit a written report to the Governor, and to the Director of the Legislative Counsel Bureau for transmittal to the appropriate committee or committees of the Legislature. The report must include, without limitation:

1. A statement setting forth the number and geographic origin of the written and telephonic inquiries received by the Office for Consumer Health Assistance and the issues to which those inquiries were related;

2. A statement setting forth the type of assistance provided to each consumer and injured employee who sought assistance from the Director, including, without limitation, the number of referrals made to the Attorney General pursuant to **paragraph (g) of** subsection ~~7~~ **1** of NRS 223.560;

3. A statement setting forth the disposition of each inquiry and complaint received by the Director; and

4. A statement setting forth the number of external reviews conducted by external review organizations pursuant to NRS 695G.241 to 695G.310, inclusive, and the disposition of each of those reviews as reported pursuant to NRS 695G.310.

Sec. 6. NRS 453.3639 is hereby amended to read as follows:

453.3639 1. Except as otherwise provided in subsection 3, a person who is located within or outside this State shall not, via the Internet, fill or refill a prescription drug if:

(a) The person has reasonable cause to believe that the prescription is being filled or refilled for a person in this State; and

(b) The prescription drug has not been lawfully imported into the United States.

2. Except as otherwise provided in subsection 3, a person who is located within or outside this State shall not, via the Internet, fill or refill a prescription drug if:

(a) The person has reasonable cause to believe that the prescription is being filled or refilled for a person in this State; and

(b) The prescription was not delivered to the person in accordance with all applicable state and federal laws, regulations and standards.

3. The provisions of this section do not prohibit a Canadian pharmacy which is licensed by the Board and which has been recommended by the Board pursuant to subsection 4 of NRS 639.2328 for inclusion on the Internet website established and maintained pursuant to **paragraph (i) of** subsection ~~9~~ **1** of NRS 223.560 from providing prescription drugs through mail order service to residents of Nevada in the manner set forth in NRS 639.2328 to 639.23286, inclusive.

4. A person shall not knowingly aid another person in any act or transaction that violates any provision of this section.

5. Except as otherwise provided in subsection 6, a person who violates any provision of this section is guilty of a category C felony and shall be punished as provided in NRS 193.130.

6. A person who violates any provision of this section is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 3 years and a maximum term of not more than 15 years, and may be further punished by a fine of not more than \$100,000, if the substance or drug involved:

(a) Is classified in schedule I; or

(b) Proximately causes substantial bodily harm to or the death of the intended recipient of the substance or drug or any other person.

7. The court shall not grant probation to or suspend the sentence of a person punished pursuant to subsection 6.

8. A person may be prosecuted, convicted and punished for a violation of this section whether or not the person is prosecuted, convicted or punished for violating any other specific statute based upon the same act or transaction.

Sec. 7. NRS 639.230 is hereby amended to read as follows:

639.230 1. A person operating a business in this State shall not use the letters “Rx” or “RX” or the word “drug” or “drugs,” “prescription” or “pharmacy,” or similar words or words of similar import, without first having secured a license from the Board.

2. Each license must be issued to a specific person and for a specific location and is not transferable. The original license must be displayed on the licensed premises as provided in NRS 639.150. The original license and the fee required for reissuance of a license must be submitted to the Board before the reissuance of the license.

3. If the owner of a pharmacy is a partnership or corporation, any change of partners or corporate officers must be reported to the Board at such a time as is required by a regulation of the Board.

4. Except as otherwise provided in subsection 6, in addition to the requirements for renewal set forth in NRS 639.180, every person holding a license to operate a pharmacy must satisfy the Board that the pharmacy is conducted according to law.

5. Any violation of any of the provisions of this chapter by a managing pharmacist or by personnel of the pharmacy under the supervision of the managing pharmacist is cause for the suspension or revocation of the license of the pharmacy by the Board.

6. The provisions of this section do not prohibit a Canadian pharmacy which is licensed by the Board and which has been recommended by the Board pursuant to subsection 4 of NRS 639.2328 for inclusion on the Internet website established and maintained pursuant to **paragraph (i) of** subsection ~~1~~ **1** of NRS 223.560 from providing prescription drugs through mail order

service to residents of Nevada in the manner set forth in NRS 639.2328 to 639.23286, inclusive.

Sec. 8. NRS 639.2328 is hereby amended to read as follows:

639.2328 1. Every pharmacy located outside Nevada that provides mail order service to or solicits or advertises for orders for drugs available with a prescription from a resident of Nevada must be licensed by the Board.

2. To be licensed or to renew a license, such a pharmacy must:

(a) Be licensed as a pharmacy, or the equivalent, by the state or country in which its dispensing facilities are located.

(b) Comply with all applicable federal laws, regulations and standards.

(c) Submit an application in the form furnished by the Board.

(d) Provide the following information to the Board:

(1) The name and address of the owner;

(2) The location of the pharmacy;

(3) The name of the pharmacist who is the managing pharmacist; and

(4) Any other information the Board deems necessary.

(e) Pay the fee required by regulation of the Board.

(f) Submit evidence satisfactory to the Board that the facility, records and operation of the pharmacy comply with the laws and regulations of the state or country in which the pharmacy is located.

(g) Submit certification satisfactory to the Board that the pharmacy complies with all lawful requests and directions from the regulatory board or licensing authority of the state or country in which the pharmacy is located relating to the shipment, mailing or delivery of drugs.

(h) Be certified by the Board pursuant to NRS 639.23288 if the pharmacy operates an Internet pharmacy.

3. In addition to the requirements of subsection 2, the Board may require such a pharmacy to be inspected by the Board.

4. The Board shall notify the Office for Consumer Health Assistance each time the Board licenses a Canadian pharmacy pursuant to this section and recommend that the Office for Consumer Health Assistance include each such pharmacy on the Internet website established and maintained pursuant to **paragraph (i) of subsection 1** of NRS 223.560.

Sec. 9. NRS 639.23284 is hereby amended to read as follows:

639.23284 1. Every pharmacy located outside Nevada that provides mail order service to a resident of Nevada:

(a) Shall report to the Board any change of information that appears on its license and pay the fee required by regulation of the Board.

(b) Shall make available for inspection all pertinent records, reports, documents or other material or information required by the Board.

(c) As required by the Board, must be inspected by the Board or:

(1) The regulatory board or licensing authority of the state or country in which the pharmacy is located; or

(2) The Drug Enforcement Administration.

(d) As required by the Board, shall provide the following information concerning each prescription for a drug that is shipped, mailed or delivered to a resident of Nevada:

- (1) The name of the patient;
- (2) The name of the prescriber;
- (3) The number of the prescription;
- (4) The date of the prescription;
- (5) The name of the drug;
- (6) The symptom or purpose for which the drug is prescribed, if requested by the patient pursuant to NRS 639.2352; and
- (7) The strength and quantity of the dose.

2. In addition to complying with the requirements of subsection 1, every Canadian pharmacy which is licensed by the Board and which has been recommended by the Board pursuant to subsection 4 of NRS 639.2328 for inclusion on the Internet website established and maintained pursuant to **paragraph (i) of subsection 1** of NRS 223.560 that provides mail order service to a resident of Nevada shall not sell, distribute or furnish to a resident of this State:

- (a) A controlled substance;
- (b) A prescription drug that has not been approved by the federal Food and Drug Administration;
- (c) A generic prescription drug that has not been approved by the federal Food and Drug Administration;
- (d) A prescription drug for which the federal Food and Drug Administration has withdrawn or suspended its approval; or
- (e) A quantity of prescription drugs at one time that includes more drugs than are prescribed to the patient as a 3-month supply of the drugs.

Sec. 10. This act becomes effective on July 1, 2011.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 171.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 420.

AN ACT relating to education; revising provisions governing the membership of a committee to form a charter school and the governing body of a charter school; revising provisions for the process of review of an application to form a charter school; authorizing the governing body of a charter school to set a salary for the attendance of its members at meetings of the governing body; revising the requirements for a charter school to be eligible for an exemption from annual performance audits and to receive certain money for facilities; **revising provisions governing the employment**

of licensed employees by a charter school; revising various other provisions governing charter schools; repealing the Subcommittee on Charter Schools; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill revises the membership of a committee to form a charter school and revises the process for review of an application to form a charter school by the Department of Education.

Section 2 of this bill revises the procedure for the review of an application to form a charter school if the proposed sponsor is the State Board of Education.

Section 3 of this bill provides that if the sponsor of a charter school denies a request for an amendment of a written charter of the charter school, the sponsor must provide written notice to the governing body which sets forth the reasons for the denial.

Section 3.5 of this bill provides that the sponsor of a charter school may revoke the written charter before the expiration of the charter if the sponsor determines that the charter school failed to comply with the material terms and conditions of the written charter.

Section 5 of this bill authorizes the Department to request certain information from a charter school, regardless of whether that information is required by specific statute, and provides that if the Department requests such information, the Department shall include in the request a mechanism by which the Department will pay or reimburse the charter school for the requested information, if the provision of the information will incur any costs for the charter school.

Section 6 of this bill revises the membership of the governing body of a charter school and authorizes the governing body, upon a majority vote of members, to set a salary for the attendance of its members at meetings of the governing body, not to exceed \$80 per meeting per month.

Existing law prescribes the requirement for a charter school to be exempt from an annual performance audit and undergo a performance audit every 3 years and to be eligible for available money from legislative appropriations or otherwise for facilities. A charter school is eligible if at least 75 percent of the pupils enrolled in the charter school who are required to take the high school proficiency examination have passed that examination. (NRS 386.5515) **Section 7** of this bill revises this eligibility requirement to require that at least 75 percent of the pupils enrolled in the charter school in grade 12 in the immediately preceding school year who have satisfied the course work requirements for graduation have passed the high school proficiency examination.

Existing law provides that the pupils enrolled in charter schools must be included in the count of pupils for purposes of the apportionments and allowances from the State Distributive School Account and provides for the reimbursement of administrative costs to the sponsor of a charter school. (NRS 386.570) **Section 9** of this bill requires the State Board to prescribe a

process which ensures that all charter schools, regardless of the sponsor, have information of all sources of funding for the public schools provided through the Department. **Section 9** also changes the percentage of administrative costs that the State Board or a college or university may receive for sponsorship after the first year of operation of a charter school from 1.5 percent to 1 percent.

Existing law requires a school district to grant a leave of absence to an employee of the school district, not to exceed 3 years, to accept employment with a charter school sponsored by the school district. The school district is required to grant such an employee's request to return to his or her former teaching position or a comparable teaching position within the school district after the approved leave of absence is complete. (NRS 386.595) Section 9.7 of this bill removes the provision which specifies that the school district which is the sponsor of the charter school shall grant a leave of absence, so that a school district, regardless of sponsor, shall grant such a leave of absence for its licensed employees. Section 9.7 also removes the provision which provides that the employee may return to his or her former teaching position and instead authorizes the employee to return to a comparable teaching position. Section 9.7 further requires that upon the request of a governing body of a charter school, the board of trustees of a school district, with the permission of the licensed employee who is seeking employment with the charter school, transmit to the governing body a copy of the employment record of the employee that is maintained by the school district. Section 9.7 also requires that upon request of the board of trustees of a school district, the governing body of a charter school, with the permission of the licensed employee who is granted a leave of absence from the school district, transmit to the school district a copy of the employment record of the employee maintained by the charter school. Finally, section 9.7 authorizes the school district to conduct an investigation of any misconduct of the licensed employee who was granted a leave of absence for employment with a charter school and who requests to return to employment with the school district.

Under existing law, a parent may homeschool a child if the parent submits to the superintendent of schools of the school district in which the child resides a notice of intent to homeschool the child. (NRS 392.700) **Section 10** of this bill requires ~~the parent of a homeschooled child who seeks admittance to public school to submit a request to the superintendent of schools of the school district in which the child resides to withdraw the notice of intent to homeschool. Section 10 also requires~~ a charter school, **to the extent practicable, to notify the school district in which the child resides if the child who is or was homeschooled enrolls in the charter school, and provides that the child may be counted for the purposes of the calculation of basic support whether or not the charter school provides the notice.**

Section 11 of this bill repeals the Subcommittee on Charter Schools.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 386.520 is hereby amended to read as follows:

386.520 1. A committee to form a charter school must consist of ~~at least three teachers, as defined in subsection 4, :~~

(a) ~~Two members;~~ One member who ~~are educational personnel~~ is a teacher or other person licensed pursuant to chapter 391 of NRS, ~~or~~ or who previously held such a license and is retired, as long as his or her license was held in good standing;

(b) One member who:

(1) Satisfies the qualifications of paragraph (a); or

(2) Is a school administrator with a license issued by another state or who previously held such a license and is retired, as long as his or her license was held in good standing;

(c) One parent or legal guardian who is not a teacher or employee of the proposed charter school; and

~~Two members who possess knowledge and expertise in one or more of the following areas:~~ (d) Two members who possess knowledge and expertise in one or more of the following areas:

(1) Accounting;

(2) Financial services;

(3) Law; or

(4) Human resources.

2. In addition to the ~~teachers~~ members who serve ~~in~~ pursuant to subsection 1, the committee to form a charter school may ~~consist of:~~ include, without limitation, not more than four additional members as follows:

(a) Members of the general public;

(b) Representatives of nonprofit organizations and businesses; or

(c) Representatives of a college or university within the Nevada System of Higher Education.

~~Two~~ 3. A majority of the persons ~~described in paragraphs (a), (b) and (c)~~ who serve on the committee to form a charter school must be residents of this State at the time that the application to form the charter school is submitted to the Department.

~~Two~~ 4. Before a committee to form a charter school may submit an application to the board of trustees of a school district, ~~the Subcommittee on Charter Schools,~~ the State Board or a college or university within the Nevada System of Higher Education, it must submit the application to the Department. The application must include all information prescribed by the Department by regulation and:

(a) A written description of how the charter school will carry out the provisions of NRS 386.500 to 386.610, inclusive.

(b) A written description of the mission and goals for the charter school. A charter school must have as its stated purpose at least one of the following goals:

- (1) Improving the opportunities for pupils to learn;
- (2) Encouraging the use of effective methods of teaching;
- (3) Providing an accurate measurement of the educational achievement of pupils;
- (4) Establishing accountability of public schools;
- (5) Providing a method for public schools to measure achievement based upon the performance of the schools; or
- (6) Creating new professional opportunities for teachers.

(c) The projected enrollment of pupils in the charter school.

(d) The proposed dates ~~for~~ **for accepting applications for** enrollment ~~for~~ **in the initial year of operation of** the charter school.

(e) The proposed system of governance for the charter school, including, without limitation, the number of persons who will govern, the method ~~for selecting~~ **for nominating and electing** the persons who will govern and the term of office for each person.

(f) The method by which disputes will be resolved between the governing body of the charter school and the sponsor of the charter school.

(g) The proposed curriculum for the charter school and, if applicable to the grade level of pupils who are enrolled in the charter school, the requirements for the pupils to receive a high school diploma, including, without limitation, whether those pupils will satisfy the requirements of the school district in which the charter school is located for receipt of a high school diploma.

(h) The textbooks that will be used at the charter school.

(i) The qualifications of the persons who will provide instruction at the charter school.

(j) Except as otherwise required by NRS 386.595, the process by which the governing body of the charter school will negotiate employment contracts with the employees of the charter school.

(k) A financial plan for the operation of the charter school. The plan must include, without limitation, procedures for the audit of the programs and finances of the charter school and guidelines for determining the financial liability if the charter school is unsuccessful.

(l) A statement of whether the charter school will provide for the transportation of pupils to and from the charter school. If the charter school will provide transportation, the application must include the proposed plan for the transportation of pupils. If the charter school will not provide transportation, the application must include a statement that the charter school will work with the parents and guardians of pupils enrolled in the charter school to develop a plan for transportation to ensure that pupils have access to transportation to and from the charter school.

(m) The procedure for the evaluation of teachers of the charter school, if different from the procedure prescribed in NRS 391.3125. If the procedure is different from the procedure prescribed in NRS 391.3125, the procedure for the evaluation of teachers of the charter school must provide the same level of protection and otherwise comply with the standards for evaluation set forth in NRS 391.3125.

(n) The time by which certain academic or educational results will be achieved.

(o) The kind of school, as defined in subsections 1 to 4, inclusive, of NRS 388.020, for which the charter school intends to operate.

(p) A statement of whether the charter school will enroll pupils who are in a particular category of at-risk pupils before enrolling other children who are eligible to attend the charter school pursuant to NRS 386.580 and the method for determining eligibility for enrollment in each such category of at-risk pupils served by the charter school.

~~{3.}~~ 5. The Department shall review an application to form a charter school to determine whether it is **substantially complete** ~~{1}~~ **and compliant**. If an application proposes to convert an existing public school, homeschool or other program of home study into a charter school, the Department shall ~~{deny the application.}~~ **provide written notice to the applicant that the application is ineligible for consideration by the proposed sponsor.**

6. The Department shall provide written notice to the applicant of its ~~{approval or denial of}~~ **determination whether** the application ~~{1}~~ **is substantially complete and compliant**. If the Department ~~{denies}~~ **determines that** an application ~~{1}~~ **is not substantially complete and compliant**, the Department shall include in the written notice the ~~{reason for the denial}~~ **basis for that determination** and the deficiencies in the application. **The staff designated by the Department shall meet with the applicant to confer on the method to correct the identified deficiencies.** The applicant must be granted 30 days after receipt of the written notice to correct any deficiencies identified in the written notice and resubmit the application.

~~{4.}~~ 7. As used in subsection 1, "teacher" means a person who:

(a) Holds a current license to teach issued pursuant to chapter 391 of NRS ~~{1}~~ **or who previously held such a license and is retired, as long as his or her license was held in good standing; and**

(b) Has at least 2 years of experience as an employed teacher.

~~↪ The term does not include a person who is employed as a substitute teacher.~~

Sec. 2. NRS 386.525 is hereby amended to read as follows:

386.525 1. Upon ~~{approval of an application}~~ **determination** by the Department ~~{1}~~ **that an application is substantially complete and compliant**, a committee to form a charter school may submit the application to the board of trustees of the school district in which the proposed charter school will be located, a college or university within the Nevada System of Higher Education or ~~{directly to the Subcommittee on Charter Schools.}~~ **the State**

Board. If the board of trustees of a school district, a college or a university, as applicable, receives an application to form a charter school, the board of trustees or the institution, as applicable, shall consider the application at a meeting that must be held not later than 45 days after the receipt of the application, or a period mutually agreed upon by the committee to form the charter school and the board of trustees of the school district or the institution, as applicable, and ensure that notice of the meeting has been provided pursuant to chapter 241 of NRS. The board of trustees, the college, the university or the ~~{Subcommittee on Charter Schools}~~ **State Board**, as applicable, shall review an application to determine whether the application:

(a) Complies with NRS 386.500 to 386.610, inclusive, and the regulations applicable to charter schools; and

(b) Is complete in accordance with the regulations of the Department.

2. The Department shall assist the board of trustees of a school district, the college or the university, as applicable, in the review of an application. The board of trustees, the college or the university, as applicable, may approve an application if it satisfies the requirements of paragraphs (a) and (b) of subsection 1. The board of trustees, the college or the university, as applicable, shall provide written notice to the applicant of its approval or denial of the application.

3. If the board of trustees, the college or the university, as applicable, denies an application, it shall include in the written notice the reasons for the denial and the deficiencies in the application. The applicant must be granted 30 days after receipt of the written notice to correct any deficiencies identified in the written notice and resubmit the application.

4. If the board of trustees, the college or the university, as applicable, denies an application after it has been resubmitted pursuant to subsection 3, the applicant may submit a written request **to the State Board** for sponsorship by the State Board ~~{to the Subcommittee on Charter Schools created pursuant to NRS 386.507}~~ not more than 30 days after receipt of the written notice of denial. Any request that is submitted pursuant to this subsection must be accompanied by the application to form the charter school.

5. If the ~~{Subcommittee on Charter Schools}~~ **State Board** receives an application pursuant to subsection 1 or 4, it shall ~~{hold}~~ **consider the application at** a meeting ~~{to consider the application. The meeting}~~ **which** must be held not later than 45 days after receipt of the application. Notice of the meeting must be posted in accordance with chapter 241 of NRS. The ~~{Subcommittee}~~ **State Board** shall review the application in accordance with the factors set forth in paragraphs (a) and (b) of subsection 1. The ~~{Subcommittee}~~ **State Board** may approve an application if it satisfies the requirements of paragraphs (a) and (b) of subsection 1.

~~{6. The Subcommittee on Charter Schools shall transmit the application and the recommendation of the Subcommittee for approval or denial of the application to the State Board. Not more than 14 days after the date of the~~

~~meeting of the Subcommittee pursuant to subsection 5, the State Board shall hold a meeting to consider the recommendation of the Subcommittee. Notice of the meeting must be posted in accordance with chapter 241 of NRS. The State Board shall review the application in accordance with the factors set forth in paragraphs (a) and (b) of subsection 1. The State Board may approve an application if it satisfies the requirements of paragraphs (a) and (b) of subsection 1.~~ Not more than 30 days after the meeting, the State Board shall provide written notice of its determination to the applicant.

~~{7.}~~ 6. If the State Board denies *or fails to act upon* an application, ~~fit~~ ***the denial or failure to act must be based upon a finding that the applicant failed to adequately address objective criteria established by regulation of the Department or the State Board.*** The State Board shall include in the written notice the reasons for the denial *or the failure to act* and the deficiencies in the application. ***The staff designated by the Department shall meet with the applicant to confer on the method to correct the identified deficiencies.*** The applicant must be granted 30 days after receipt of the written notice to correct any deficiencies identified in the written notice and resubmit the application.

~~{8.}~~ 7. If the State Board denies an application after it has been resubmitted pursuant to subsection ~~{7.}~~ 6, the applicant may, not more than 30 days after the receipt of the written notice from the State Board, appeal the final determination to the district court of the county in which the proposed charter school will be located.

~~{9.}~~ 8. On or before January 1 of each odd-numbered year, the Superintendent of Public Instruction shall submit a written report to the Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature. The report must include:

(a) A list of each application to form a charter school that was submitted to the board of trustees of a school district, the State Board, a college or a university during the immediately preceding biennium;

(b) The educational focus of each charter school for which an application was submitted;

(c) The current status of the application; and

(d) If the application was denied, the reasons for the denial.

Sec. 3. NRS 386.527 is hereby amended to read as follows:

386.527 1. If the State Board, the board of trustees of a school district or a college or university within the Nevada System of Higher Education approves an application to form a charter school, it shall grant a written charter to the applicant. The State Board, the board of trustees, the college or the university, as applicable, shall, not later than 10 days after the approval of the application, provide written notice to the Department of the approval and the date of the approval. If the board of trustees approves the application, the board of trustees shall be deemed the sponsor of the charter school.

2. If the State Board approves the application:

(a) The State Board shall be deemed the sponsor of the charter school.

(b) Neither the State of Nevada, the State Board nor the Department is an employer of the members of the governing body of the charter school or any of the employees of the charter school.

3. If a college or university within the Nevada System of Higher Education approves the application:

(a) That institution shall be deemed the sponsor of the charter school.

(b) Neither the State of Nevada, the State Board nor the Department is an employer of the members of the governing body of the charter school or any of the employees of the charter school.

4. The governing body of a charter school may request, at any time, a change in the sponsorship of the charter school to an entity that is authorized to sponsor charter schools pursuant to NRS 386.515. The State Board shall adopt:

(a) An application process for a charter school that requests a change in the sponsorship of the charter school, which must not require the applicant to undergo the requirements of an initial application to form a charter school; and

(b) Objective criteria for the conditions under which such a request may be granted.

5. Except as otherwise provided in subsection 7, a written charter must be for a term of 6 years unless the governing body of a charter school renews its initial charter after 3 years of operation pursuant to subsection 2 of NRS 386.530. A written charter must include all conditions of operation set forth in subsection ~~4~~ 4 of NRS 386.520 and include the kind of school, as defined in subsections 1 to 4, inclusive, of NRS 388.020 for which the charter school is authorized to operate. If the State Board or a college or university within the Nevada System of Higher Education is the sponsor of the charter school, the written charter must set forth the responsibilities of the sponsor and the charter school with regard to the provision of services and programs to pupils with disabilities who are enrolled in the charter school in accordance with the Individuals with Disabilities Education Act, 20 U.S.C. 1400 et seq., and NRS 388.440 to 388.520, inclusive. As a condition of the issuance of a written charter pursuant to this subsection, the charter school must agree to comply with all conditions of operation set forth in NRS 386.550.

6. The governing body of a charter school may submit to the sponsor of the charter school a written request for an amendment of the written charter of the charter school. Such an amendment may include, without limitation, the expansion of instruction and other educational services to pupils who are enrolled in grade levels other than the grade levels of pupils currently approved for enrollment in the charter school. ~~If the expansion of grade levels does not change the kind of school, as defined in NRS 388.020, for which the charter school is authorized to operate.~~ If the proposed amendment complies with the provisions of this section, NRS 386.500 to 386.610, inclusive, and any other statute or regulation applicable to charter

schools, the sponsor may amend the written charter in accordance with the proposed amendment. ~~If a charter school wishes to expand the instruction and other educational services offered by the charter school to pupils who are enrolled in grade levels other than the grade levels of pupils currently approved for enrollment in the charter school and the expansion of grade levels changes the kind of school, as defined in NRS 388.020, for which the charter school is authorized to operate, the governing body of the charter school must submit a new application to form a charter school. If such an application is approved, the charter school may continue to operate under the same governing body and an additional governing body does not need to be selected to operate the charter school with the expanded grade levels.~~ ***If the sponsor denies the request for an amendment, the sponsor shall provide written notice to the governing body of the charter school setting forth the reasons for the denial.***

7. The State Board shall adopt objective criteria for the issuance of a written charter to an applicant who is not prepared to commence operation on the date of issuance of the written charter. The criteria must include, without limitation, the:

(a) Period for which such a written charter is valid; and

(b) Timelines by which the applicant must satisfy certain requirements demonstrating its progress in preparing to commence operation.

➡ A holder of such a written charter may apply for grants of money to prepare the charter school for operation. A written charter issued pursuant to this subsection must not be designated as a conditional charter or a provisional charter or otherwise contain any other designation that would indicate the charter is issued for a temporary period.

8. The holder of a written charter that is issued pursuant to subsection 7 shall not commence operation of the charter school and is not eligible to receive apportionments pursuant to NRS 387.124 until the sponsor has determined that the requirements adopted by the State Board pursuant to subsection 7 have been satisfied and that the facility the charter school will occupy has been inspected and meets the requirements of any applicable building codes, codes for the prevention of fire, and codes pertaining to safety, health and sanitation. Except as otherwise provided in this subsection, the sponsor shall make such a determination 30 days before the first day of school for the:

(a) Schools of the school district in which the charter school is located that operate on a traditional school schedule and not a year-round school schedule; or

(b) Charter school,

➡ whichever date the sponsor selects. The sponsor shall not require a charter school to demonstrate compliance with the requirements of this subsection more than 30 days before the date selected. However, it may authorize a charter school to demonstrate compliance less than 30 days before the date selected.

Sec. 3.5. NRS 386.535 is hereby amended to read as follows:

386.535 1. The sponsor of a charter school may revoke the written charter of the charter school before the expiration of the charter if the sponsor determines that:

(a) The charter school, its officers or its employees have failed to comply with:

- (1) The **material** terms and conditions of the written charter;
- (2) Generally accepted standards of accounting and fiscal management;

or

(3) The provisions of NRS 386.500 to 386.610, inclusive, or any other statute or regulation applicable to charter schools;

(b) The charter school has filed for a voluntary petition of bankruptcy, is adjudicated bankrupt or insolvent, or is otherwise financially impaired such that the charter school cannot continue to operate; or

(c) There is reasonable cause to believe that revocation is necessary to protect the health and safety of the pupils who are enrolled in the charter school or persons who are employed by the charter school from jeopardy, or to prevent damage to or loss of the property of the school district or the community in which the charter school is located.

2. Before the sponsor revokes a written charter, the sponsor shall provide written notice of its intention to the governing body of the charter school. The written notice must:

(a) Include a statement of the deficiencies or reasons upon which the action of the sponsor is based;

(b) Except as otherwise provided in subsection 4, prescribe a period, not less than 30 days, during which the charter school may correct the deficiencies, including, without limitation, the date on which the period to correct the deficiencies begins and the date on which that period ends;

(c) Prescribe the date on which the sponsor will make a determination regarding whether the charter school has corrected the deficiencies, which determination may be made during the public hearing held pursuant to subsection 3; and

(d) Prescribe the date on which the sponsor will hold a public hearing to consider whether to revoke the charter.

3. Except as otherwise provided in subsection 4, not more than 90 days after the notice is provided pursuant to subsection 2, the sponsor shall hold a public hearing to make a determination regarding whether to revoke the written charter. If the charter school corrects the deficiencies to the satisfaction of the sponsor within the time prescribed in paragraph (b) of subsection 2, the sponsor shall not revoke the written charter of the charter school. The sponsor may not include in a written notice pursuant to subsection 2 any deficiency which was included in a previous written notice and which was corrected by the charter school, unless the deficiency recurred after being corrected.

4. The sponsor of a charter school and the governing body of the charter school may enter into a written agreement that prescribes different time periods than those set forth in subsections 2 and 3.

Sec. 4. NRS 386.540 is hereby amended to read as follows:

386.540 1. The Department shall adopt regulations that prescribe:

(a) The process for submission of an application by the board of trustees of a school district to the Department for authorization to sponsor charter schools and the contents of the application;

(b) The process for submission of an application to form a charter school to the Department, the board of trustees of a school district, the ~~Subcommittee on Charter Schools~~ **State Board** and a college or university within the Nevada System of Higher Education, and the contents of the application;

(c) The process for submission of an application to renew a written charter; ~~and~~

(d) The criteria and type of investigation that must be applied by the board of trustees, ~~the Subcommittee on Charter Schools,~~ the State Board and a college or university within the Nevada System of Higher Education in determining whether to approve an application to form a charter school, ~~for~~ an application to renew a written charter ~~or~~ **or a request for an amendment of a written charter; and**

(e) The process for submission of an amendment of a written charter pursuant to NRS 386.527 and the contents of the application.

2. The Department may adopt regulations as it determines are necessary to carry out the provisions of NRS 386.500 to 386.610, inclusive, including, without limitation, regulations that prescribe the:

(a) Procedures for accounting and budgeting;

(b) Requirements for performance audits and financial audits of charter schools on an annual basis for charter schools that do not satisfy the requirements of subsection 1 of NRS 386.5515; and

(c) Requirements for performance audits every 3 years and financial audits on an annual basis for charter schools that satisfy the requirements of subsection 1 of NRS 386.5515.

Sec. 5. NRS 386.545 is hereby amended to read as follows:

386.545 1. The Department and the board of trustees of a school district shall:

(a) Upon request, provide information to the general public concerning the formation and operation of charter schools; and

(b) Maintain a list available for public inspection that describes the location of each charter school.

2. The sponsor of a charter school shall:

(a) Provide reasonable assistance to an applicant for a charter school and to a charter school in carrying out the provisions of NRS 386.500 to 386.610, inclusive;

(b) Provide technical and other reasonable assistance to a charter school for the operation of the charter school;

(c) Provide information to the governing body of a charter school concerning the availability of money for the charter school, including, without limitation, money available from the Federal Government; and

(d) Provide timely access to the electronic data concerning the pupils enrolled in the charter school that is maintained pursuant to NRS 386.650.

3. If the board of trustees of a school district is the sponsor of a charter school, the sponsor shall:

(a) Provide the charter school with an updated list of available substitute teachers within the school district.

(b) Provide access to school buses for use by the charter school for field trips. The school district may charge a reasonable fee for the use of the school buses.

(c) If the school district offers summer school or Internet-based credit recovery classes, allow the pupils enrolled in the charter school to participate if space is available. The school district shall apply the same fees, if any, for participation of the pupils enrolled in the charter school as it applies to pupils enrolled in the school district.

4. The Department shall provide appropriate information, education and training for charter schools and the governing bodies of charter schools concerning the applicable provisions of title 34 of NRS and other laws and regulations that affect charter schools and the governing bodies of charter schools.

5. If the Department prescribes a process for charter schools to report certain information, the Department may request the identified information regardless if that information is required to be submitted by charter schools pursuant to a specific statute. Upon such a request, a charter school shall provide the information if the Department includes a detailed description of the requested information and the mechanism by which the Department will pay or reimburse the charter school for the requested information, if the provision of the information will incur any costs for the charter school.

Sec. 6. NRS 386.549 is hereby amended to read as follows:

386.549 1. The governing body of a charter school ~~is~~

~~(a) Must~~ **must** consist of:

~~[(1) At least] [three] [two teachers, as defined in subsection 5; or~~

~~(2)] [Two teachers,] [One teacher, as defined in subsection 5, and one person]~~

(a) One member who is licensed pursuant to chapter 391 of NRS or who previously held such a license and is retired, as long as his or her license was held in good standing;

(b) One member ~~who [previously held a license to teach pursuant to chapter 391 of NRS];~~

(1) Satisfies the qualifications of paragraph (a); or

(2) Is a school administrator with a license issued by another state or who previously held such a license and is retired, as long as his or her license was held in good standing, ~~including, without limitation, a retired teacher.~~

~~(b) Must consist of at least one~~

(c) One parent or legal guardian of a pupil enrolled in the charter school who is not a teacher or an administrator at the charter school.

~~((c) May) [consist of,]~~

(d) Two members who possess knowledge and experience in one or more of the following areas:

(1) Accounting;

(2) Financial services;

(3) Law; or

(4) Human resources.

2. In addition to the members who serve pursuant to subsection 1, the governing body of a charter school may include, without limitation, parents and representatives of nonprofit organizations and businesses. Not more than two persons who serve on the governing body may represent the same organization or business or otherwise represent the interests of the same organization or business. A majority of the members of the governing body must reside in this State. If the membership of the governing body changes, the governing body shall provide written notice to the sponsor of the charter school within 10 working days after such change.

~~2-1~~ **3.** A person may serve on the governing body only if the person submits an affidavit to the Department indicating that the person:

(a) Has not been convicted of a felony relating to serving on the governing body of a charter school or any offense involving moral turpitude.

(b) Has read and understands material concerning the roles and responsibilities of members of governing bodies of charter schools and other material designed to assist the governing bodies of charter schools, if such material is provided to the person by the Department.

~~3-1~~ **4.** The governing body of a charter school is a public body. It is hereby given such reasonable and necessary powers, not conflicting with the Constitution and the laws of the State of Nevada, as may be requisite to attain the ends for which the charter school is established and to promote the welfare of pupils who are enrolled in the charter school.

~~4-1~~ **5.** The governing body of a charter school shall, during each calendar quarter, hold at least one regularly scheduled public meeting in the county in which the charter school is located. **Upon an affirmative vote of a majority of the membership of the governing body, each member is entitled to receive a salary of not more than \$80 for attendance at each meeting, as fixed by the governing body, not to exceed payment for more than one meeting per month.**

~~5-1~~ **6.** As used in subsection 1, “teacher” means a person who:

(a) Holds a current license to teach issued pursuant to chapter 391 of NRS ~~or~~ **or who previously held such a license and is retired, as long as his or her license was held in good standing;** and

(b) Has at least 2 years of experience as an employed teacher.

↪ The term does not include a person who is employed as a substitute teacher.

Sec. 7. NRS 386.5515 is hereby amended to read as follows:

386.5515 1. To the extent money is available from legislative appropriation or otherwise, a charter school may apply to the Department for money for facilities if:

(a) The charter school has been operating in this State for at least 5 consecutive years and is in good financial standing;

(b) Each financial audit and each performance audit of the charter school required by the Department contains no major notations, corrections or errors concerning the charter school for at least 5 consecutive years;

(c) The charter school has met or exceeded adequate yearly progress as determined pursuant to NRS 385.3613 or has demonstrated improvement in the achievement of pupils enrolled in the charter school, as indicated by annual measurable objectives determined by the State Board, for the majority of the years of its operation;

(d) The charter school offers instruction on a daily basis during the school week of the charter school on the campus of the charter school; and

(e) At least 75 percent of the pupils enrolled in **grade 12 in the charter school** ~~who are required to take~~ **in the immediately preceding school year who have completed the required course work for graduation have passed** the high school proficiency examination, ~~have passed that examination,~~ if the charter school enrolls pupils at a high school grade level.

2. A charter school that satisfies the requirements of subsection 1 shall submit to a performance audit as required by the Department one time every 3 years. The sponsor of the charter school and the Department shall not request a performance audit of the charter school more frequently than every 3 years without reasonable evidence of noncompliance in achieving the educational goals and objectives of the charter school based upon the annual report submitted to the State Board pursuant to NRS 386.610. If the charter school no longer satisfies the requirements of subsection 1 or if reasonable evidence of noncompliance in achieving the educational goals and objectives of the charter school exists based upon the annual report, the charter school shall, upon written notice from the sponsor, submit to an annual performance audit. Notwithstanding the provisions of paragraph (b) of subsection 1, such a charter school:

(a) May, after undergoing the annual performance audit, reapply to the sponsor to determine whether the charter school satisfies the requirements of paragraphs (a), (c), (d) and (e) of subsection 1.

(b) Is not eligible for any available money pursuant to subsection 1 until the sponsor determines that the charter school satisfies the requirements of that subsection.

3. A charter school that does not satisfy the requirements of subsection 1 shall submit a quarterly report of the financial status of the charter school if requested by the sponsor of the charter school.

Sec. 8. NRS 386.560 is hereby amended to read as follows:

386.560 1. The governing body of a charter school may contract with the board of trustees of the school district in which the charter school is located ***or in which a pupil enrolled in the charter school resides*** or the Nevada System of Higher Education for the provision of facilities to operate the charter school or to perform any service relating to the operation of the charter school, including, without limitation, transportation, the provision of health services for the pupils who are enrolled in the charter school and the provision of school police officers.

2. A charter school may use any public facility located within the school district in which the charter school is located. A charter school may use school buildings owned by the school district only upon approval of the board of trustees of the school district and during times that are not regular school hours.

3. The board of trustees of a school district may donate surplus personal property of the school district to a charter school that is located within the school district.

4. Except as otherwise provided in this subsection, upon the request of a parent or legal guardian of a pupil who is enrolled in a charter school, the board of trustees of the school district in which the pupil resides shall authorize the pupil to participate in a class that is not available to the pupil at the charter school or participate in an extracurricular activity, ~~excluding~~ ***including*** sports, at a public school within the school district if:

(a) Space for the pupil in the class or extracurricular activity is available; and

(b) The parent or legal guardian demonstrates to the satisfaction of the board of trustees that the pupil is qualified to participate in the class or extracurricular activity.

➡ If the board of trustees of a school district authorizes a pupil to participate in a class or extracurricular activity, ~~excluding~~ ***including*** sports, pursuant to this subsection, the board of trustees is not required to provide transportation for the pupil to attend the class or activity. The provisions of this subsection do not apply to a pupil who is enrolled in a charter school and who desires to participate on a part-time basis in a program of distance education provided by the board of trustees of a school district pursuant to NRS 388.820 to 388.874, inclusive. Such a pupil must comply with NRS 388.858.

5. ~~Upon the request of a parent or legal guardian of a pupil who is enrolled in a charter school, the board of trustees of the school district in which the pupil resides shall authorize the pupil to participate in sports at the~~

~~public school that he or she would otherwise be required to attend within the school district, or upon approval of the board of trustees, any public school within the same zone of attendance as the charter school if:~~

~~(a) Space is available for the pupil to participate; and~~

~~(b) The parent or legal guardian demonstrates to the satisfaction of the board of trustees that the pupil is qualified to participate.~~

~~➤ If the board of trustees of a school district authorizes a pupil to participate in sports pursuant to this subsection, the board of trustees is not required to provide transportation for the pupil to participate.~~

~~6.1~~ The board of trustees of a school district may revoke its approval for a pupil to participate in a class, extracurricular activity or sports at a public school pursuant to ~~subsections 4 and 5~~ **subsection 4** if the board of trustees or the public school determines that the pupil has failed to comply with applicable statutes, or applicable rules and regulations of the board of trustees, the public school or the Nevada Interscholastic Activities Association. If the board of trustees so revokes its approval, neither the board of trustees nor the public school is liable for any damages relating to the denial of services to the pupil.

Sec. 9. NRS 386.570 is hereby amended to read as follows:

386.570 1. Each pupil who is enrolled in a charter school, including, without limitation, a pupil who is enrolled in a program of special education in a charter school, must be included in the count of pupils in the school district for the purposes of apportionments and allowances from the State Distributive School Account pursuant to NRS 387.121 to 387.126, inclusive, unless the pupil is exempt from compulsory attendance pursuant to NRS 392.070. A charter school is entitled to receive its proportionate share of any other money available from federal, state or local sources that the school or the pupils who are enrolled in the school are eligible to receive. If a charter school receives special education program units directly from this State, the amount of money for special education that the school district pays to the charter school may be reduced proportionately by the amount of money the charter school received from this State for that purpose. ***The State Board shall prescribe a process which ensures that all charter schools, regardless of the sponsor, have information about all sources of funding for the public schools provided through the Department, including local funds pursuant to NRS 387.1235.***

2. All money received by the charter school from this State or from the board of trustees of a school district must be deposited in an account with a bank, credit union or other financial institution in this State. The governing body of a charter school may negotiate with the board of trustees of the school district and the State Board for additional money to pay for services which the governing body wishes to offer.

3. Upon completion of each school quarter, the sponsor of a charter school may request reimbursement from the governing body of the charter school for the administrative costs associated with sponsorship for that

school quarter if the sponsor provided administrative services during that school quarter. The request must include an itemized list of those costs. Unless a delay is granted pursuant to subsection 9, upon receipt of such a request, the governing body shall pay the reimbursement to the board of trustees of the school district if the board of trustees sponsors the charter school, to the Department if the State Board sponsors the charter school or to the college or university within the Nevada System of Higher Education if that institution sponsors the charter school. If a governing body fails to pay the reimbursement pursuant to this subsection or pursuant to a plan approved by the Superintendent of Public Instruction in accordance with subsection 9, the charter school shall be deemed to have violated its written charter and the sponsor may take such action to revoke the written charter pursuant to NRS 386.535 as it deems necessary. If the board of trustees of a school district is the sponsor of a charter school, the amount of money that may be paid to the sponsor pursuant to this subsection for administrative expenses in 1 school year must not exceed:

(a) For the first year of operation of the charter school, 2 percent of the total amount of money apportioned to the charter school during the year pursuant to NRS 387.124, as adjusted by the final computation of apportionment pursuant to subsection 4 of NRS 387.1243.

(b) For any year after the first year of operation of the charter school, 1 percent of the total amount of money apportioned to the charter school during the year pursuant to NRS 387.124, as adjusted by the final computation of apportionment pursuant to subsection 4 of NRS 387.1243.

4. If the State Board or a college or university within the Nevada System of Higher Education is the sponsor of a charter school, the amount of money that may be paid to the Department or to the institution, as applicable, pursuant to subsection 3 for administrative expenses in 1 school year must not exceed:

(a) For the first year of operation of the charter school, 2 percent of the total amount of money apportioned to the charter school during the year pursuant to NRS 387.124, as adjusted by the final computation of apportionment pursuant to subsection 4 of NRS 387.1243.

(b) For any year after the first year of operation of the charter school, ~~1.5~~ **1** percent of the total amount of money apportioned to the charter school during the year pursuant to NRS 387.124, as adjusted by the final computation of apportionment pursuant to subsection 4 of NRS 387.1243.

5. To determine the amount of money for distribution to a charter school in its first year of operation, the count of pupils who are enrolled in the charter school must initially be determined 30 days before the beginning of the school year of the school district, based on the number of pupils whose applications for enrollment have been approved by the charter school. The count of pupils who are enrolled in the charter school must be revised on the last day of the first school month of the school district in which the charter school is located for the school year, based on the actual number of pupils

who are enrolled in the charter school. Pursuant to subsection 5 of NRS 387.124, the governing body of a charter school may request that the apportionments made to the charter school in its first year of operation be paid to the charter school 30 days before the apportionments are otherwise required to be made.

6. If a charter school ceases to operate as a charter school during a school year, the remaining apportionments that would have been made to the charter school pursuant to NRS 387.124 for that year must be paid on a proportionate basis to the school districts where the pupils who were enrolled in the charter school reside.

7. The governing body of a charter school may solicit and accept donations, money, grants, property, loans, personal services or other assistance for purposes relating to education from members of the general public, corporations or agencies. The governing body may comply with applicable federal laws and regulations governing the provision of federal grants for charter schools. The State Board may assist a charter school that operates exclusively for the enrollment of pupils who receive special education in identifying sources of money that may be available from the Federal Government or this State for the provision of educational programs and services to such pupils.

8. If a charter school uses money received from this State to purchase real property, buildings, equipment or facilities, the governing body of the charter school shall assign a security interest in the property, buildings, equipment and facilities to the State of Nevada.

9. The governing body of a charter school may submit to the Superintendent of Public Instruction a written request to delay a quarterly payment of a reimbursement for the administrative costs that a charter school owes pursuant to this section. The written request must be in the form prescribed by the Superintendent and must include, without limitation, documentation that a financial hardship exists for the charter school and a plan for the payment of the reimbursement. The Superintendent may approve or deny the request and shall notify the governing body and the sponsor of the charter school of the approval or denial of the request.

Sec. 9.5. NRS 386.590 is hereby amended to read as follows:

386.590 1. Except as otherwise provided in this subsection, at least 70 percent of the teachers who provide instruction at a charter school must be licensed teachers. If a charter school is a vocational school, the charter school shall, to the extent practicable, ensure that at least 70 percent of the teachers who provide instruction at the school are licensed teachers, but in no event may more than 50 percent of the teachers who provide instruction at the school be unlicensed teachers.

2. A governing body of a charter school shall employ:

(a) If the charter school offers instruction in kindergarten or grade 1, 2, 3, 4, 5, 6, 7 or 8, a licensed teacher to teach pupils who are enrolled in those

grades. If required by subsection 3 or 4, such a teacher must possess the qualifications required by 20 U.S.C. 6319(a).

(b) If the charter school offers instruction in grade 9, 10, 11 or 12, a licensed teacher to teach pupils who are enrolled in those grades for the subjects set forth in subsection 4. If required by subsection 3 or 4, such a teacher must possess the qualifications required by 20 U.S.C. 6319(a).

(c) In addition to the requirements of paragraphs (a) and (b):

(1) If a charter school specializes in arts and humanities, physical education or health education, a licensed teacher to teach those courses of study.

(2) If a charter school specializes in the construction industry or other building industry, licensed teachers to teach courses of study relating to the industry if those teachers are employed full-time.

(3) If a charter school specializes in the construction industry or other building industry and the school offers courses of study in computer education, technology or business, licensed teachers to teach those courses of study if those teachers are employed full-time.

3. A person who is initially hired by the governing body of a charter school on or after January 8, 2002, to teach in a program supported with money from Title I must possess the qualifications required by 20 U.S.C. 6319(a). For the purposes of this subsection, a person is not "initially hired" if the person has been employed as a teacher by another school district or charter school in this State without an interruption in employment before the date of hire by his or her current employer.

4. A teacher who is employed by a charter school, regardless of the date of hire, must, on or before July 1, 2006, possess the qualifications required by 20 U.S.C. 6319(a) if the teacher teaches one or more of the following subjects:

- (a) English, reading or language arts;
- (b) Mathematics;
- (c) Science;
- (d) Foreign language;
- (e) Civics or government;
- (f) Economics;
- (g) Geography;
- (h) History; or
- (i) The arts.

5. Except as otherwise provided in NRS 386.588, a charter school may employ a person who is not licensed pursuant to the provisions of chapter 391 of NRS to teach a course of study for which a licensed teacher is not required pursuant to subsections 2, 3 and 4 if the person has:

- (a) A degree, a license or a certificate in the field for which the person is employed to teach at the charter school; and
- (b) At least 2 years of experience in that field.

6. Except as otherwise provided in NRS 386.588, a charter school shall employ such administrators for the school as it deems necessary. A person employed as an administrator must possess:

- (a) A valid teacher's license issued pursuant to chapter 391 of NRS with an administrative endorsement;
- (b) A master's degree in school administration, public administration or business administration; or
- (c) At least 5 years of experience in school administration, public administration or business administration and a baccalaureate degree.

7. Except as otherwise provided in subsection 8, the portion of the salary or other compensation of an administrator employed by a charter school that is derived from public funds must not exceed the salary or other compensation, as applicable, of the highest paid administrator in a comparable position in the school district in which the charter school is located. For purposes of determining the salary or other compensation of the highest paid administrator in a comparable position in the school district, the salary or other compensation of the superintendent of schools of that school district must not be included in the determination.

8. If the salary or other compensation paid to an administrator employed by a charter school from public funds exceeds the maximum amount prescribed in subsection 7, the sponsor of the charter school shall conduct an audit of the salary or compensation. The audit must include, without limitation, a review of the reasons set forth by the governing body of the charter school for the salary or other compensation and the interests of the public in using public funds to pay that salary or compensation. If the sponsor determines that the payment of the salary or other compensation from public funds is justified, the sponsor shall provide written documentation of its determination to the governing body of the charter school and to the Department. If the sponsor determines that the payment of the salary or other compensation from public funds is not justified, the governing body of the charter school shall reduce the salary or compensation paid to the administrator from public funds to an amount not to exceed the maximum amount prescribed in subsection 7.

9. A charter school shall not employ a person pursuant to this section if the person's license to teach or provide other educational services has been revoked or suspended in this State or another state.

10. On or before November 15 of each year, a charter school shall submit to the Department, in a format prescribed by the Superintendent of Public Instruction, the following information for each person who is licensed ~~employee~~ pursuant to chapter 391 of NRS and who is employed by the governing body on October 1 of that year:

- (a) The amount of salary or compensation of the ~~employee~~ licensed person, including, without limitation, verification of compliance with subsection 7, if applicable to that ~~employee~~ person; and

(b) The designated assignment, as that term is defined by the Department, of the ~~employee~~ **licensed person**.

Sec. 9.7. NRS 386.595 is hereby amended to read as follows:

386.595 1. All employees of a charter school shall be deemed public employees.

2. The governing body of a charter school may make all decisions concerning the terms and conditions of employment with the charter school and any other matter relating to employment with the charter school. In addition, the governing body may make all employment decisions with regard to its employees pursuant to NRS 391.311 to 391.3197, inclusive, unless a collective bargaining agreement entered into by the governing body pursuant to chapter 288 of NRS contains separate provisions relating to the discipline of licensed employees of a school.

3. **Upon the request of the governing body of a charter school, the board of trustees of a school district shall, with the permission of the licensed employee who is seeking employment with the charter school, transmit to the governing body a copy of the employment record of the employee that is maintained by the school district. The employment record must include, without limitation, each evaluation of the licensed employee conducted by the school district and any disciplinary action taken by the school district against the licensed employee.**

4. Except as otherwise provided in this subsection, if the written charter of a charter school is revoked or if a charter school ceases to operate as a charter school, the **licensed** employees of the charter school must be reassigned to employment within the school district in accordance with the applicable collective bargaining agreement. A school district is not required to reassign ~~an~~ **a licensed** employee of a charter school pursuant to this subsection if the employee:

(a) Was not granted a leave of absence by the school district to ~~teach~~ **accept employment** at the charter school pursuant to subsection ~~4, or~~ **5**;

(b) Was granted a leave of absence by the school district and did not submit a written request to return to employment with the school district in accordance with subsection ~~4~~;

~~4~~ **5**; or

(c) **Does not comply with or is otherwise not eligible to return to employment pursuant to subsection 6, including, without limitation, the refusal of the licensed employee to allow the school district to obtain the employment record of the employee that is maintained by the charter school.**

5. The board of trustees of a school district ~~that is a sponsor of a charter school~~ shall grant a leave of absence, not to exceed 3 years, to any **licensed** employee who is employed by the board of trustees who requests such a leave of absence to accept employment with ~~the~~ **a** charter school. After the first school year in which ~~an~~ **a licensed** employee is on a leave of absence, the employee may return to ~~this or her former~~ **a comparable** teaching

position with the board of trustees. After the third school year, ~~ten~~ a licensed employee shall either submit a written request to return to a comparable teaching position or resign from the position for which the employee's leave was granted. The board of trustees shall grant a written request to return to a comparable position pursuant to this subsection even if the return of the licensed employee requires the board of trustees to reduce the existing workforce of the school district. The board of trustees is not required to accept the return of the licensed employee if the employee does not comply with or is otherwise not eligible to return to employment pursuant to subsection 6, including, without limitation, the refusal of the licensed employee to allow the school district to obtain the employment record of the employee that is maintained by the charter school. The board of trustees may require that a request to return to a comparable teaching position submitted pursuant to this subsection be submitted at least 90 days before the employee would otherwise be required to report to duty.

~~{5. Am}~~

6. Upon the request of the board of trustees of a school district, the governing body of a charter school shall, with the permission of the licensed employee who is granted a leave of absence from the school district pursuant to this section, transmit to the school district a copy of the employment record of the employee that is maintained by the charter school before the return of the employee to employment with the school district pursuant to subsection 4 or 5. The employment record must include, without limitation, each evaluation of the licensed employee conducted by the charter school and any disciplinary action taken by the charter school against the licensed employee. Before the return of the licensed employee, the board of trustees of the school district may conduct an investigation into any misconduct of the licensed employee during the leave of absence from the school district and take any appropriate disciplinary action as to the status of the person as an employee of the school district, including, without limitation:

(a) The dismissal of the employee from employment with the school district; or

(b) Upon the employee's return to employment with the school district, documentation of the disciplinary action taken against the employee into the employment record of the employee that is maintained by the school district.

7. If a school district conducts an investigation pursuant to subsection 6:

(a) The licensed employee is not entitled to return to employment with the school district until the investigation is complete; and

(b) The investigation must be conducted within a reasonable time.

8. A licensed employee who is on a leave of absence from a school district pursuant to this section:

(a) Shall contribute to and be eligible for all benefits for which the employee would otherwise be entitled, including, without limitation, participation in the Public Employees' Retirement System and accrual of time for the purposes of leave and retirement.

(b) Continues, while the employee is on leave, to be covered by the collective bargaining agreement of the school district only with respect to any matter relating to his or her status or employment with the district.

➔ The time during which such an employee is on a leave of absence and employed in a charter school does not count toward the acquisition of permanent status with the school district.

~~16.1~~ 9. Upon the return of a teacher to employment in the school district, the teacher is entitled to the same level of retirement, salary and any other benefits to which the teacher would otherwise be entitled if the teacher had not taken a leave of absence to teach in a charter school.

~~17.1~~ 10. An employee of a charter school who is not on a leave of absence from a school district is eligible for all benefits for which the employee would be eligible for employment in a public school, including, without limitation, participation in the Public Employees' Retirement System.

~~18.1~~ 11. For all employees of a charter school:

(a) The compensation that a teacher or other school employee would have received if he or she were employed by the school district must be used to determine the appropriate levels of contribution required of the employee and employer for purposes of the Public Employees' Retirement System.

(b) The compensation that is paid to a teacher or other school employee that exceeds the compensation that the employee would have received if he or she were employed by the school district must not be included for the purposes of calculating future retirement benefits of the employee.

~~19.1~~ 12. If the board of trustees of a school district in which a charter school is located manages a plan of group insurance for its employees, the governing body of the charter school may negotiate with the board of trustees to participate in the same plan of group insurance that the board of trustees offers to its employees. If the employees of the charter school participate in the plan of group insurance managed by the board of trustees, the governing body of the charter school shall:

(a) Ensure that the premiums for that insurance are paid to the board of trustees; and

(b) Provide, upon the request of the board of trustees, all information that is necessary for the board of trustees to provide the group insurance to the employees of the charter school.

Sec. 10. NRS 392.700 is hereby amended to read as follows:

392.700 1. If the parent of a child who is subject to compulsory attendance wishes to homeschool the child, the parent must file with the superintendent of schools of the school district in which the child resides a written notice of intent to homeschool the child. The Department shall

develop a standard form for the notice of intent to homeschool. The form must not require any information or assurances that are not otherwise required by this section or other specific statute. The board of trustees of each school district shall, in a timely manner, make only the form developed by the Department available to parents who wish to homeschool their child.

2. The notice of intent to homeschool must be filed before beginning to homeschool the child or:

(a) Not later than 10 days after the child has been formally withdrawn from enrollment in public school; or

(b) Not later than 30 days after establishing residency in this State.

3. The purpose of the notice of intent to homeschool is to inform the school district in which the child resides that the child is exempt from the requirement of compulsory attendance.

4. If the name or address of the parent or child as indicated on a notice of intent to homeschool changes, the parent must, not later than 30 days after the change, file a new notice of intent to homeschool with the superintendent of schools of the school district in which the child resides.

5. A notice of intent to homeschool must include only the following:

(a) The full name, age and gender of the child;

(b) The name and address of each parent filing the notice of intent to homeschool;

(c) A statement signed and dated by each such parent declaring that the parent has control or charge of the child and the legal right to direct the education of the child, and assumes full responsibility for the education of the child while the child is being homeschooled;

(d) An educational plan for the child that is prepared pursuant to subsection 12;

(e) If applicable, the name of the public school in this State which the child most recently attended; and

(f) An optional statement that the parent may sign which provides:

I expressly prohibit the release of any information contained in this document, including, without limitation, directory information as defined in 20 U.S.C. 1232g(a)(5)(A), without my prior written consent.

6. Each superintendent of schools of a school district shall accept notice of intent to homeschool that is filed with the superintendent pursuant to this section and meets the requirements of subsection 5, and shall not require or request any additional information or assurances from the parent who filed the notice.

7. The school district shall provide to a parent who files a notice a written acknowledgment which clearly indicates that the parent has provided notification required by law and that the child is being homeschooled. The written acknowledgment shall be deemed proof of compliance with Nevada's compulsory school attendance law. The school district shall retain a copy of the written acknowledgment for not less than 15 years. The written acknowledgment may be retained in electronic format.

8. The superintendent of schools of a school district shall process a written request for a copy of the records of the school district, or any information contained therein, relating to a child who is being or has been homeschooled not later than 5 days after receiving the request. The superintendent of schools may only release such records or information:

(a) To a person or entity specified by the parent of the child, or by the child if the child is at least 18 years of age, upon suitable proof of identity of the parent or child; or

(b) If required by specific statute.

9. If a child who is or was homeschooled seeks admittance or entrance to any school in this State, the school may use only commonly used practices in determining the academic ability, placement or eligibility of the child. ~~The parent of the child shall notify the superintendent of schools of the school district in which the child resides that the parent requests that the notice of intent to homeschool filed pursuant to this section be withdrawn.~~ **If the child enrolls in a charter school, the charter school shall, to the extent practicable, notify the board of trustees of the school district in which the child resides of the child's enrollment in the charter school. Regardless of whether the charter school provides such notification to the board of trustees, the charter school may count the child who is enrolled for the purposes of the calculation of basic support pursuant to NRS 387.1233.** A homeschooled child seeking admittance to public high school must comply with NRS 392.033.

10. A school or organization shall not discriminate in any manner against a child who is or was homeschooled.

11. Each school district shall allow homeschooled children to participate in the high school proficiency examination administered pursuant to NRS 389.015 and all college entrance examinations offered in this State, including, without limitation, the ~~Scholastic Aptitude Test,~~ **SAT**, the ~~American College Test,~~ **ACT**, the Preliminary ~~Scholastic Aptitude Test~~ **SAT** and the National Merit Scholarship Qualifying Test. Each school district shall ensure that the homeschooled children who reside in the school district have adequate notice of the availability of information concerning such examinations on the Internet website of the school district maintained pursuant to NRS 389.004.

12. The parent of a child who is being homeschooled shall prepare an educational plan of instruction for the child in the subject areas of English, including reading, composition and writing, mathematics, science and social studies, including history, geography, economics and government, as appropriate for the age and level of skill of the child as determined by the parent. The educational plan must be included in the notice of intent to homeschool filed pursuant to this section. If the educational plan contains the requirements of this section, the educational plan must not be used in any manner as a basis for denial of a notice of intent to homeschool that is otherwise complete. The parent must be prepared to present the educational

plan of instruction and proof of the identity of the child to a court of law if required by the court. This subsection does not require a parent to ensure that each subject area is taught each year that the child is homeschooled.

13. No regulation or policy of the State Board, any school district or any other governmental entity may infringe upon the right of a parent to educate his or her child based on religious preference unless it is:

- (a) Essential to further a compelling governmental interest; and
- (b) The least restrictive means of furthering that compelling governmental interest.

14. As used in this section, “parent” means the parent, custodial parent, legal guardian or other person in this State who has control or charge of a child and the legal right to direct the education of the child.

Sec. 11. NRS 386.507 is hereby repealed.

Sec. 12. The Legislative Counsel shall, in preparing supplements to the Nevada Administrative Code, appropriately change any references to an officer, agency or other entity whose name is changed or whose duties are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

Sec. 13. This act becomes effective on July 1, 2011.

TEXT OF REPEALED SECTION

386.507 Subcommittee on Charter Schools: Appointment of members; terms. The Subcommittee on Charter Schools of the State Board is hereby created. The President of the State Board shall appoint three members of the State Board to serve on the Subcommittee. Except as otherwise provided in this section, the members of the Subcommittee serve terms of 2 years. If a member is not reelected to the State Board during his or her service on the Subcommittee, the term of the member on the Subcommittee expires when his or her membership on the State Board expires. Members of the Subcommittee may be reappointed.

Assemblyman Bobzien moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 198.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 379.

AN ACT relating to the Nevada Rural Housing Authority; revising the definition of “local government” to include the Authority for the purpose of loans from a local government to the Authority; revising the ~~manner in which~~ **requirements for eligibility to serve as** a commissioner of the Authority ~~; his appointment~~ authorizing the Authority to receive a loan from a local government; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, before a local government may make an interfund loan or loan of money to another local government, the governing body of the local government that wishes to make the loan must determine at a public hearing that a sufficient amount of unrestricted money is available for the loan and that the loan will not compromise the economic viability of the fund from which the money is loaned. The local government must also establish at the public hearing: (1) the amount of time the money will be on loan from the fund; (2) the terms and conditions for repaying the loan; and (3) the rate of interest, if any, to be charged for the loan. (NRS 354.6118) For the purpose of making such a loan, the term "local government" does not include the Nevada Rural Housing Authority. (NRS 354.474) Existing law confers upon the Nevada Rural Housing Authority the authority to engage in various activities relating to the purposes for which the Authority was created, including, without limitation, the authority to enter into agreements or other transactions with any governmental agency or other source to further those purposes. (NRS 315.983)

Section 1 of this bill revises the definition of "local government" to include the Nevada Rural Housing Authority for the sole purpose of loans from a local government to the Authority in accordance with existing law. **Section 3** of this bill expands the authorized actions of the Nevada Rural Housing Authority to include receipt by the Authority of such a loan of money from a local government.

Existing law provides for the appointment of five commissioners to serve as members of the Nevada Rural Housing Authority. Of those five commissioners, one commissioner must be appointed jointly by the Nevada League of Cities and the Nevada Association of Counties and must be a recipient of assistance from the Authority. ~~[That commissioner must be selected from a list of at least five nominees submitted to the Authority by an organization that represents tenants of housing projects or, if such an organization does not exist, by persons who receive assistance from the Authority.]~~ If ~~[the]~~ **that** commissioner ceases to receive assistance from the Authority, he or she must be replaced by a person who receives such assistance. (NRS 315.977) **Section 2** of this bill revises the requirements for appointing that commissioner by providing ~~[that he or she must be selected from a list of three eligible nominees submitted to the Authority by the Executive Director of the Authority and by providing]~~ that, if the commissioner no longer receives assistance from the Authority, he or she may continue to serve as a commissioner for the remainder of the unexpired term for which he or she was appointed if he or she resides within the area of operation of the Authority. ~~[Section 5 of this bill ensures that the commissioner who was appointed by the Nevada League of Cities and the Nevada Association of Counties before July 1, 2011, may continue to serve as a commissioner for the remainder of his or her term.]~~

Existing law authorizes the Authority to operate in any area of this State which is not included within the corporate limits of a city or town having a population of 100,000 or more. **(NRS 315.9835) Section 4** of this bill authorizes the Authority to provide services in any area of the State if the Authority has contracted with the State or a local government to provide those services in that area. **Section 4 specifies that the provision of those services does not include the making of a mortgage loan.**

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 354.474 is hereby amended to read as follows:

354.474 1. Except as otherwise provided in subsections 2 and 3, the provisions of NRS 354.470 to 354.626, inclusive, apply to all local governments. For the purpose of NRS 354.470 to 354.626, inclusive:

(a) “Local government” means every political subdivision or other entity which has the right to levy or receive money from ad valorem or other taxes or any mandatory assessments, and includes, without limitation, counties, cities, towns, boards, school districts and other districts organized pursuant to chapters 244A, 309, 318 and 379 of NRS, NRS 450.550 to 450.750, inclusive, and chapters 474, 541, 543 and 555 of NRS, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision.

(b) “Local government” *includes the Nevada Rural Housing Authority for the purpose of loans of money from a local government to the Nevada Rural Housing Authority in accordance with NRS 354.6118. The term* does not include the Nevada Rural Housing Authority ~~for~~ *for any other purpose.*

2. An irrigation district organized pursuant to chapter 539 of NRS shall fix rates and levy assessments as provided in NRS 539.667 to 539.683, inclusive. The levy of such assessments and the posting and publication of claims and annual financial statements as required by chapter 539 of NRS shall be deemed compliance with the budgeting, filing and publication requirements of NRS 354.470 to 354.626, inclusive, but any such irrigation district which levies an ad valorem tax shall comply with the filing and publication requirements of NRS 354.470 to 354.626, inclusive, in addition to the requirements of chapter 539 of NRS.

3. An electric light and power district created pursuant to chapter 318 of NRS shall be deemed to have fulfilled the requirements of NRS 354.470 to 354.626, inclusive, for a year in which the district does not issue bonds or levy an assessment if the district files with the Department of Taxation a copy of all documents relating to its budget for that year which the district submitted to the Rural Utilities Service of the United States Department of Agriculture.

Sec. 2. NRS 315.977 is hereby amended to read as follows:

315.977 1. The Nevada Rural Housing Authority, consisting of five commissioners, is hereby created.

2. The commissioners must be appointed as follows:

(a) Two commissioners must be appointed by the Nevada League of Cities.

(b) Two commissioners must be appointed by the Nevada Association of Counties.

(c) One commissioner must be appointed jointly by the Nevada League of Cities and the Nevada Association of Counties. This commissioner must be a current recipient of assistance from the Authority and must be selected from a list of at least five ~~three~~ eligible nominees submitted for this purpose by an organization which represents tenants of housing projects operated by the Authority. If no such organization exists, the commissioner must be selected from a list of nominees submitted for this purpose from persons who currently receive assistance from the Authority. ~~the Executive Director.~~ If during his or her term the commissioner ceases to be a recipient of assistance, the commissioner ~~must be replaced by a person who is a recipient of assistance.~~ ***may continue to serve as a commissioner for the remainder of the unexpired term for which he or she was appointed if he or she resides within the area of operation of the Authority.***

3. After the initial terms, the term of office of a commissioner is 4 years or until his or her successor takes office.

4. A majority of the commissioners constitutes a quorum, and a vote of the majority is necessary to carry any question.

5. If either of the appointing entities listed in subsection 2 ceases to exist, the pertinent appointments required by subsection 2 must be made by the successor in interest of that entity or, if there is no successor in interest, by the other appointing entity.

Sec. 3. NRS 315.983 is hereby amended to read as follows:

315.983 1. Except as otherwise provided in NRS 354.474 and 377.057, the Authority:

(a) Shall be deemed to be a public body corporate and politic, and an instrumentality, local government and political subdivision of the State, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of NRS 315.961 to 315.99874, inclusive, but not the power to levy and collect taxes or special assessments.

(b) Is not an agency, board, bureau, commission, council, department, division, employee or institution of the State.

2. The Authority may:

(a) Sue and be sued.

(b) Have a seal.

(c) Have perpetual succession.

(d) Make and execute contracts and other instruments necessary or convenient to the exercise of its powers.

(e) Deposit money it receives in any insured state or national bank, insured credit union, insured savings and loan association, or in the Local

Government Pooled Long-Term Investment Account created by NRS 355.165 or the Local Government Pooled Investment Fund created by NRS 355.167.

(f) Adopt bylaws, rules and regulations to carry into effect the powers and purposes of the Authority.

(g) Create a nonprofit organization which is exempt from taxation pursuant to 26 U.S.C. 501(c)(3) and which has as its principal purpose the development of housing projects.

(h) Enter into agreements or other transactions with, and accept grants from and cooperate with, any governmental agency or other source in furtherance of the purposes of NRS 315.961 to 315.99874, inclusive.

(i) ***Enter into an agreement with a local government to receive a loan of money from the local government in accordance with NRS 354.6118.***

(j) Acquire real or personal property or any interest therein, by gift, purchase, foreclosure, deed in lieu of foreclosure, lease, option or otherwise.

Sec. 4. NRS 315.9835 is hereby amended to read as follows:

315.9835 The State Authority may :

1. Except as otherwise provided in subsection 2, operate in any area of the State which is not included within the corporate limits of a city or town having a population of 100,000 or more.

2. Provide services in any area of the State if the State Authority has contracted with the State or a local government to provide those services in that area. As used in this subsection, “services” does not include the making of a mortgage loan pursuant to NRS 315.9981 to 315.99874, inclusive.

~~**Sec. 5.** Notwithstanding the provisions of paragraph (c) of subsection 2 of NRS 315.977, as amended by section 2 of this act, the commissioner of the Nevada Rural Housing Authority who was appointed pursuant to that paragraph before July 1, 2011, and who is otherwise qualified to serve as a commissioner of the Nevada Rural Housing Authority on that date may continue to serve in that capacity for the remainder of the unexpired term for which he or she was appointed.~~ **(Deleted by amendment.)**

Sec. 6. This act becomes effective on July 1, 2011.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 226.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 352.

AN ACT relating to property; revising various provisions governing landlords and tenants; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law generally authorizes a landlord to have a tenant removed from rental property if the tenant defaults on rental payments and continues to occupy the property. (NRS 40.253) ~~Section 1 of this bill revises the period in which a tenant is removed from rental property after the sheriff or constable receives an order of eviction from the court. Existing law also provides that a holdover tenant who occupies rental property that is then sold as a residential foreclosure may be removed from the property after receiving adequate notice of the change in ownership of the property, as prescribed by law. (NRS 40.255) Section 2 of this bill authorizes such a removal of a holdover tenant when the tenant occupies rental property that is then sold as a residential short sale.~~ **requires a landlord to advise a tenant of certain information in a notice before applying for a court order to evict the tenant.**

Additionally, existing law provides tenants with certain remedies if a landlord is required to provide certain essential services and fails to do so, or if the landlord commits certain other acts that interfere with the tenant's use of the rental property. (NRS 118A.380, 118A.390) ~~Section 6 of this bill extends certain remedies to tenants when a landlord is required to provide~~ **includes a functioning door lock among** essential items or services ~~but fails to do so.~~ **that a landlord must provide a tenant.** Section 7 of this bill authorizes a tenant to recover immediate possession of rental property if a landlord takes possession of the property in violation of NRS 118A.480, which prohibits a landlord from taking possession of the property unless the landlord pursues an available legal remedy or the tenant surrenders possession of or abandons the property.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 40.253 is hereby amended to read as follows:

40.253 1. Except as otherwise provided in subsection 10, in addition to the remedy provided in NRS 40.2512 and 40.290 to 40.420, inclusive, when the tenant of any dwelling, apartment, mobile home, recreational vehicle or commercial premises with periodic rent reserved by the month or any shorter period is in default in payment of the rent, the landlord or the landlord's agent, unless otherwise agreed in writing, may serve or have served a notice in writing, requiring in the alternative the payment of the rent or the surrender of the premises:

- (a) At or before noon of the fifth full day following the day of service; or
- (b) If the landlord chooses not to proceed in the manner set forth in paragraph (a) and the rent is reserved by a period of 1 week or less and the tenancy has not continued for more than 45 days, at or before noon of the fourth full day following the day of service.

➡ As used in this subsection, "day of service" means the day the landlord or the landlord's agent personally delivers the notice to the tenant. If personal service was not so delivered, the "day of service" means the day the notice is

delivered, after posting and mailing pursuant to subsection 2, to the sheriff or constable for service if the request for service is made before noon. If the request for service by the sheriff or constable is made after noon, the “day of service” shall be deemed to be the day next following the day that the request is made for service by the sheriff or constable.

2. A landlord or the landlord’s agent who serves a notice to a tenant pursuant to paragraph (b) of subsection 1 shall attempt to deliver the notice in person in the manner set forth in paragraph (a) of subsection 1 of NRS 40.280. If the notice cannot be delivered in person, the landlord or the landlord’s agent:

(a) Shall post a copy of the notice in a conspicuous place on the premises and mail the notice by overnight mail; and

(b) After the notice has been posted and mailed, may deliver the notice to the sheriff or constable for service in the manner set forth in subsection 1 of NRS 40.280. The sheriff or constable shall not accept the notice for service unless it is accompanied by written evidence, signed by the tenant when the tenant took possession of the premises, that the landlord or the landlord’s agent informed the tenant of the provisions of this section which set forth the lawful procedures for eviction from a short-term tenancy. Upon acceptance, the sheriff or constable shall serve the notice within 48 hours after the request for service was made by the landlord or the landlord’s agent.

3. A notice served pursuant to subsection 1 or 2 must:

(a) Identify the court that has jurisdiction over the matter; and

(b) Advise the tenant ~~to~~ **of** :

(1) Of the tenant’s right to contest the matter by filing, within the time specified in subsection 1 for the payment of the rent or surrender of the premises, an affidavit with the court that has jurisdiction over the matter stating that the tenant has tendered payment or is not in default in the payment of the rent.

(2) That if the court determines that the tenant is guilty of an unlawful detainer, the court may issue a summary order for removal of the tenant or an order providing for the nonadmittance of the tenant, directing the sheriff or constable of the county to remove the tenant within 24 hours after receipt of the order; and

(3) That, pursuant to NRS 118A.390, a tenant may seek relief if a landlord unlawfully removes the tenant from the premises or excludes the tenant by blocking or attempting to block the tenant’s entry upon the premises or willfully interrupts or causes or permits the interruption of an essential service required by the rental agreement or chapter 118A of NRS.

4. If the tenant files such an affidavit at or before the time stated in the notice, the landlord or the landlord’s agent, after receipt of a file-stamped copy of the affidavit which was filed, shall not provide for the nonadmittance of the tenant to the premises by locking or otherwise.

5. Upon noncompliance with the notice:

(a) The landlord or the landlord's agent may apply by affidavit of complaint for eviction to the justice court of the township in which the dwelling, apartment, mobile home or commercial premises are located or to the district court of the county in which the dwelling, apartment, mobile home or commercial premises are located, whichever has jurisdiction over the matter. The court may thereupon issue an order directing the sheriff or constable of the county to remove the tenant within ~~(not less than) 24 (hours and not more than 48)~~ hours after receipt of the order. The affidavit must state or contain:

- (1) The date the tenancy commenced.
- (2) The amount of periodic rent reserved.
- (3) The amounts of any cleaning, security or rent deposits paid in advance, in excess of the first month's rent, by the tenant.
- (4) The date the rental payments became delinquent.
- (5) The length of time the tenant has remained in possession without paying rent.
- (6) The amount of rent claimed due and delinquent.
- (7) A statement that the written notice was served on the tenant in accordance with NRS 40.280.
- (8) A copy of the written notice served on the tenant.
- (9) A copy of the signed written rental agreement, if any.

(b) Except when the tenant has timely filed the affidavit described in subsection 3 and a file-stamped copy of it has been received by the landlord or the landlord's agent, and except when the landlord is prohibited pursuant to NRS 118A.480, the landlord or the landlord's agent may, in a peaceable manner, provide for the nonadmittance of the tenant to the premises by locking or otherwise.

6. Upon the filing by the tenant of the affidavit permitted in subsection 3, regardless of the information contained in the affidavit, and the filing by the landlord of the affidavit permitted by subsection 5, the justice court or the district court shall hold a hearing, after service of notice of the hearing upon the parties, to determine the truthfulness and sufficiency of any affidavit or notice provided for in this section. If the court determines that there is no legal defense as to the alleged unlawful detainer and the tenant is guilty of an unlawful detainer, the court may issue a summary order for removal of the tenant or an order providing for the nonadmittance of the tenant. If the court determines that there is a legal defense as to the alleged unlawful detainer, the court shall refuse to grant either party any relief, and, except as otherwise provided in this subsection, shall require that any further proceedings be conducted pursuant to NRS 40.290 to 40.420, inclusive. The issuance of a summary order for removal of the tenant does not preclude an action by the tenant for any damages or other relief to which the tenant may be entitled. If the alleged unlawful detainer was based upon subsection 5 of NRS 40.2514, the refusal by the court to grant relief does not preclude the landlord

thereafter from pursuing an action for unlawful detainer in accordance with NRS 40.251.

7. The tenant may, upon payment of the appropriate fees relating to the filing and service of a motion, file a motion with the court, on a form provided by the clerk of the court, to dispute the amount of the costs, if any, claimed by the landlord pursuant to NRS 118.207 or 118A.460 for the inventory, moving and storage of personal property left on the premises. The motion must be filed within 20 days after the summary order for removal of the tenant or the abandonment of the premises by the tenant, or within 20 days after:

- (a) The tenant has vacated or been removed from the premises; and
 - (b) A copy of those charges has been requested by or provided to the tenant,
- ↪ whichever is later.

8. Upon the filing of a motion pursuant to subsection 7, the court shall schedule a hearing on the motion. The hearing must be held within 10 days after the filing of the motion. The court shall affix the date of the hearing to the motion and order a copy served upon the landlord by the sheriff, constable or other process server. At the hearing, the court may:

- (a) Determine the costs, if any, claimed by the landlord pursuant to NRS 118.207 or 118A.460 and any accumulating daily costs; and
- (b) Order the release of the tenant's property upon the payment of the charges determined to be due or if no charges are determined to be due.

9. A landlord shall not refuse to accept rent from a tenant that is submitted after the landlord or the landlord's agent has served or had served a notice pursuant to subsection 1 if the refusal is based on the fact that the tenant has not paid collection fees, attorney's fees or other costs other than rent, a reasonable charge for late payments of rent or dishonored checks, or a security. As used in this subsection, "security" has the meaning ascribed to it in NRS 118A.240.

10. This section does not apply to the tenant of a mobile home lot in a mobile home park or to the tenant of a recreational vehicle lot in an area of a mobile home park in this State other than an area designated as a recreational vehicle lot pursuant to the provisions of subsection 6 of NRS 40.215.

Sec. 2. ~~NRS 40.255 is hereby amended to read as follows:~~

~~40.255 — 1. Except as otherwise provided in subsections 2 and 7, in any of the following cases, a person who holds over and continues in possession of real property or a mobile home after a 3-day written notice to quit has been served upon the person may be removed as prescribed in NRS 40.290 to 40.420, inclusive:~~

- ~~(a) Where the property or mobile home has been sold under an execution against the person, or against another person under whom the person claims, and the title under the sale has been perfected;~~
- ~~(b) Where the property or mobile home has been sold upon the foreclosure of a mortgage, or under an express power of sale contained therein, executed~~

by the person, or by another person under whom the person claims, and the title under the sale has been perfected;

~~(c) Where the property or mobile home has been sold under a power of sale granted by NRS 107.080 to the trustee of a deed of trust executed by the person, or by another person under whom the person claims, and the title under such sale has been perfected; or~~

~~(d) Where the property or mobile home has been sold by the person, or by another person under whom the person claims, and the title under the sale has been perfected.~~

~~2. If the property has been sold as a residential foreclosure [.] or residential short sale, a tenant or subtenant in actual occupation of the premises, other than a person whose name appears on the mortgage or deed, who holds over and continues in possession of real property or a mobile home in any of the cases described in paragraph (b) or (c) of subsection 1 or where the property or mobile home has been sold as a residential short sale may be removed as prescribed in NRS 40.290 to 40.420, inclusive, after receiving a notice of the change of ownership of the real property or mobile home and after the expiration of a notice period beginning on the date the notice was received by the tenant or subtenant and expiring:~~

~~(a) For all periodic tenancies with a period of less than 1 month, after not less than the number of days in the period; and~~

~~(b) For all other periodic tenancies or tenancies at will, after not less than 60 days.~~

~~3. During the notice period described in subsection 2:~~

~~(a) The new owner has the rights, obligations and liabilities of the previous owner or landlord pursuant to chapter 118A of NRS under the lease or rental agreement which the previous owner or landlord entered into with the tenant or subtenant regarding the property; and~~

~~(b) The tenant or subtenant continues to have the rights, obligations and liabilities that the tenant or subtenant had pursuant to chapter 118A of NRS under the lease or rental agreement which the tenant or subtenant entered into with the previous owner or landlord regarding the property.~~

~~4. The notice described in subsection 2 must contain a statement:~~

~~(a) Providing the contact information of the new owner to whom rent should be remitted;~~

~~(b) Notifying the tenant or subtenant that the lease or rental agreement the tenant or subtenant entered into with the previous owner or landlord of the property continues in effect through the notice period described in subsection 2; and~~

~~(c) Notifying the tenant or subtenant that failure to pay rent to the new owner or comply with any other term of the agreement or applicable law constitutes a breach of the lease or rental agreement and may result in eviction proceedings.~~

~~5. If the property has been sold as a residential foreclosure in any of the cases described in paragraph (b) or (c) of subsection 1 [.] or if the property~~

~~has been sold as a residential short sale, no person may enter a record of eviction for a tenant or subtenant who vacates a property during the notice period described in subsection 2.~~

~~6. If the property has been sold as a residential foreclosure in any of the cases described in paragraphs (b) or (c) of subsection 1 [,] or if the property has been sold as a residential short sale, nothing in this section shall be deemed to prohibit:~~

~~(a) The tenant from vacating the property at any time before the expiration of the notice period described in subsection 2 without any obligation to the new owner of a property purchased pursuant to a residential foreclosure sale, [or] trustee's sale [,] or residential short sale; or~~

~~(b) The new owner of a property purchased pursuant to a residential foreclosure sale, [or] trustee's sale or residential short sale from:~~

~~(1) Negotiating a new purchase, lease or rental agreement with the tenant or subtenant; or~~

~~(2) Offering a payment to the tenant or subtenant in exchange for vacating the premises on a date earlier than the expiration of the notice period described in subsection 2.~~

~~7. This section does not apply to the tenant of a mobile home lot in a mobile home park.~~

~~8. As used in this section [, "residential foreclosure"]:~~

~~(a) "Residential foreclosure" means the sale of a single family residence pursuant to NRS 40.430 or under a power of sale granted by NRS 107.090.~~

~~(b) "Residential short sale" means the sale of a single family residence by a borrower for an amount less than the outstanding balance owed to the lender on the loan secured by such property, where the lender or assignee of the lender agrees before the sale to accept less than the outstanding balance owed on the loan in full or partial satisfaction of the loan, and the borrower pays the proceeds from the sale to the lender or assignee of the lender.~~

~~As used in this subsection, "single family residence" means a structure that is comprised of not more than four units.] (Deleted by amendment.)~~

~~Sec. 3. [Chapter 118A of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~"Essential item or service" includes:~~

~~1. Furniture, appliances or a functioning door lock; and~~

~~2. Heat, air conditioning, running water, hot water, electricity, gas or another similar service.] (Deleted by amendment.)~~

~~Sec. 4. [NRS 118A.020 is hereby amended to read as follows:~~

~~118A.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 118A.030 to 118A.170, inclusive, and section 3 of this act have the meanings ascribed to them in those sections.] (Deleted by amendment.)~~

~~Sec. 5. [NRS 118A.090 is hereby amended to read as follows:~~

~~118A.090 “Exclude” means to evict or to prohibit entry by locking doors or by otherwise blocking or attempting to block entry, or to make a dwelling unit uninhabitable by interrupting or causing the interruption of [electric, gas, water or other] any essential [services.] **item or service.** (Deleted by amendment.)~~

Sec. 6. NRS 118A.380 is hereby amended to read as follows:

118A.380 1. If the landlord is required by the rental agreement or this chapter to supply heat, air-conditioning, running water, hot water, electricity, gas, **a functioning door lock** or another ~~(any)~~ essential **item or** service and the landlord willfully or negligently fails to do so, causing the premises to become unfit for habitation, the tenant shall give written notice to the landlord specifying the breach. If the landlord does not adequately remedy the breach, or use his or her best efforts to remedy the breach within 48 hours, except a Saturday, Sunday or legal holiday, after it is received by the landlord, the tenant may, in addition to any other remedy:

(a) Procure reasonable amounts of such essential **items or** services during the landlord’s noncompliance and deduct their actual and reasonable cost from the rent;

(b) Recover actual damages, including damages based upon the lack of use of the premises or the diminution of the fair rental value of the dwelling unit;

(c) Withhold any rent that becomes due during the landlord’s noncompliance without incurring late fees, charges for notice or any other charge or fee authorized by this chapter or the rental agreement, until the landlord has attempted in good faith to restore the essential **items or** services; or

(d) Procure other housing which is comparable during the landlord’s noncompliance, and the rent for the original premises fully abates during this period. The tenant may recover the actual and reasonable cost of that other housing which is in excess of the amount of rent which is abated.

2. If the tenant proceeds under this section, the tenant may not proceed under NRS 118A.350 and 118A.360 as to that breach.

3. The rights of the tenant under this section do not arise until the tenant has given written notice as required by subsection 1, except that the tenant may, without having given that notice:

(a) Recover damages as authorized under paragraph (b) of subsection 1 if the landlord:

(1) Admits to the court that the landlord had knowledge of the lack of such essential **items or** services; or

(2) Has received written notice of the uninhabitable condition caused by such a lack from a governmental agency authorized to inspect for violations of building, housing or health codes.

(b) Withhold rent under paragraph (c) of subsection 1 if the landlord:

(1) Has received written notice of the condition constituting the breach from a governmental agency authorized to inspect for violations of building, housing or health codes; and

(2) Fails to remedy or attempt in good faith to remedy the breach within the time prescribed in the written notice of that condition from the governmental agency.

4. The rights of the tenant under paragraph (c) of subsection 1 do not arise unless the tenant is current in the payment of rent at the time of giving written notice pursuant to subsection 1.

5. If such a condition was caused by the deliberate or negligent act or omission of the tenant, a member of his or her household or other person on the premises with his or her consent, the tenant has no rights under this section.

Sec. 7. NRS 118A.390 is hereby amended to read as follows:

118A.390 1. If the landlord unlawfully removes the tenant from the premises or excludes the tenant by blocking or attempting to block the tenant's entry upon the premises, ~~for~~ willfully interrupts or causes or permits the interruption of any essential *item or* service required by the rental agreement or this chapter ~~to~~ **or otherwise recovers possession of the dwelling unit in violation of NRS 118A.480**, the tenant may recover immediate possession pursuant to subsection 4, proceed under NRS 118A.380 or terminate the rental agreement and, in addition to any other remedy, recover the tenant's actual damages, receive an amount not greater than ~~(\$1,000)~~ **\$2,500** to be fixed by the court, or both.

2. In determining the amount, if any, to be awarded under subsection 1, the court shall consider:

- (a) Whether the landlord acted in good faith;
- (b) The course of conduct between the landlord and the tenant; and
- (c) The degree of harm to the tenant caused by the landlord's conduct.

3. If the rental agreement is terminated pursuant to subsection 1, the landlord shall return all prepaid rent and security recoverable under this chapter.

4. Except as otherwise provided in subsection 5, the tenant may recover immediate possession of the premises from the landlord by filing a verified complaint for expedited relief for the unlawful removal or exclusion of the tenant from the premises, ~~for~~ the willful interruption of ~~any essential services.~~ **item or service or the recovery of possession of the dwelling unit in violation of NRS 118A.480.**

5. A verified complaint for expedited relief:

(a) Must be filed with the court within 5 judicial days after the date of the unlawful act by the landlord, and the verified complaint must be dismissed if it is not timely filed. If the verified complaint for expedited relief is dismissed pursuant to this paragraph, the tenant retains the right to pursue all other available remedies against the landlord.

(b) May not be filed with the court if an action for summary eviction or unlawful detainer is already pending between the landlord and tenant, but the tenant may seek similar relief before the judge presiding over the pending action.

6. The court shall conduct a hearing on the verified complaint for expedited relief ~~within~~ **not later than** 3 judicial days after the filing of the verified complaint for expedited relief. Before or at the scheduled hearing, the tenant must provide proof that the landlord has been properly served with a copy of the verified complaint for expedited relief. Upon the hearing, if it is determined that the landlord has violated any of the provisions of subsection 1, the court may:

(a) Order the landlord to restore to the tenant the premises or essential **items or** services, or both;

(b) Award damages pursuant to subsection 1; and

(c) Enjoin the landlord from violating the provisions of subsection 1 and, if the circumstances so warrant, hold the landlord in contempt of court.

7. The payment of all costs and official fees must be deferred for any tenant who files a verified complaint for expedited relief. After any hearing and not later than final disposition of the filing or order, the court shall assess the costs and fees against the party that does not prevail, except that the court may reduce them or waive them, as justice may require.

Sec. 8. NRS 118A.480 is hereby amended to read as follows:

118A.480 The landlord shall not recover or take possession of the dwelling unit by action or otherwise, including willful diminution or interruption or causing or permitting the diminution or interruption of any essential **item or** service required by the rental agreement or this chapter, except:

1. By an action for possession or other civil action or summary proceeding in which the issue of right of possession is determined;

2. When the tenant has surrendered possession of the dwelling unit to the landlord; or

3. When the tenant has abandoned the dwelling unit as provided in NRS 118A.450.

Sec. 9. NRS 118A.510 is hereby amended to read as follows:

118A.510 1. Except as otherwise provided in subsection 3, the landlord may not, in retaliation, terminate a tenancy, refuse to renew a tenancy, increase rent or decrease essential **items or** services required by the rental agreement or this chapter, or bring or threaten to bring an action for possession if:

(a) The tenant has complained in good faith of a violation of a building, housing or health code applicable to the premises and affecting health or safety to a governmental agency charged with the responsibility for the enforcement of that code;

(b) The tenant has complained in good faith to the landlord or a law enforcement agency of a violation of this chapter or of a specific statute that imposes a criminal penalty;

(c) The tenant has organized or become a member of a tenant's union or similar organization;

(d) A citation has been issued resulting from a complaint described in paragraph (a);

(e) The tenant has instituted or defended against a judicial or administrative proceeding or arbitration in which the tenant raised an issue of compliance with the requirements of this chapter respecting the habitability of dwelling units;

(f) The tenant has failed or refused to give written consent to a regulation adopted by the landlord, after the tenant enters into the rental agreement, which requires the landlord to wait until the appropriate time has elapsed before it is enforceable against the tenant; or

(g) The tenant has complained in good faith to the landlord, a government agency, an attorney, a fair housing agency or any other appropriate body of a violation of NRS 118.010 to 118.120, inclusive, or the Fair Housing Act of 1968, 42 U.S.C. 3601 et seq., or has otherwise exercised rights which are guaranteed or protected under those laws.

2. If the landlord violates any provision of subsection 1, the tenant is entitled to the remedies provided in NRS 118A.390 and has a defense in any retaliatory action by the landlord for possession.

3. A landlord who acts under the circumstances described in subsection 1 does not violate that subsection if:

(a) The violation of the applicable building, housing or health code of which the tenant complained was caused primarily by the lack of reasonable care by the tenant, a member of his or her household or other person on the premises with his or her consent;

(b) The tenancy is terminated with cause;

(c) A citation has been issued and compliance with the applicable building, housing or health code requires alteration, remodeling or demolition and cannot be accomplished unless the tenant's dwelling unit is vacant; or

(d) The increase in rent applies in a uniform manner to all tenants.

➡ The maintenance of an action under this subsection does not prevent the tenant from seeking damages or injunctive relief for the landlord's failure to comply with the rental agreement or maintain the dwelling unit in a habitable condition as required by this chapter.

Assemblyman Ohrenschall moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 228.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 409.

SUMMARY—~~[Revises provisions governing]~~ **Directs the Legislative Commission to conduct an interim study on** contracts for public works. (BDR ~~{28-582}~~) **S-582**

AN ACT relating to public works; ~~[requiring a public body to use a standard form construction contract that is endorsed by national associations representing industry professionals for a public work;]~~ **directing the Legislative Commission to conduct an interim study of the feasibility of standard form contracts for public works at the state and local levels;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a public body is required to include certain provisions in a contract for a public work. (NRS 338.150, 338.153, 338.155) This bill ~~[requires a public body]~~ **directs the Legislative Commission to conduct an interim study of the feasibility of the use of** a standard form construction contract ~~[which has been endorsed by national associations representing industry professionals]~~ for each contract for a **state or local** public work.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. ~~[Chapter 338 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~A contract for a public work must be a standard form construction contract which includes terms, conditions and agreements endorsed by at least one national association that primarily represents the interests of public owners and at least one national association that primarily represents the interests of private contractors, provided that~~

~~1. A public body shall make any modifications necessary to conform with the laws and regulations of this State;~~

~~2. A public body may make any reasonably necessary modifications for project specific considerations; and~~

~~3. The terms, conditions and agreements of a contract between a subcontractor and a contractor must be consistent with the terms, conditions and agreements of the contract for a public work entered into between the contractor and a public body pursuant to this section.]~~
(Deleted by amendment.)

Sec. 2. 1. **The Legislative Commission shall appoint a committee to conduct an interim study concerning the feasibility of using standard form construction contracts for public works by state and local governments.**

2. **The committee appointed by the Legislative Commission pursuant to subsection 1 must be composed of six Legislators as follows:**

(a) Three members appointed by the Majority Leader of the Senate, at least one of whom must be appointed from the membership of the Senate Standing Committee on Government Affairs during the immediately preceding session of the Legislature; and

(b) Three members appointed by the Speaker of the Assembly, at least one of whom must be appointed from the membership of the Assembly Standing Committee on Government Affairs during the immediately preceding session of the Legislature.

3. The study must include, without limitation:

(a) A review of:

(1) The laws of this State governing public works; and

(2) The use of standardized contracts in other states and localities;

(b) Construction contract clauses recommended for inclusion; and

(c) Any other matters which the Legislative Commission deems relevant to the consideration of the issues.

4. In conducting the study, the committee shall consider the recommendations and testimony from experts in construction and public works contracts, including, without limitation:

(a) National associations primarily representing the interests of public owners or private contractors;

(b) The Commission to Study Governmental Purchasing created by NRS 332.215;

(c) Representatives of management and labor organizations;

(d) The State Public Works Board; and

(e) Local government public works officials.

5. The Legislative Commission shall submit a report of the results of the study and any recommendations for legislation to the 77th Session of the Nevada Legislature.

Sec. 3. This act becomes effective on July 1, 2011.

Assemblyman Hickey moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 238.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 247.

AN ACT relating to local government finance; revising provisions concerning the refunding of municipal securities related to infrastructure projects ~~in~~ in certain counties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Since October 1, 1999, a county has been authorized, as part of a lending project under the County Bond Law, to acquire securities issued by a

municipality located wholly or partially within the county: (1) to undertake one or more infrastructure projects; or (2) to refund those securities. In the latter case, a county's authority is limited to acquiring only those securities issued to refund municipal securities for infrastructure projects that were previously acquired by the county. (NRS 244A.0343, 244A.064) This bill eliminates this limitation on a county's authority **in a county whose population is 100,000 or more but less than 700,000 (currently Washoe County)** and thereby allows **such** a county to acquire securities that were issued by a municipality to refund municipal securities issued previously for infrastructure projects regardless of whether those securities are held by the county or another entity. However, ~~the~~ **such a** county may only acquire those municipal securities issued for purposes of refunding if the initial securities for the infrastructure projects were issued by the municipality on or after October 1, 1999.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 244A.0343 is hereby amended to read as follows:

244A.0343 "Lending project" means :

1. In a county whose population is 100,000 or more but less than 700,000, the acquisition of municipal securities issued by a municipality located wholly or partially within the county acquiring the municipal securities for one or more infrastructure projects or for the refunding of municipal securities issued on or before October 1, 1999, for one or more infrastructure projects or any combination thereof.

2. In all other counties, the acquisition of municipal securities issued by a municipality located wholly or partially within the county acquiring the municipal securities for one or more infrastructure projects or for the refunding of municipal securities previously acquired as part of a lending project by a county ~~issued on or after October 1, 1999,~~ for one or more infrastructure projects or any combination thereof.

Sec. 2. NRS 244A.064 is hereby amended to read as follows:

244A.064 In connection with any lending project, a county may:

1. Require additional security or credit enhancement for payment of municipal securities acquired as it deems prudent.
2. Make contracts and execute all necessary or desirable instruments or documents not in conflict with the requirements of the County Bond Law.
3. Provide by ordinance for its standards, policies and procedures for financing lending projects.
4. Acquire and hold municipal securities and execute the rights of the holder of those municipal securities.
5. Sell or otherwise dispose of municipal securities unless the county is limited by any agreement that is related to those securities.

6. ~~Refund any~~ **Refund any** ~~for~~

~~(a) Any county general obligations issued for a lending project;~~

~~(b) Any municipal securities issued on or after October 1, 1999, for one or more infrastructure projects; or~~

~~(c) Any combination of paragraphs (a) and (b);~~

~~→ if~~ **If** the county and the municipality agree to the disposition of any savings resulting from the refunding ~~if~~:

(a) In a county whose population is 100,000 or more but less than 700,000, refund:

(1) Any county general obligations issued for a lending project;

(2) Any municipal securities issued on or after October 1, 1999, for one or more infrastructure projects; or

(3) Any combination of subparagraphs (1) and (2).

(b) In all other counties, refund any county general obligations issued for a lending project.

7. Require payment by a municipality that participates in a lending project of the fees and expenses of the county in connection with the lending project.

8. Secure the payment of county general obligations issued for a lending project with a pledge of revenues of the lending project. If the revenues of a lending project are formally pledged to the county bonds issued to finance a lending project, the board may treat the revenues of the lending project financed by an issue of county general obligation bonds as pledged revenues pursuant to subsection 3 of NRS 350.020.

Sec. 3. This act becomes effective upon passage and approval.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 244.

Bill read second time and ordered to third reading.

Assembly Bill No. 246.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 446.

SUMMARY—~~[Requires the association of a common interest community to make available to]~~ **Authorizes** candidates for membership on the executive board **of an association of a common-interest community to obtain [its] a list of the addresses of** units' owners under certain circumstances. (BDR 10-1067)

AN ACT relating to common-interest communities; ~~[requiring the association of a common interest community to make available to]~~ **authorizing** candidates for membership on the executive board ~~[the association's]~~ **of an association of a common-interest community to obtain a list of the addresses of** units' owners under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law ~~provides that, under certain circumstances, the association of a common interest community must make available to a unit's owner the books, records and papers of the association. However, the association is not required to make available to a unit's owner the records of the association which relate to another unit's owner. (NRS 116.31175))~~ **authorizes a candidate for election as a member of the executive board of an association of a common-interest community to request that the association send a candidate informational statement to the units' owners. (NRS 116.31034)** This bill ~~requires~~ **authorizes a candidate who has submitted a nomination form for election as a member of the executive board to request that** the association or its agent ~~to make available to a candidate for membership on the executive board, at no charge to the candidate, the~~ **either: (1) send the candidate informational statement; or (2) provide to the candidate a list of units' owners maintained by the association or its agent if the candidate submits: (1) a written request for that list; and** **the addresses of each unit in the common-interest community so that the candidate may send campaign material directly to units' owners.**

Under this bill, if the members of the association are owners of time shares within a time share plan, the list provided to the candidate must be a list of the mailing addresses of the delegates or representatives who exercise the voting rights of those owners or, if there are no such delegates or representatives, the mailing address of the association. If the candidate is provided the mailing address of the association, the association must send the campaign material of the candidate upon the candidate's compliance with certain requirements.

This bill further provides that if a candidate requests a list of the addresses to send his or her campaign material directly to units' owners: (1) the list must not include the names of the units' owners or the name of any tenant of a unit's owner; and (2) the candidate must provide a written statement that the candidate is requesting the list ~~to obtain information to allow the candidate to distribute~~ **for the purpose of distributing** his or her campaign material directly to the units' owners and that the candidate will not make any other use of the information.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 116.31034 is hereby amended to read as follows:

116.31034 1. Except as otherwise provided in subsection 5 of NRS 116.212, not later than the termination of any period of declarant's control, the units' owners shall elect an executive board of at least three members, all of whom must be units' owners. The executive board shall elect the officers of the association. Unless the governing documents provide otherwise, the officers of the association are not required to be units' owners. The members

of the executive board and the officers of the association shall take office upon election.

2. The term of office of a member of the executive board may not exceed 3 years, except for members who are appointed by the declarant. Unless the governing documents provide otherwise, there is no limitation on the number of terms that a person may serve as a member of the executive board.

3. The governing documents of the association must provide for terms of office that are staggered in such a manner that, to the extent possible, an equal number of members of the executive board are elected at each election. The provisions of this subsection do not apply to:

(a) Members of the executive board who are appointed by the declarant; and

(b) Members of the executive board who serve a term of 1 year or less.

4. Not less than 30 days before the preparation of a ballot for the election of members of the executive board, the secretary or other officer specified in the bylaws of the association shall cause notice to be given to each unit's owner of the unit's owner's eligibility to serve as a member of the executive board. Each unit's owner who is qualified to serve as a member of the executive board may have his or her name placed on the ballot along with the names of the nominees selected by the members of the executive board or a nominating committee established by the association.

5. Before the secretary or other officer specified in the bylaws of the association causes notice to be given to each unit's owner of his or her eligibility to serve as a member of the executive board pursuant to subsection 4, the executive board may determine that if, at the closing of the prescribed period for nominations for membership on the executive board, the number of candidates nominated for membership on the executive board is equal to or less than the number of members to be elected to the executive board at the election, then the secretary or other officer specified in the bylaws of the association will cause notice to be given to each unit's owner informing each unit's owner that:

(a) The association will not prepare or mail any ballots to units' owners pursuant to this section and the nominated candidates shall be deemed to be duly elected to the executive board unless:

(1) A unit's owner who is qualified to serve on the executive board nominates himself or herself for membership on the executive board by submitting a nomination to the executive board within 30 days after the notice provided by this subsection; and

(2) The number of units' owners who submit such a nomination causes the number of candidates nominated for membership on the executive board to be greater than the number of members to be elected to the executive board.

(b) Each unit's owner who is qualified to serve as a member of the executive board may nominate himself or herself for membership on the

executive board by submitting a nomination to the executive board within 30 days after the notice provided by this subsection.

6. If the notice described in subsection 5 is given and if, at the closing of the prescribed period for nominations for membership on the executive board described in subsection 5, the number of candidates nominated for membership on the executive board is equal to or less than the number of members to be elected to the executive board, then:

(a) The association will not prepare or mail any ballots to units' owners pursuant to this section;

(b) The nominated candidates shall be deemed to be duly elected to the executive board not later than 30 days after the date of the closing of the period for nominations described in subsection 5; and

(c) The association shall send to each unit's owner notification that the candidates nominated have been elected to the executive board.

7. If the notice described in subsection 5 is given and if, at the closing of the prescribed period for nominations for membership on the executive board described in subsection 5, the number of candidates nominated for membership on the executive board is greater than the number of members to be elected to the executive board, then the association shall:

(a) Prepare and mail ballots to the units' owners pursuant to this section; and

(b) Conduct an election for membership on the executive board pursuant to this section.

8. Each person who is nominated as a candidate for ~~for a member of~~ **membership on** the executive board pursuant to subsection 4 or 5 must:

(a) Make a good faith effort to disclose any financial, business, professional or personal relationship or interest that would result or would appear to a reasonable person to result in a potential conflict of interest for the candidate if the candidate were to be elected to serve as a member of the executive board; and

(b) Disclose whether the candidate is a member in good standing. For the purposes of this paragraph, a candidate shall not be deemed to be in "good standing" if the candidate has any unpaid and past due assessments or construction penalties that are required to be paid to the association.

➡ The candidate must make all disclosures required pursuant to this subsection in writing to the association with his or her candidacy information. Except as otherwise provided in this subsection, the association shall distribute the disclosures, on behalf of the candidate, to each member of the association with the ballot or, in the event ballots are not prepared and mailed pursuant to subsection 6, in the next regular mailing of the association. The association is not obligated to distribute any disclosure pursuant to this subsection if the disclosure contains information that is believed to be defamatory, libelous or profane.

9. ~~Notwithstanding the provisions of NRS 116.31175 and except as otherwise provided in this subsection, upon the written request of a person~~

~~who is a candidate for membership on the executive board and at no charge to the candidate, the association or its agent must make available to the candidate, for the purpose of obtaining information to allow the candidate to communicate campaign material directly to units' owners, the list of units' owners maintained by the association or its agent for review at the business office of the association or a designated business location not to exceed 60 miles from the physical location of the common interest community and during the regular working hours of the association. A written request pursuant to this subsection must be accompanied by a written statement signed by the candidate which states that the candidate is making the request to obtain information to allow the candidate to communicate campaign material directly to units' owners and that the candidate will not make any other use of the information. The association or its agent may refuse a written request submitted pursuant to this subsection only if the candidate does not provide the statement required by this subsection.~~

~~10.1~~ Unless a person is appointed by the declarant:

(a) A person may not be a member of the executive board or an officer of the association if the person, the person's spouse or the person's parent or child, by blood, marriage or adoption, performs the duties of a community manager for that association.

(b) A person may not be a member of the executive board of a master association or an officer of that master association if the person, the person's spouse or the person's parent or child, by blood, marriage or adoption, performs the duties of a community manager for:

(1) That master association; or

(2) Any association that is subject to the governing documents of that master association.

10. ~~11.1~~ An officer, employee, agent or director of a corporate owner of a unit, a trustee or designated beneficiary of a trust that owns a unit, a partner of a partnership that owns a unit, a member or manager of a limited-liability company that owns a unit, and a fiduciary of an estate that owns a unit may be an officer of the association or a member of the executive board. In all events where the person serving or offering to serve as an officer of the association or a member of the executive board is not the record owner, the person shall file proof in the records of the association that:

(a) The person is associated with the corporate owner, trust, partnership, limited-liability company or estate as required by this subsection; and

(b) Identifies the unit or units owned by the corporate owner, trust, partnership, limited-liability company or estate.

11. ~~12.1~~ Except as otherwise provided in subsection 6 or NRS 116.31105, the election of any member of the executive board must be conducted by secret written ballot in the following manner:

(a) The secretary or other officer specified in the bylaws of the association shall cause a secret ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each unit within the common-interest

community or to any other mailing address designated in writing by the unit's owner.

(b) Each unit's owner must be provided with at least 15 days after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the association.

(c) A quorum is not required for the election of any member of the executive board.

(d) Only the secret written ballots that are returned to the association may be counted to determine the outcome of the election.

(e) The secret written ballots must be opened and counted at a meeting of the association. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting.

(f) The incumbent members of the executive board and each person whose name is placed on the ballot as a candidate for ~~for a member of~~ **membership on** the executive board may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the association before those secret written ballots have been opened and counted at a meeting of the association.

~~12. 13.~~ An association shall not adopt any rule or regulation that has the effect of prohibiting or unreasonably interfering with a candidate in the candidate's campaign for election as a member of the executive board, except that the candidate's campaign may be limited to 90 days before the date that ballots are required to be returned to the association. ~~A~~

13. A candidate who has submitted a nomination form for election as a member of the executive board may request that ~~the secretary or other officer specified in the bylaws of~~ the association ~~send, 30 days~~ or its agent either:

(a) Send before the date of the election and at the association's expense, to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner a candidate informational statement. The candidate informational statement:

~~(a)~~ **(1)** Must be no longer than a single, typed page;
~~(b)~~ **(2)** Must not contain any defamatory, libelous or profane information; and

~~(c)~~ **(3)** May be sent with the secret ballot mailed pursuant to subsection ~~11 12~~ or in a separate mailing.

~~The~~ ; or

(b) To allow the candidate to communicate campaign material directly to the units' owners, provide to the candidate, in paper format at a cost not to exceed 25 cents per page for the first 10 pages and 10 cents per page thereafter, in the format of a compact disc at a cost of not more than \$5 or by electronic mail at no cost:

(1) A list of the mailing address of each unit, which must not include the names of the units' owners or the name of any tenant of a unit's owner; or

(2) If the members of the association are owners of time shares within a time share plan created pursuant to chapter 119A of NRS and:

(I) The voting rights of those owners are exercised by delegates or representatives pursuant to NRS 116.31105, the mailing address of the delegates or representatives.

(II) The voting rights of those owners are not exercised by delegates or representatives, the mailing address of the association established pursuant to NRS 119A.520. If the mailing address of the association is provided to the candidate pursuant to this sub-subparagraph, the association must send to each owner of a time share within the time share plan the campaign material provided by the candidate. If the campaign material will be sent by mail, the candidate who provides the campaign material must provide to the association a separate copy of the campaign material for each owner and must pay the actual costs of mailing before the campaign material is mailed. If the campaign material will be sent by electronic transmission, the candidate must provide to the association one copy of the campaign material in an electronic format.

↪ The information provided pursuant to this paragraph must not include the name of any unit's owner or any tenant of a unit's owner. If a candidate who makes a request for the information described in this paragraph fails or refuses to provide a written statement signed by the candidate which states that the candidate is making the request to allow the candidate to communicate campaign material directly to units' owners and that the candidate will not use the information for any other purpose, the association or its agent may refuse the request.

14. An association and its directors, officers, employees and agents are immune from criminal or civil liability for any act or omission which arises out of the publication or disclosure of any information related to any person and which occurs in the course of carrying out any duties required pursuant to ~~this~~ subsection. ~~13.~~

~~13.~~ ~~14.~~ 15. Each member of the executive board shall, within 90 days after his or her appointment or election, certify in writing to the association, on a form prescribed by the Administrator, that the member has read and understands the governing documents of the association and the provisions of this chapter to the best of his or her ability. The Administrator may require the association to submit a copy of the certification of each member of the executive board of that association at the time the association registers with the Ombudsman pursuant to NRS 116.31158.

Sec. 2. This act becomes effective on July 1, 2011.

Assemblyman Ohrenschall moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 260.

Bill read second time.

The following amendment was proposed by the Committee on Legislative Operations and Elections:

Amendment No. 97.

AN ACT relating to the Legislature; requiring newly elected Legislators to attend training before the beginning of their first legislative session; providing a **monetary** penalty for failure to attend the training sessions; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 3 of this bill requires newly elected Legislators to attend training before the beginning of their first legislative session. The Speaker of the Assembly and the Majority Leader of the Senate are required to specify the dates of the training and to indicate which training sessions are mandatory. **Section 4** of this bill provides that a Legislator who does not attend a mandatory training session without being excused must pay a penalty during the regular legislative session equal to one day of salary for each training session that was missed, to be deducted from the salary otherwise payable to the Legislator during the regular session.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 218A of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. *For the purposes of sections 3 and 4 of this act,--*

1. ~~The~~ the Speaker of the Assembly is:

(a) ~~For the period preceding a general election, the member of the Assembly who served in that position for the preceding session or the person designated in the interim as his or her replacement; and~~

(b) ~~For the period beginning on the date of the general election, the Speaker designate for the ensuing session.~~

2. ~~The Majority Leader of the Senate is:~~

(a) ~~For the period preceding a general election, the Senator who served in that position for the preceding session or the person designated in the interim as his or her replacement; and~~

(b) ~~For the period beginning on the date of the general election, the Majority Leader designate for the ensuing session.~~ , the Majority Leader of the Senate, the Minority Leader of the Assembly and the Minority Leader of the Senate are:

1. For the period that begins immediately following a regular session of the Legislature until the day of the next general election, the members of the Legislature who served in those positions during that regular session or the persons designated as replacements in those positions; and

2. For the period that begins on the day next after the general election until the commencement of the ensuing regular session of the Legislature, the persons designated for those positions for the ensuing session.

Sec. 3. 1. A Legislator who is elected to the Assembly or the Senate who has not previously served in either House of the Legislature shall attend the training required pursuant to this section unless his or her attendance is excused pursuant to subsection 6.

2. A member of the Assembly who is required to attend training pursuant to this section shall attend each training session designated as mandatory by the Speaker of the Assembly. A member of the Senate who is required to attend training pursuant to this section shall attend each training session designated as mandatory by the Majority Leader of the Senate.

3. The training required pursuant to this section must include:

- (a) Legislative procedure and protocol;
- (b) Overviews of the state budget and the budgetary process;
- (c) Briefings on policy issues relevant to the State; and
- (d) Such other matters as are deemed appropriate by the Speaker of the Assembly, ~~and~~ the Majority Leader of the Senate, the Minority Leader of the Assembly and the Minority Leader of the Senate for their respective Houses.

4. The Director of the Legislative Counsel Bureau shall provide staff support for the training required pursuant to this section.

5. The training required pursuant to this section must not exceed a total of 10 days and must be conducted between the day ~~of~~ next after the general election and the ~~start~~ commencement of the ensuing regular session of the Legislature. The dates for the training must be determined by the Speaker of the Assembly and the Majority Leader of the Senate and posted on the public website of the Nevada Legislature on ~~the~~ an Internet website not later than 90 days before the first day on which training will be conducted.

6. The Speaker of the Assembly or the Majority Leader of the Senate may excuse a Legislator from attending a training session otherwise required pursuant to this section in case of illness, injury, emergency or other good cause as determined by the Speaker or Majority Leader.

Sec. 4. 1. A Legislator who fails to attend a training session designated as mandatory pursuant to section 3 of this act, unless excused by the Speaker of the Assembly or the Majority Leader of the Senate, as applicable, shall pay a penalty equal to one day of salary for each mandatory training session which he or she failed to attend. The penalty must be withheld from the salary otherwise payable to the Legislator pursuant to NRS 218A.630.

2. A Legislator may appeal a penalty imposed pursuant to subsection 1 to the Assembly or Senate, as ~~appropriate~~ applicable. The Assembly or Senate, or a committee appointed to hear the appeal, may affirm the penalty, reduce the amount of the penalty or excuse the penalty. Each House shall determine the procedure for such an appeal.

Sec. 5. NRS 218A.635 is hereby amended to read as follows:

218A.635 1. Except as otherwise provided in subsections 2 and 4, each Senator, Assemblywoman and Assemblyman is entitled to receive the compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding session, and the per diem allowance and travel expenses provided by law, for each day of attendance at a presession orientation conference **or a training session conducted pursuant to section 3 of this act** or at a conference, meeting, seminar or other gathering at which the Legislator officially represents the State of Nevada or its Legislature.

2. A nonreturning Legislator must not be paid the compensation or per diem allowance and travel expenses provided in subsection 1 for attendance at a conference, meeting, seminar or other gathering unless:

(a) It is conducted by a statutory committee or a committee of the Legislature and the Legislator is a member of that committee; or

(b) The Majority Leader of the Senate or Speaker of the Assembly designates the Legislator to attend because of the Legislator's knowledge or expertise.

3. For the purposes of this section, "nonreturning Legislator" means a Legislator who, in the year that the Legislator's term of office expires:

(a) Has not filed a declaration or an acceptance of candidacy within the time allowed for filing for election as a Senator, Assemblywoman or Assemblyman;

(b) Has failed to win nomination as a candidate for the Senate or the Assembly at the primary election; or

(c) Has withdrawn as a candidate for the Senate or the Assembly.

4. This section does not apply:

(a) During a regular or special session of the Legislature; or

(b) To any Senator, Assemblywoman or Assemblyman who is otherwise entitled to receive a salary and the per diem allowance and travel expenses.

Sec. 6. NRS 218A.640 is hereby amended to read as follows:

218A.640 A Legislator who attends and is compensated for attending a:

1. Session or presession orientation conference of the Legislature ~~or~~ **or a training session conducted pursuant to section 3 of this act;**

2. Meeting of an interim legislative committee; or

3. Meeting of the Legislative Commission or its Audit Subcommittee,
 ➤ is not entitled to receive an additional day's salary or compensation for any other such meeting or conference the Legislator attends in that day.

Sec. 7. NRS 218A.645 is hereby amended to read as follows:

218A.645 1. The per diem expense allowance and the travel and telephone expenses of Senators, Assemblymen and Assemblywomen elected or appointed and in attendance at any session or presession orientation conference of the Legislature **or training session conducted pursuant to section 3 of this act** must be allowed in the manner set forth in this section.

2. For initial travel from the Legislator's home to Carson City, Nevada, to attend a session or presession orientation conference of the Legislature ~~or~~

or a training session conducted pursuant to section 3 of this act, and for return travel from Carson City, Nevada, to the Legislator's home upon adjournment sine die of a session or termination of a pre-session orientation conference of the Legislature ~~or~~ **or termination of a training session conducted pursuant to section 3 of this act**, each Senator, Assemblyman and Assemblywoman is entitled to receive:

(a) A per diem expense allowance, not to exceed the maximum rate established by the Federal Government for the Carson City area, for 1 day's travel to and 1 day's travel from the session, **training session** or conference.

(b) Travel expenses.

3. In addition to the per diem and travel expenses authorized by subsection 2, each Senator, Assemblyman and Assemblywoman is entitled to receive a supplemental allowance which must not exceed:

(a) A total of \$10,000 during each regular session of the Legislature for:

(1) The Legislator's actual expenses in moving to and from Carson City for the session;

(2) Travel to and from the Legislator's home or temporary residence or for traveling to and from legislative committee and subcommittee meetings or hearings or for individual travel within the State which relates to legislative business;

(3) If the Legislator rents furniture for the Legislator's temporary residence rather than moving similar furniture from the Legislator's home, the cost of renting that furniture not to exceed the amount that it would have cost to move the furniture to and from the Legislator's home; and

(4) If:

(I) The Legislator's home is more than 50 miles from Carson City; and

(II) The Legislator maintains temporary quarters in or near Carson City for which the Legislator has entered into a lease or other agreement for occupancy during a regular legislative session,

→ the cost of such additional housing, paid at the end of each month during the legislative session, beginning the month of the first day of the legislative session and ending the month of the adjournment sine die of the legislative session, in an amount that is the fair market rent for a one bedroom unit in Carson City as published by the United States Department of Housing and Urban Development prorated for the number of days of the month that the Legislator actually maintained the temporary quarters in or near Carson City. For the purposes of this subparagraph, any day before the first day of the legislative session or after the day of the adjournment sine die of the legislative session may not be counted as a day for which the Legislator actually maintained such temporary quarters; and

(b) A total of \$1,200 during each special session of the Legislature for travel to and from the Legislator's home or temporary residence or for traveling to and from legislative committee and subcommittee meetings or

hearings or for individual travel within the State which relates to legislative business.

4. Each Senator, Assemblyman and Assemblywoman is entitled to receive a per diem expense allowance, not to exceed the maximum rate established by the Federal Government for the Carson City area, for each day that the Legislature is in session or in a pre-session orientation conference ~~or~~ **or a training session conducted pursuant to section 3 of this act**, and for each day that the Legislator attends a meeting of a standing committee of which the Legislator is a member when the Legislature has adjourned for more than 4 days.

5. Each Senator, Assemblyman and Assemblywoman who maintains temporary quarters in or near Carson City for which the Legislator has entered into a lease or other agreement for continuous occupancy for the duration of a legislative session is entitled to receive a lodging allowance equal to that portion of the expense allowance which the Legislative Commission designates by rule as being allocated to lodging, for not more than 14 days in each period in which:

(a) The Legislature has adjourned until a time certain; and

(b) The Senator, Assemblyman or Assemblywoman is not entitled to a per diem expense allowance pursuant to subsection 4.

6. In addition to the per diem expense allowance authorized by subsection 4 and the lodging allowance authorized by subsection 5, each Senator, Assemblyman and Assemblywoman who maintains temporary quarters in or near Carson City for which the Legislator has entered into a lease or other agreement for continuous occupancy for the duration of a legislative session is entitled to receive a lodging allowance equal to that portion of the expense allowance which the Legislative Commission designates by rule as being allocated to lodging, for not more than 17 days in each period in which:

(a) The Legislature has adjourned for more than 4 days; and

(b) The Senator, Assemblyman or Assemblywoman must obtain temporary lodging in a location that a standing committee of which the Legislator is a member is meeting.

7. Each Senator, Assemblyman and Assemblywoman is entitled to receive a lodging allowance equal to that portion of the expense allowance which the Legislative Commission designates by rule as being allocated to lodging, for not more than 6 days in each period in which:

(a) The Legislature has adjourned for more than 4 days; and

(b) The Senator, Assemblyman or Assemblywoman must obtain temporary lodging in a location that a standing committee of which the Legislator is a member is meeting,

➤ if the Senator, Assemblyman or Assemblywoman is not entitled to the per diem expense allowance authorized by subsection 4 or the lodging allowances authorized by subsections 5 and 6.

8. Each Senator, Assemblyman and Assemblywoman is entitled to receive a telephone allowance of not more than \$2,800 for the payment of tolls and charges incurred by the Legislator in the performance of official business during each regular session of the Legislature and not more than \$300 during each special session of the Legislature.

9. An employee of the Legislature assigned to serve a standing committee is entitled to receive the travel expenses and per diem allowance provided for state officers and employees generally if the employee is required to attend a hearing of the committee outside Carson City.

10. Claims for per diem expense allowances authorized by subsection 4 and lodging allowances authorized by subsections 5, 6 and 7 must be paid once each week during a legislative session and upon completion of a presession orientation conference ~~+~~ **or a training session conducted pursuant to section 3 of this act.**

11. A claim for travel expenses authorized by subsection 2 or 3 must not be paid unless the Senator, Assemblyman or Assemblywoman submits a signed statement affirming:

(a) The date of the travel; and

(b) The places of departure and arrival and, if the travel is by private conveyance, the actual miles traveled. If the travel is not by private conveyance, the claim must include a receipt or other evidence of the expenditure.

12. Travel expenses authorized by subsections 2 and 3 are limited to:

(a) If the travel is by private conveyance, a rate equal to the standard mileage reimbursement rate for which a deduction is allowed for the purposes of federal income tax. If two or more Legislators travel in the same private conveyance, the Legislator who provided or arranged for providing the transportation is presumed entitled to reimbursement.

(b) If the travel is not by private conveyance, the actual amount expended.

➡ Transportation must be by the most economical means, considering total cost, time spent in transit and the availability of state-owned automobiles.

Assemblyman Segerblom moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 274.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 441.

AN ACT relating to insurance; establishing provisions regarding the payment of proceeds of any benefit under a policy of life insurance or a policy of group life insurance; requiring certain disclosures by an insurer before offering to pay the proceeds of a policy of life insurance or a policy of group life insurance in the form of a retained asset account; requiring that

any balance remaining in a retained asset account be returned to the beneficiary if the beneficiary does not use the account **or provide to the insurer a written directive concerning the account** in a ~~3~~ **5**-year period; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, an insurer is required to pay the proceeds of any benefit under a policy of life insurance or a policy of group life insurance within 30 days after the death of the insured and, if the insurer fails to do so, to pay interest on the proceeds from the date of death to the date of payment. (NRS 688A.410, 688B.190) ~~{Section 1 of this bill requires an insurer to pay the proceeds of any benefit under a policy of life insurance in the form of a lump sum payment unless the beneficiary agrees to receive the proceeds in another form.}~~ **Section 1** ~~{also}~~ **of this bill** prohibits an insurer from offering to pay the proceeds in the form of a retained asset account unless certain information is disclosed to the beneficiary. Additionally, **section 1** provides that ~~{the insurer or third party administrator of a retained asset account owes a fiduciary duty to the beneficiary and that}~~ any balance remaining in a retained asset account must be returned to the beneficiary if the beneficiary does not use the account **or provide to the insurer a written directive concerning the account** in a ~~3~~ **5**-year period. Finally, **section 1** provides that any violation of **section 1** is an unfair trade practice. **Section 2** of this bill contains similar provisions relating to policies of group life insurance.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 688A of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. {An insurer shall pay the proceeds of any benefits under a policy of life insurance in the form of a lump sum payment unless the beneficiary agrees to receive the proceeds in another form.}~~

~~2. {~~ **An insurer shall not offer to pay the proceeds of any benefits under a policy of life insurance in the form of a retained asset account unless, at the time that the claim is made, the insurer provides the beneficiary with** ~~{a clear and comprehensive disclosure regarding retained asset accounts and other options for the payment of the proceeds, including, without limitation:~~

~~{(a) A statement that the beneficiary can access the entire proceeds in a retained asset account by depositing a single check or draft; and~~

~~{(b) Complete and accurate information regarding:~~

~~{(1) Custody of the account;~~

~~{(2) Any delays or limitations on accessing funds;~~

~~{(3) Fees;~~

~~{(4) Interest rates; and~~

~~{(5) Whether the proceeds are insured by the Federal Deposit Insurance Corporation.~~

~~3. If a beneficiary chooses to receive payment of the proceeds of any benefits under a policy of life insurance in the form of a retained asset account, the insurer or other third party administrator of the retained asset account has a fiduciary duty and relationship to the beneficiary.]~~ written information concerning the settlement options available under the policy and how the beneficiary may obtain specific details regarding those options.

2. An insurer shall, before a beneficiary chooses to receive payment of the proceeds of any benefits under a policy of life insurance in the form of a retained asset account or, if no option is provided, before a retained asset account is established for a beneficiary, provide to the beneficiary:

(a) Written disclosure that the payment of the full benefit amount is accomplished by delivering to the beneficiary a draft book or checkbook, as applicable, for the retained asset account;

(b) Written disclosure that the beneficiary may access the full benefit amount, including interest, of the retained asset account using one draft from the draft book or one check from the checkbook, as applicable;

(c) A statement indicating whether other settlement options are preserved until the entire balance is withdrawn from the retained asset account or the balance of the account drops below a minimum balance required by the insurer;

(d) A statement identifying the retained asset account as either a draft account or a checking account and an explanation of how the account works;

(e) Information concerning the services provided for the retained asset account and contact information for the beneficiary to request and obtain more details about those services;

(f) A description of any fees that may be assessed with regard to the retained asset account;

(g) The frequency with which the beneficiary will receive statements showing the current balance of the retained asset account, interest credited to the account, any drafts or checks, as applicable, written and any other activity on the account;

(h) The minimum interest rate to be credited to the retained asset account and how the actual interest rate will be determined;

(i) A statement that the interest earned on the retained asset account may be taxable;

(j) A statement that the money held in the retained asset account is not guaranteed by the Federal Deposit Insurance Corporation; and

(k) A statement indicating whether the money held in the retained asset account is guaranteed by a health and life guaranty association of a state and the contact information for the National Organization of Life and Health Insurance Guaranty Associations, or its successor organization, to learn about coverage limitations on the account.

3. If a beneficiary receives payment of the proceeds of any benefits under a policy of life insurance in the form of a retained asset account, the insurer shall provide the beneficiary with a supplemental contract that clearly discloses the rights of the beneficiary and the obligations of the insurer with regard to the supplemental contract and the retained asset account.

4. If a beneficiary ~~{chooses to receive}~~ receives payment of the proceeds of any benefits under a policy of life insurance in the form of a retained asset account, the insurer or other third-party administrator of the retained asset account shall return any balance in the retained asset account to the beneficiary if the account becomes inactive. A retained asset account shall be deemed to be inactive for purposes of this subsection if the beneficiary does not use the account or provide to the insurer a written directive concerning the account during any ~~{3}~~ continuous 5-year period.

5. Any marketing or use of a retained asset account by an insurer or third-party administrator in violation of this section constitutes an unfair trade practice for the purposes of chapter 686A of NRS.

6. As used in this section, "retained asset account" means any mechanism by which the ~~{payment}~~ settlement of {the} proceeds {of any benefits} payable under a policy of life insurance, ~~{including, without limitation, the payment of any cash surrender value,}~~ is accomplished by the insurer or an entity acting on behalf of the insurer depositing the proceeds into an account with draft- or check-writing privileges where the proceeds are retained by the insurer pursuant to a supplementary contract not involving annuity benefits.

Sec. 2. Chapter 688B of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. {An insurer shall pay the proceeds of any benefits under a policy of group life insurance in the form of a lump sum payment unless the beneficiary agrees to receive the proceeds in another form.}~~

~~2.} An insurer shall not offer to pay the proceeds of any benefits under a policy of group life insurance in the form of a retained asset account unless, at the time that the claim is made, the insurer provides the beneficiary with {a clear and comprehensive disclosure regarding retained asset accounts and other options for the payment of the proceeds, including, without limitation:~~

~~(a) A statement that the beneficiary can access the entire proceeds in a retained asset account by depositing a single check or draft; and~~

~~(b) Complete and accurate information regarding:~~

~~(1) Custody of the account;~~

~~(2) Any delays or limitations on accessing funds;~~

~~(3) Fees;~~

~~(4) Interest rates; and~~

~~(5) Whether the proceeds are insured by the Federal Deposit Insurance Corporation.~~

~~3. If a beneficiary chooses to receive payment of the proceeds of any benefits under a policy of group life insurance in the form of a retained asset account, the insurer or other third party administrator of the retained asset account has a fiduciary duty and relationship to the beneficiary.]~~ written information concerning the settlement options available under the policy and how the beneficiary may obtain specific details regarding those options.

2. An insurer shall, before a beneficiary chooses to receive payment of the proceeds of any benefits under a policy of group life insurance in the form of a retained asset account or, if no option is provided, before a retained asset account is established for a beneficiary, provide to the beneficiary:

(a) Written disclosure that the payment of the full benefit amount is accomplished by delivering to the beneficiary a draft book or checkbook, as applicable, for the retained asset account;

(b) Written disclosure that the beneficiary may access the full benefit amount, including interest, of the retained asset account using one draft from the draft book or one check from the checkbook, as applicable;

(c) A statement indicating whether other settlement options are preserved until the entire balance is withdrawn from the retained asset account or the balance of the account drops below a minimum balance required by the insurer;

(d) A statement identifying the retained asset account as either a draft account or a checking account and an explanation of how the account works;

(e) Information concerning the services provided for the retained asset account and contact information for the beneficiary to request and obtain more details about those services;

(f) A description of any fees that may be assessed with regard to the retained asset account;

(g) The frequency with which the beneficiary will receive statements showing the current balance of the retained asset account, interest credited to the account, any drafts or checks, as applicable, written and any other activity on the account;

(h) The minimum interest rate to be credited to the retained asset account and how the actual interest rate will be determined;

(i) A statement that the interest earned on the retained asset account may be taxable;

(j) A statement that the money held in the retained asset account is not guaranteed by the Federal Deposit Insurance Corporation; and

(k) A statement indicating whether the money held in the retained asset account is guaranteed by a health and life guaranty association of a state and the contact information for the National Organization of Life and Health Insurance Guaranty Associations, or its successor organization, to learn about coverage limitations on the account.

3. If a beneficiary receives payment of the proceeds of any benefits under a policy of group life insurance in the form of a retained asset account, the insurer shall provide the beneficiary with a supplemental contract that clearly discloses the rights of the beneficiary and the obligations of the insurer with regard to the supplemental contract and the retained asset account.

4. If a beneficiary ~~{chooses to receive}~~ receives payment of the proceeds of any benefits under a policy of group life insurance in the form of a retained asset account, the insurer or other third-party administrator of the retained asset account shall return any balance in the retained asset account to the beneficiary if the account becomes inactive. A retained asset account shall be deemed to be inactive for purposes of this subsection if the beneficiary does not use the account or provide to the insurer a written directive concerning the account during any ~~{3}~~ continuous 5-year period.

5. Any marketing or use of a retained asset account by an insurer or third-party administrator in violation of this section constitutes an unfair trade practice for the purposes of chapter 686A of NRS.

6. As used in this section, “retained asset account” means any mechanism by which the ~~{payment}~~ settlement of {the} proceeds {of any benefits} payable under a policy of group life insurance ~~{, including, without limitation, the payment of any cash surrender value,}~~ is accomplished by the insurer or an entity acting on behalf of the insurer depositing the proceeds into an account with draft- or check-writing privileges where the proceeds are retained by the insurer pursuant to a supplementary contract not involving annuity benefits.

Assemblyman Atkinson moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 282.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 359.

Assembly Bill No. 282—Assemblymen Ocegüera, Bobzien, Smith, Conklin, Dirkpatric; Anderson, Benitez-Thompson, Brooks, **DALY**, Dondero Loop, Ellison, Flores, Frierson, **GOEDHART, GOICOCHEA, HAMBRICK, Hansen, HARDY, HICKEY, Horne, KIRNER, KITE,** Livermore, **MCARTHUR,** Munford, Neal, Stewart and Woodbury.

AN ACT relating to firearms; ~~{authorizing certain members or veterans of the Armed Forces of the United States, a reserve component thereof or the National Guard, who are at least 18 but less than 21 years of age, to obtain a permit to carry a concealed firearm,}~~ revising provisions concerning permits to carry concealed semiautomatic firearms; revising provisions governing the renewal of a permit to carry a concealed firearm; revising provisions concerning the confidentiality of information relating to permits to carry

concealed firearms; revising provisions governing the possession ~~and discharge~~ of firearms in state parks; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a person who wishes to carry a concealed firearm must obtain a permit to carry the firearm ~~, and a person who applies for such a permit must be at least 21 years of age.~~ (NRS 202.3657) As part of the application process to obtain a permit, an applicant must undergo an investigation by a sheriff to determine if the applicant is eligible for a permit. **Such an investigation must include a report from the Federal Bureau of Investigation.** (NRS 202.366) **Section 2** of this bill additionally requires an applicant for the renewal of a permit to undergo an investigation by the sheriff. ~~[Section 1 of this bill provides an exception to the standard age requirement for permits and authorizes certain members or veterans of the Armed Forces of the United States, a reserve component thereof or the National Guard, who are at least 18 but less than 21 years of age, to obtain a permit.]~~ **Section 2 also specifies that an investigation conducted by the sheriff for an initial application or a renewal application must include a report from the National Instant Criminal Background Check System.** **Section 4 of this bill revises the fee for the renewal of a permit from \$25 to the amount necessary to obtain the reports required as part of the investigation by the sheriff.**

Existing law also provides that a qualified applicant for a permit to carry a concealed firearm may obtain a permit for revolvers, for one or more specific semiautomatic firearms, or for revolvers and one or more specific semiautomatic firearms. (NRS 202.3657) If the application for a permit involves semiautomatic firearms, the applicant must state the make, model and caliber of each semiautomatic firearm for which the applicant is seeking to obtain a permit. (NRS 202.366) Additionally, to receive and renew a permit involving semiautomatic firearms, an applicant or permittee must demonstrate competence with each semiautomatic firearm to which the application pertains. (NRS 202.3657, 202.3677) **Section 1** of this bill provides that: (1) a qualified applicant for a permit to carry a concealed firearm may obtain one permit for all semiautomatic firearms that the applicant seeks to carry instead of being required to obtain a permit for each specific semiautomatic firearm; and (2) an applicant or permittee may demonstrate competence with semiautomatic firearms in general rather than with each specific semiautomatic firearm.

Existing law further provides that information in an application for a permit to carry a concealed firearm and all information relating to the investigation of an applicant for such a permit is confidential. (NRS 202.3662) However, the Nevada Supreme Court recently held in *Reno Newspapers, Inc. v. Haley*, 126 Nev. Adv. Op. 23, 234 P.3d 922 (2010), that the identity of a holder of a permit to carry a concealed firearm and any postpermit records of investigation, suspension or revocation are not

confidential and are therefore public records. **Section 3** of this bill provides that the identity and any information acquired during the investigation of a holder of a permit to carry a concealed firearm are confidential, as are any records regarding the suspension, restoration or revocation of such a permit.

Existing law also allows the Administrator of the Division of State Parks of the State Department of Conservation and Natural Resources to adopt regulations, including, without limitation, prohibitions and restrictions on activities within parks or recreational facilities within the jurisdiction of the Division. (NRS 407.0475) Existing administrative regulations allow a person to carry a concealed firearm in a state park if the person complies with existing laws concerning the carrying of concealed weapons but prohibit a person from discharging a firearm in a state park. (NAC 407.105) Any person who violates a regulation adopted by the Administrator is guilty of a misdemeanor. (NRS 407.0475) While existing law prohibits the discharge of a firearm under various circumstances, it also provides certain defenses for violating such provisions by allowing a person to make sufficient resistance to prevent the occurrence of certain offenses. (NRS 202.280-202.290, 193.230-193.250)

Section 5 of this bill prohibits the Administrator from adopting any regulation concerning the possession ~~for discharge~~ of firearms in state parks or recreational facilities which is more restrictive than the laws of this State relating to: (1) the possession ~~for discharge~~ of firearms; and (2) engaging in lawful resistance to prevent an offense against a person or property. **Section 5** also voids any regulation which conflicts with such laws.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 202.3657 is hereby amended to read as follows:

202.3657 1. Any person who is a resident of this State may apply to the sheriff of the county in which he or she resides for a permit on a form prescribed by regulation of the Department. Any person who is not a resident of this State may apply to the sheriff of any county in this State for a permit on a form prescribed by regulation of the Department. Application forms for permits must be furnished by the sheriff of each county upon request.

2. Except as otherwise provided in this section, the sheriff shall issue a permit for revolvers, ~~for one or more specific~~ **for** semiautomatic firearms, or for revolvers and ~~for one or more specific~~ semiautomatic firearms, as applicable, to any person who is qualified to possess the firearm or firearms to which the application pertains under state and federal law, who submits an application in accordance with the provisions of this section and who:

- (a) Is 21 years of age or older;
- (b) Is not prohibited from possessing a firearm pursuant to NRS 202.360;
- and
- (c) Demonstrates competence with revolvers, ~~for each specific~~ semiautomatic ~~firearm to which the application pertains,~~ **firearms**, or

revolvers and ~~each such~~ semiautomatic ~~firearm,~~ **firearms**, as applicable, by presenting a certificate or other documentation to the sheriff which shows that the applicant:

(1) Successfully completed a course in firearm safety approved by a sheriff in this State; or

(2) Successfully completed a course in firearm safety offered by a federal, state or local law enforcement agency, community college, university or national organization that certifies instructors in firearm safety.

➔ Such a course must include instruction in the use of revolvers, ~~each~~ semiautomatic ~~firearm to which the application pertains,~~ **firearms**, or revolvers and ~~each such~~ semiautomatic ~~firearm~~ **firearms** and in the laws of this State relating to the use of a firearm. A sheriff may not approve a course in firearm safety pursuant to subparagraph (1) unless the sheriff determines that the course meets any standards that are established by the Nevada Sheriffs' and Chiefs' Association or, if the Nevada Sheriffs' and Chiefs' Association ceases to exist, its legal successor.

~~3. Notwithstanding the provisions of paragraph (a) of subsection 2, a person who is at least 18 years of age but less than 21 years of age is eligible for a permit pursuant to this section if the person meets the other requirements for eligibility pursuant to subsection 2 and:~~

~~(a) Is a member of the Armed Forces of the United States, a reserve component thereof or the National Guard; or~~

~~(b) Was discharged or released from service in the Armed Forces of the United States, a reserve component thereof or the National Guard under honorable conditions.~~

~~➔ A person who is eligible for a permit pursuant to this subsection is not exempt from any age requirements imposed by law which govern the purchase of firearms or ammunition.~~

~~4.~~ The sheriff shall deny an application or revoke a permit if the sheriff determines that the applicant or permittee:

(a) Has an outstanding warrant for his or her arrest.

(b) Has been judicially declared incompetent or insane.

(c) Has been voluntarily or involuntarily admitted to a mental health facility during the immediately preceding 5 years.

(d) Has habitually used intoxicating liquor or a controlled substance to the extent that his or her normal faculties are impaired. For the purposes of this paragraph, it is presumed that a person has so used intoxicating liquor or a controlled substance if, during the immediately preceding 5 years, the person has been:

(1) Convicted of violating the provisions of NRS 484C.110; or

(2) Committed for treatment pursuant to NRS 458.290 to 458.350, inclusive.

(e) Has been convicted of a crime involving the use or threatened use of force or violence punishable as a misdemeanor under the laws of this or any

other state, or a territory or possession of the United States at any time during the immediately preceding 3 years.

(f) Has been convicted of a felony in this State or under the laws of any state, territory or possession of the United States.

(g) Has been convicted of a crime involving domestic violence or stalking, or is currently subject to a restraining order, injunction or other order for protection against domestic violence.

(h) Is currently on parole or probation from a conviction obtained in this State or in any other state or territory or possession of the United States.

(i) Has, within the immediately preceding 5 years, been subject to any requirements imposed by a court of this State or of any other state or territory or possession of the United States, as a condition to the court's:

(1) Withholding of the entry of judgment for a conviction of a felony; or

(2) Suspension of sentence for the conviction of a felony.

(j) Has made a false statement on any application for a permit or for the renewal of a permit.

4. ~~5.~~ The sheriff may deny an application or revoke a permit if the sheriff receives a sworn affidavit stating articulable facts based upon personal knowledge from any natural person who is 18 years of age or older that the applicant or permittee has or may have committed an offense or engaged in any other activity specified in subsection 3 ~~4~~ which would preclude the issuance of a permit to the applicant or require the revocation of a permit pursuant to this section.

5. ~~6.~~ If the sheriff receives notification submitted by a court or law enforcement agency of this or any other state, the United States or a territory or possession of the United States that a permittee or an applicant for a permit has been charged with a crime involving the use or threatened use of force or violence, the conviction for which would require the revocation of a permit or preclude the issuance of a permit to the applicant pursuant to this section, the sheriff shall suspend the person's permit or the processing of the person's application until the final disposition of the charges against the person. If a permittee is acquitted of the charges, or if the charges are dropped, the sheriff shall restore his or her permit without imposing a fee.

6. ~~7.~~ An application submitted pursuant to this section must be completed and signed under oath by the applicant. The applicant's signature must be witnessed by an employee of the sheriff or notarized by a notary public. The application must include:

(a) The name, address, place and date of birth, social security number, occupation and employer of the applicant and any other names used by the applicant;

(b) A complete set of the applicant's fingerprints taken by the sheriff or his or her agent;

(c) A front-view colored photograph of the applicant taken by the sheriff or his or her agent;

(d) If the applicant is a resident of this State, the driver's license number or identification card number of the applicant issued by the Department of Motor Vehicles;

(e) If the applicant is not a resident of this State, the driver's license number or identification card number of the applicant issued by another state or jurisdiction;

(f) ~~The make, model and caliber of each semiautomatic firearm to which the application pertains, if any;~~

(g) ~~If the applicant is applying for a permit to carry a concealed firearm pursuant to subsection 3, proof of the applicant's status as a member of the Armed Forces of the United States, a reserve component thereof or the National Guard, or proof of the applicant's discharge or release from such service under honorable conditions;~~

~~(g)~~ **Whether the application pertains to semiautomatic firearms;**

~~(h)~~ **(g)** Whether the application pertains to revolvers;

~~(h)~~ ~~(i)~~ A nonrefundable fee in the amount necessary to obtain the ~~report~~ **reports** required pursuant to subsection 1 of NRS 202.366; and

~~(i)~~ ~~(j)~~ A nonrefundable fee set by the sheriff not to exceed \$60.

Sec. 2. NRS 202.366 is hereby amended to read as follows:

202.366 1. Upon receipt by a sheriff of an application for a permit, **including an application for the renewal of a permit pursuant to NRS 202.3677**, the sheriff shall conduct an investigation of the applicant to determine if the applicant is eligible for a permit. In conducting the investigation, the sheriff shall forward a complete set of the applicant's fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report concerning the criminal history of the applicant. **The investigation also must include a report from the National Instant Criminal Background Check System.** The sheriff shall issue a permit to the applicant unless the applicant is not qualified to possess a handgun pursuant to state or federal law or is not otherwise qualified to obtain a permit pursuant to NRS 202.3653 to 202.369, inclusive, or the regulations adopted pursuant thereto.

2. To assist the sheriff in conducting the investigation, any local law enforcement agency, including the sheriff of any county, may voluntarily submit to the sheriff a report or other information concerning the criminal history of an applicant.

3. Within 120 days after a complete application for a permit is submitted, the sheriff to whom the application is submitted shall grant or deny the application. If the application is denied, the sheriff shall send the applicant written notification setting forth the reasons for the denial. If the application is granted, the sheriff shall provide the applicant with a permit containing a colored photograph of the applicant and containing such other information as may be prescribed by the Department. The permit must be in substantially the following form:

NEVADA CONCEALED FIREARM PERMIT

County..... Permit Number
 Expires..... Date of Birth
 Height..... Weight
 Name..... Address
 City Zip
 Photograph

Signature.....

Issued by.....

Date of Issue

~~[Make, model and caliber of each authorized semiautomatic firearm, if any]~~

Semiautomatic firearms authorized..... Yes.....No

Revolvers authorized..... Yes No

4. Unless suspended or revoked by the sheriff who issued the permit, a permit expires 5 years after the date on which it is issued.

5. As used in this section, “National Instant Criminal Background Check System” means the national system created by the federal Brady Handgun Violence Prevention Act, Public Law 103-159.

Sec. 3. NRS 202.3662 is hereby amended to read as follows:

202.3662 1. Except as otherwise provided in this section and NRS 202.3665 and 239.0115:

(a) An application for a permit, and all information contained within that application; ~~and~~

(b) All information provided to a sheriff or obtained by a sheriff in the course of the investigation of an applicant ~~};~~ **or permittee;**

(c) The identity of the permittee; and

(d) Any records regarding the suspension, restoration or revocation of a permit,

↪ are confidential.

2. Any records regarding an applicant or permittee may be released to a law enforcement agency for the purpose of conducting an investigation or prosecution.

3. Statistical abstracts of data compiled by a sheriff regarding permits applied for or issued pursuant to NRS 202.3653 to 202.369, inclusive, including, but not limited to, the number of applications received and permits issued, may be released to any person.

Sec. 4. NRS 202.3677 is hereby amended to read as follows:

202.3677 1. If a permittee wishes to renew his or her permit, the permittee must ~~complete~~ :

(a) Complete and submit to the sheriff who issued the permit an application for renewal of the permit ~~};~~ **and**

(b) Undergo an investigation by the sheriff pursuant to NRS 202.366 to determine if the permittee is eligible for a permit.

2. An application for the renewal of a permit must:

(a) Be completed and signed under oath by the applicant;

(b) Contain a statement that the applicant is eligible to receive a permit pursuant to NRS 202.3657; and

(c) Be accompanied by a nonrefundable fee ~~for \$25.4~~ **in the amount necessary to obtain the reports required pursuant to subsection 1 of NRS 202.366.**

↪ If a permittee fails to renew his or her permit on or before the date of expiration of the permit, the application for renewal must include an additional nonrefundable late fee of \$15.

3. No permit may be renewed pursuant to this section unless the permittee has demonstrated continued competence with revolvers, with ~~each~~ semiautomatic ~~firearm to which the application pertains,~~ **firearms**, or with revolvers and ~~each such~~ semiautomatic ~~firearm,~~ **firearms**, as applicable, by successfully completing a course prescribed by the sheriff renewing the permit.

Sec. 5. NRS 407.0475 is hereby amended to read as follows:

407.0475 1. The Administrator shall adopt such regulations as he or she finds necessary for carrying out the provisions of this chapter and other provisions of law governing the operation of the Division. ~~The~~ **Except as otherwise provided in subsection 2, the** regulations may include prohibitions and restrictions relating to activities within any of the park or recreational facilities within the jurisdiction of the Division.

2. Any regulations relating to the conduct of persons within the park or recreational facilities must:

(a) Be directed toward one or both of the following:

(1) Prevention of damage to or misuse of the facility.

(2) Promotion of the inspiration, use and enjoyment of the people of this State through the preservation and use of the facility.

(b) Apply separately to each park, monument or recreational area and be designed to fit the conditions existing at that park, monument or recreational area.

(c) Not establish restrictions on the possession ~~for discharge~~ of firearms within the park or recreational facility which are more restrictive than the laws of this State relating to:

(1) The possession ~~for discharge~~ of firearms; or

(2) Engaging in lawful resistance to prevent an offense against a person or property.

↪ **Any regulation which violates the provisions of this paragraph is void.**

3. Any person whose conduct violates any regulation adopted pursuant to subsection 1, and who refuses to comply with the regulation upon request by any ranger or employee of the Division who has the powers of a peace officer pursuant to NRS 289.260, is guilty of a misdemeanor.

Assemblyman Ohrenschall moved the adoption of the amendment.

Amendment adopted.

The following amendment was proposed by Assemblyman Hansen.

Amendment No. 454.

Mr. Speaker announced if there were no objections, the Assembly would recess subject to the call of the Chair.

Assembly in recess at 12:16 p.m.

ASSEMBLY IN SESSION

At 1:24 p. m.

Mr. Speaker presiding.

Quorum present.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Conklin moved that Amendment No. 454 to Assembly Bill No. 282 be placed on the Chief Clerk's desk.

Assemblymen Goicoechea, Hansen, and Stewart requested a roll call vote on the motion to place Amendment No. 454 to Assembly Bill No. 282 on the Chief Clerk's Desk.

Roll call on Amendment No. 454 to Assembly Bill No. 282 being placed on the Chief Clerk's desk:

YEAS—26.

NAYS—Ellison, Goedhart, Goicoechea, Grady, Hambrick, Hammond, Hansen, Hardy, Hickey, Kirner, Kite, Livermore, McArthur, Sherwood, Stewart, Woodbury—16.

Motion carried.

Bill ordered reprinted, engrossed, and to General File.

Assemblyman Conklin moved that Assembly Bill No. 545 be taken from the Second Reading File and placed at the top of the Second Reading File.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 545.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 399.

SHORT FORM AMENDMENT

Sections 42, 43, 46 and 47 of this act are the only sections affected by this amendment.

Section 42 of A.B. No. 545 is hereby amended as follows:

Sec. 42. NRS 248.100 is hereby amended to read as follows:

248.100 1. The sheriff shall:

(a) Except in a county whose population is ~~1400,000~~ ~~1700,000~~ 100,000 or more, attend in person, or by deputy, all sessions of the district court in his or her county.

(b) Obey all the lawful orders and directions of the district court in his or her county.

(c) Except as otherwise provided in subsection 2, execute the process, writs or warrants of courts of justice, judicial officers and coroners, when delivered to the sheriff for that purpose.

2. The sheriff may authorize the constable of the appropriate township to receive and execute the process, writs or warrants of courts of justice, judicial officers and coroners.

Section 43 of A.B. No. 545 is hereby amended as follows:

Sec. 43. NRS 252.070 is hereby amended to read as follows:

252.070 1. All district attorneys may appoint deputies, who are authorized to transact all official business relating to those duties of the office set forth in NRS 252.080 and 252.090 to the same extent as their principals and perform such other duties as the district attorney may from time to time direct. The appointment of a deputy district attorney must not be construed to confer upon that deputy policymaking authority for the office of the district attorney or the county by which the deputy district attorney is employed.

2. District attorneys are responsible on their official bonds for all official malfeasance or nonfeasance of the deputies. Bonds for the faithful performance of their official duties may be required of deputies by district attorneys.

3. All appointments of deputies under the provisions of this section must be in writing and must, together with the oath of office of the deputies, be recorded in the office of the recorder of the county within which the district attorney legally holds and exercises his or her office. Revocations of those appointments must also be recorded as provided in this section. From the time of the recording of the appointments or revocations therein, persons shall be deemed to have notice of the appointments or revocations.

4. Deputy district attorneys of counties whose population is less than 100,000 may engage in the private practice of law. In any other county, except as otherwise provided in NRS 7.065 and this subsection, deputy district attorneys shall not engage in the private practice of law. An attorney appointed to prosecute a person for a limited duration with limited jurisdiction may engage in private practice which does not present a conflict with his or her appointment.

5. Any district attorney may, subject to the approval of the board of county commissioners, appoint such clerical, investigational and operational staff as the execution of duties and the operation of his or her office may require. The compensation of any person so appointed must be fixed by the board of county commissioners.

6. In a county whose population is ~~1400,000~~ ~~1700,000~~ 100,000 or more, deputies are governed by the merit personnel system of the county.

Section 46 of A.B. No. 545 is hereby amended as follows:

Sec. 46. NRS 260.040 is hereby amended to read as follows:

260.040 1. The compensation of the public defender must be fixed by the board of county commissioners. The public defender of any two or more counties must be compensated and be permitted private civil practice of the

law as determined by the boards of county commissioners of those counties, subject to the provisions of subsection 4 of this section and NRS 7.065.

2. The public defender may appoint as many deputies or assistant attorneys, clerks, investigators, stenographers and other employees as the public defender considers necessary to enable him or her to carry out his or her responsibilities, with the approval of the board of county commissioners. An assistant attorney must be a qualified attorney licensed to practice in this State and may be placed on a part-time or full-time basis. The appointment of a deputy, assistant attorney or other employee pursuant to this subsection must not be construed to confer upon that deputy, assistant attorney or other employee policymaking authority for the office of the public defender or the county or counties by which the deputy, assistant attorney or other employee is employed.

3. The compensation of persons appointed under subsection 2 must be fixed by the board of county commissioners of the county or counties so served.

4. The public defender and his or her deputies and assistant attorneys in a county whose population is less than 100,000 may engage in the private practice of law. Except as otherwise provided in this subsection, in any other county, the public defender and his or her deputies and assistant attorneys shall not engage in the private practice of law except as otherwise provided in NRS 7.065. An attorney appointed to defend a person for a limited duration with limited jurisdiction may engage in private practice which does not present a conflict with his or her appointment.

5. The board of county commissioners shall provide office space, furniture, equipment and supplies for the use of the public defender suitable for the conduct of the business of his or her office. However, the board of county commissioners may provide for an allowance in place of facilities. Each of those items is a charge against the county in which public defender services are rendered. If the public defender serves more than one county, expenses that are properly allocable to the business of more than one of those counties must be prorated among the counties concerned.

6. In a county whose population is ~~1400,000~~ ~~1700,000~~ 100,000 or more, deputies are governed by the merit personnel system of the county.

Section 47 of A.B. No. 545 is hereby amended as follows:

Sec. 47. NRS 3.310 is hereby amended to read as follows:

3.310 1. Except as otherwise provided in this subsection, the judge of each district court may appoint a bailiff for the court in counties polling 4,500 or more votes. In counties polling less than 4,500 votes, the judge may appoint a bailiff with the concurrence of the sheriff. Subject to the provisions of subsections 2, 4 and 10, in a county whose population is ~~1400,000~~ ~~1700,000~~ 100,000 or more, the judge of each district court may appoint a deputy marshal for the court instead of a bailiff. In each case, the bailiff or deputy marshal serves at the pleasure of the judge he or she serves.

2. In all judicial districts where there is more than one judge, there may be a number of bailiffs or deputy marshals at least equal to the number of judges, and in any judicial district where a circuit judge has presided for more than 50 percent of the regular judicial days of the prior calendar year, there may be one additional bailiff or deputy marshal, each bailiff or deputy marshal to be appointed by the joint action of the judges. If the judges cannot agree upon the appointment of any bailiff or deputy marshal within 30 days after a vacancy occurs in the office of bailiff or deputy marshal, then the appointment must be made by a majority of the board of county commissioners.

3. Each bailiff or deputy marshal shall:

- (a) Preserve order in the court.
- (b) Attend upon the jury.
- (c) Open and close court.
- (d) Perform such other duties as may be required of him or her by the judge of the court.

4. The bailiff or deputy marshal must be a qualified elector of the county and shall give a bond, to be approved by the district judge, in the sum of \$2,000, conditioned for the faithful performance of his or her duty.

5. The compensation of each bailiff or deputy marshal for his or her services must be fixed by the board of county commissioners of the county and his or her salary paid by the county wherein he or she is appointed, the same as the salaries of other county officers are paid.

6. The board of county commissioners of the respective counties shall allow the salary stated in subsection 5 as other salaries are allowed to county officers, and the county auditor shall draw his or her warrant for it, and the county treasurer shall pay it.

7. The provisions of this section do not:

(a) Authorize the bailiff or deputy marshal to serve any civil or criminal process, except such orders of the court which are specially directed by the court or the presiding judge thereof to him or her for service.

(b) Except in a county whose population is ~~1400,000~~ ~~1700,000~~ 100,000 or more, relieve the sheriff of any duty required of him or her by law to maintain order in the courtroom.

8. If a deputy marshal is appointed for a court pursuant to subsection 1, each session of the court must be attended by the deputy marshal.

9. For good cause shown, a deputy marshal appointed for a court pursuant to subsection 1 may be assigned temporarily to assist other judicial departments or assist with court administration as needed.

10. A person appointed to be a deputy marshal for a court pursuant to subsection 1 must be certified by the Peace Officers' Standards and Training Commission as a category I peace officer not later than 18 months after appointment.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 294.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 355.

AN ACT relating to gaming; ~~revising certain definitions relating to mobile gaming~~ **clarifying that** for ~~the~~ purposes of **regulation under** the Nevada Gaming Control Act ~~it revising the method of paying certain fees received from the operation of~~, **the term “slot machine” does not include any item used for** mobile gaming; revising provisions relating to the location of a computer system associated with mobile gaming; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

~~Existing law provides that mobile gaming may only be conducted in public areas of an establishment which holds a nonrestricted gaming license. (NRS 463.0176) Section 1 of this bill authorizes mobile gaming to be conducted in any area of an establishment.~~ **Section 2** of this bill clarifies that for purposes of regulation under the Nevada Gaming Control Act, the term “slot machine” does not include any item used for mobile gaming.

~~Existing law provides that all revenue which is received from any game or gaming device that is operated on the premises of a licensee must be attributed to and counted as part of the gross revenue of the licensee. (NRS 463.370) Section 3 of this bill provides that any gross revenue received through the operation of mobile gaming must be attributed to the licensed operator of the mobile gaming system instead of the licensed gaming establishment.~~ **Section 4** of this bill clarifies that a computer system associated with mobile gaming may be located outside a licensed gaming establishment but must be located within this State.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. ~~NRS 463.0176 is hereby amended to read as follows:~~

~~463.0176 “Mobile gaming” means the conduct of gambling games through communications devices operated solely in [public areas of] an establishment which holds a nonrestricted gaming license and which operates at least 100 slot machines and at least one other game by the use of communications technology that allows a person to transmit information to a computer to assist in the placing of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information. For the purposes of this [section]:~~

~~1. “Communications” section, “communications technology” means any method used and the components employed by an establishment to facilitate the transmission of information, including, without limitation, transmission and reception by systems based on wireless network, wireless fidelity, wire, cable, radio, microwave, light, optics or computer data networks. [The term does not include the Internet.~~

~~2. “Public areas” does not include rooms available for sleeping or living accommodations.] (Deleted by amendment.)~~

Sec. 2. NRS 463.0191 is hereby amended to read as follows:

463.0191 “Slot machine” means any mechanical, electrical or other device, contrivance or machine which, upon insertion of a coin, token or similar object, or upon payment of any consideration, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator in playing a gambling game which is presented for play by the machine or application of the element of chance, or both, may deliver or entitle the person playing or operating the machine to receive cash, premiums, merchandise, tokens or any thing of value, whether the payoff is made automatically from the machine or in any other manner. ***The term does not include any mechanical, electrical or other device, contrivance or machine used for mobile gaming.***

~~Sec. 3. NRS 463.370 is hereby amended to read as follows:~~

~~463.370 1. Except as otherwise provided in NRS 463.373, the Commission shall charge and collect from each licensee a license fee based upon all the gross revenue of the licensee as follows:~~

~~(a) Three and one half percent of all the gross revenue of the licensee which does not exceed \$50,000 per calendar month;~~

~~(b) Four and one half percent of all the gross revenue of the licensee which exceeds \$50,000 per calendar month and does not exceed \$134,000 per calendar month; and~~

~~(c) Six and three quarters percent of all the gross revenue of the licensee which exceeds \$134,000 per calendar month.~~

~~2. Unless the licensee has been operating for less than a full calendar month, the Commission shall charge and collect the fee prescribed in subsection 1, based upon the gross revenue for the preceding calendar month, on or before the 24th day of the following month. Except for the fee based on the first full month of operation, the fee is an estimated payment of the license fee for the third month following the month whose gross revenue is used as its basis.~~

~~3. When a licensee has been operating for less than a full calendar month, the Commission shall charge and collect the fee prescribed in subsection 1, based on the gross revenue received during that month, on or before the 24th day of the following calendar month of operation. After the first full calendar month of operation, the Commission shall charge and collect the fee based on the gross revenue received during that month, on or before the 24th day of the following calendar month. The payment of the fee~~

due for the first full calendar month of operation must be accompanied by the payment of a fee equal to three times the fee for the first full calendar month. This additional amount is an estimated payment of the license fees for the next 3 calendar months. Thereafter, each license fee must be paid in the manner described in subsection 2. Any deposit held by the Commission on July 1, 1969, must be treated as an advance estimated payment.

~~4.—[All] Except as otherwise provided in subsection 5, all revenue received from any game or gaming device which is operated on the premises of a licensee, regardless of whether any portion of the revenue is shared with any other person, must be attributed to the licensee for the purposes of this section and counted as part of the gross revenue of the licensee. Any other person, including, without limitation, an operator of an inter-casino linked system, who is authorized to receive a share of the revenue from any game, gaming device or inter-casino linked system that is operated on the premises of a licensee is liable to the licensee for that person's proportionate share of the license fees paid by the licensee pursuant to this section and shall remit or credit the full proportionate share to the licensee on or before the 24th day of each calendar month. The proportionate share of an operator of an inter-casino linked system must be based on all compensation and other consideration received by the operator of the inter-casino linked system, including, without limitation, amounts that accrue to the meter of the primary progressive jackpot of the inter-casino linked system and amounts that fund the reserves of such a jackpot, subject to all appropriate adjustments for deductions, credits, offsets and exclusions that the licensee is entitled to take or receive pursuant to the provisions of this chapter. A licensee is not liable to any other person authorized to receive a share of the licensee's revenue from any game, gaming device or inter-casino linked system that is operated on the premises of the licensee for that person's proportionate share of the license fees to be remitted or credited to the licensee by that person pursuant to this section.~~

~~5.—An operator of a mobile gaming system that receives gross revenue from the operation of a mobile gaming system on the premises of a licensed gaming establishment shall count such revenue as part of the operator's gross revenue, and such gross revenue must not be attributed to the licensed gaming establishment for the purposes of this section or counted as part of the gross revenue of the licensed gaming establishment. A licensed gaming establishment that operates a mobile gaming system on the premises shall count such gross revenue as part of the licensed gaming establishment's gross revenue for the purposes of this section, and such gross revenue must not be attributed to the manufacturer of the mobile gaming system for the purposes of this section or counted as part of the gross revenue of the manufacturer of the mobile gaming system.~~

~~6.—A person who operates a mobile gaming system and a sports pool or race book at the establishment of another nonrestricted licensee pursuant to subsection 3 of NRS 463.245 may combine, on a single form approved by~~

~~the Board, the payment of license fees due pursuant to this section for all of those operations.~~

~~7. An operator of an inter-casino linked system shall not enter into any agreement or arrangement with a licensee that provides for the operator of the inter-casino linked system to be liable to the licensee for less than its full proportionate share of the license fees paid by the licensee pursuant to this section, whether accomplished through a rebate, refund, charge back or otherwise.~~

~~{6.} 8. Any person required to pay a fee pursuant to this section shall file with the Commission, on or before the 24th day of each calendar month, a report showing the amount of all gross revenue received during the preceding calendar month. Each report must be accompanied by:~~

~~(a) The fee due based on the revenue of the month covered by the report; and~~

~~(b) An adjustment for the difference between the estimated fee previously paid for the month covered by the report, if any, and the fee due for the actual gross revenue earned in that month. If the adjustment is less than zero, a credit must be applied to the estimated fee due with that report.~~

~~{7.} 9. If the amount of license fees required to be reported and paid pursuant to this section is later determined to be greater or less than the amount actually reported and paid, the Commission shall:~~

~~(a) Charge and collect the additional license fees determined to be due, with interest thereon until paid; or~~

~~(b) Refund any overpayment to the person entitled thereto pursuant to this chapter, with interest thereon.~~

~~Interest pursuant to paragraph (a) must be computed at the rate prescribed in NRS 17.130 from the first day of the first month following the due date of the additional license fees until paid. Interest pursuant to paragraph (b) must be computed at one-half the rate prescribed in NRS 17.130 from the first day of the first month following the date of overpayment until paid.~~

~~{8.} 10. Failure to pay the fees provided for in this section shall be deemed a surrender of the license at the expiration of the period for which the estimated payment of fees has been made, as established in subsection 2.~~

~~{9.} 11. Except as otherwise provided in NRS 463.386, the amount of the fee prescribed in subsection 1 must not be prorated.~~

~~{10.} 12. Except as otherwise provided in NRS 463.386, if a licensee ceases operation, the Commission shall:~~

~~(a) Charge and collect the additional license fees determined to be due with interest computed pursuant to paragraph (a) of subsection {7.} 9; or~~

~~(b) Refund any overpayment to the licensee with interest computed pursuant to paragraph (b) of subsection {7.} 9;~~

~~based upon the gross revenue of the licensee during the last 3 months immediately preceding the cessation of operation, or portions of those last 3 months.~~

~~[11.] 13. If in any month, the amount of gross revenue is less than zero, the licensee may offset the loss against gross revenue in succeeding months until the loss has been fully offset.~~

~~[12.] 14. If in any month, the amount of the license fee due is less than zero, the licensee is entitled to receive a credit against any license fees due in succeeding months until the credit has been fully offset.] (Deleted by amendment.)~~

Sec. 4. NRS 463.730 is hereby amended to read as follows:

463.730 1. Except as otherwise provided in subsection 2, the Commission may, with the advice and assistance of the Board, adopt regulations governing the operation of mobile gaming and the licensing of:

- (a) An operator of a mobile gaming system;
- (b) A manufacturer, seller or distributor of a mobile gaming system; and
- (c) A manufacturer of equipment associated with mobile gaming.

2. The Commission may not adopt regulations pursuant to this section until the Commission first determines that:

(a) Mobile gaming systems are secure and reliable, and provide reasonable assurance that players will be of lawful age and communicating only from areas of licensed gaming establishments that have been approved by the Commission for that purpose; and

(b) Mobile gaming can be operated in a manner which complies with all applicable laws.

3. The regulations adopted by the Commission pursuant to this section must:

(a) Provide that gross revenue received by a licensed gaming establishment or the operator or the manufacturer of a mobile gaming system from the operation of mobile gaming is subject to the same license fee provisions of NRS 463.370 as the other games and gaming devices operated at the licensed gaming establishment.

(b) Provide that a mobile communications device which displays information relating to the game to a participant in the game as part of a mobile gaming system is subject to the same fees and taxes applicable to slot machines as set forth in NRS 463.375 and 463.385.

(c) Set forth standards for the ~~location and~~ security of the computer system ***and its location, which may be outside a licensed gaming establishment but must be within this State***, and for approval of hardware and software used in connection with mobile gaming.

(d) Define "mobile gaming system," "operator of a mobile gaming system" ~~," "and,"~~ "equipment associated with mobile gaming" and "public area" as the terms are used in this chapter.

Assemblyman Ohrenschall moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 316.

Bill read second time.

The following amendment was proposed by the Committee on Health and Human Services:

Amendment No. 386.

AN ACT relating to persons with disabilities; requiring the Aging and Disability Services Division of the Department of Health and Human Services to designate a standard protocol for ~~the assessment and evaluation of~~ **measuring outcomes and assessing and evaluating** persons with autism **through the age of 21 years** who receive services through certain public programs; requiring certain state and local governmental agencies that provide services to persons with autism to submit reports to the Division; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill requires the Aging and Disability Services Division of the Department of Health and Human Services, in cooperation **and guidance** with the **Department of Education, representatives of the school districts in this State and the** Nevada Autism Task Force, to prescribe a statewide standard for **measuring outcomes and** assessing and evaluating ~~whether a person is a person~~ **persons** with autism **through the age of 21 years** for the purposes of receiving services through certain public programs in this State. **Section 1** also requires the Division to designate, as part of the statewide standard, a ~~nationally recognized~~ protocol for determining whether a person is a person with autism. **Section 1** further requires the Division to collect certain information relating to persons with autism and to document the services provided to and the progress of those persons.

Section 3 of this bill requires the board of trustees of a school district or the governing body of a charter school to conduct an initial evaluation of each pupil with autism and to conduct a reevaluation once every 3 years thereafter in accordance with the Individuals with Disabilities Education Act, 20 U.S.C. 1400 et seq., and the regulations prescribed by the State Board of Education.

~~Sections 6, 8 and 13 of this bill require school districts and charter schools;~~ **(1)** the Health Division of the Department and the Division of Mental Health and Developmental Services of the Department to use the statewide standard prescribed by the Aging and Disability Services Division pursuant to **section 1** to determine whether a person is a person with autism ~~Sections 3 and 8 of this bill require~~; **and (2) that** certain evaluations **be conducted** to monitor the progress of persons with autism receiving services through ~~school districts and charter schools and~~ the **Health Division and** the Division of Mental Health and Developmental Services.

~~Sections 4, 9, 12 and 14 of this bill require school districts and charter schools;~~ **the Department of Education,** the Health Division, the Division of Mental Health and Developmental Services and the Department of

Employment, Training and Rehabilitation to submit to the Aging and Disability Services Division information relating to persons with autism.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 427A of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Division, in cooperation ~~[with]~~ and guidance with the Department of Education, representatives of the school districts in this State and the Nevada Autism Task Force created by section 40 of chapter 348, Statutes of Nevada 2007, or its successor organization, shall prescribe by regulation a statewide standard for measuring outcomes and assessing and evaluating persons with autism through the age of 21 years who receive services through the State or a local government or an agency thereof. The regulations must designate a ~~[nationally recognized]~~ protocol which includes an assessment instrument for determining whether a person is a person with autism, including, without limitation, the Autism Diagnostic Observation Schedule or other ~~[nationally recognized tool]~~ appropriate instrument for assessment and diagnosis, which must be used by personnel employed by the State or a local government or an agency thereof who provide assessments, interventions and diagnoses of persons with autism through the age of 21 years and by the persons with whom the State or a local government or an agency thereof contracts to provide assessments, interventions and diagnoses of persons with autism ~~[]~~ through the age of 21 years.

2. ~~The [nationally recognized]~~ protocol designated pursuant to subsection 1 must be used upon intake of a person suspected of having autism or at any later time if a person is suspected of having autism after intake. The results of an assessment must be provided to the parent or legal guardian of the person, if applicable.

3. The Division shall prescribe the form and content of reports relating to persons with autism through the age of 21 years that must be reported to the Division pursuant to sections 4, 9, 12 and 14 of this act. Except as otherwise provided in section 4 of this act, the Division shall ensure that the information is reported in a manner which:

(a) Allows the Division to document the services provided to and monitor the progress of each person with autism through the age of 21 years who receives services from the State or ~~[a local government or]~~ an agency thereof; and

(b) Ensures that information reported for each person who receives services which identifies the person is kept confidential ~~[]~~, consistent with the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. 1232g, and any other applicable state and federal privacy laws.

4. The Division shall prepare annually a summary of the reports submitted pursuant to sections 4, 9, 12 and 14 of this act and make the

summary publicly available. The Division shall ensure that information contained in the summary does not identify a person who received services.

Sec. 2. Chapter 388 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this act.

Sec. 3. 1. ~~The board of trustees of a school district or the governing body of a charter school shall, at intake, conduct an initial evaluation of each pupil with autism to evaluate the cognitive, communicative, social, emotional and behavioral condition and adaptive skill level of the pupil, in accordance with the Individuals with Disabilities Education Act, 20 U.S.C. 1400 et seq., and the regulations prescribed by the State Board pursuant to NRS 388.520 and shall, once every 3 years thereafter, conduct a follow-up evaluation to assess the progress of the pupil from the time of the previous evaluation, reevaluation in accordance with the Individuals with Disabilities Education Act and the regulations of the State Board. The individualized education program for the pupil must be reviewed, and amended, if, as appropriate, to reflect the results of an evaluation conducted pursuant to this subsection, in compliance with the Individuals with Disabilities Education Act and the regulations of the State Board.~~

2. The board of trustees of a school district or the governing body of a charter school shall ensure that each person who conducts an evaluation of a pupil with autism is provided with technical assistance and training to improve the accuracy and efficiency in conducting such evaluations.

~~3. The board of trustees of a school district or the governing body of a charter school shall use the statewide standard for assessing and evaluating persons with autism prescribed by the Aging and Disability Services Division of the Department of Health and Human Services pursuant to section 1 of this act.~~

Sec. 4. 1. ~~The board of trustees of a school district or the governing body of a charter school~~ Department of Education shall report annually to the Aging and Disability Services Division of the Department of Health and Human Services information relating to pupils with autism. The information must:

(a) Be submitted in the form required by the Aging and Disability Services Division; and

(b) Include the total number of pupils with autism who are enrolled in ~~the school district or charter school,~~ public schools in this State, including all pupils ~~known to have autism but not receiving services, pupils with autism receiving early intervening services and pupils~~ with autism who have an individualized education program.

2. A pupil with autism who is designated as a pupil with more than one physical or mental impairment or disability must be included as a pupil with autism for the purposes of reporting information pursuant to this section.

3. The reporting made pursuant to this section must comply with the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. 1232g, and any other applicable state and federal privacy laws.

Sec. 5. NRS 388.440 is hereby amended to read as follows:

388.440 As used in NRS 388.440 to 388.5317, inclusive ~~{ }~~ , **and sections 3 and 4 of this act:**

1. "Gifted and talented pupil" means a person under the age of 18 years who demonstrates such outstanding academic skills or aptitudes that the person cannot progress effectively in a regular school program and therefore needs special instruction or special services.

2. "Pupil who receives early intervening services" means a person enrolled in kindergarten or grades 1 to 12, inclusive, who is not a pupil with a disability but who needs additional academic and behavioral support to succeed in a regular school program.

3. "Pupil with a disability" means a person under the age of 22 years who deviates either educationally, physically, socially or emotionally so markedly from normal patterns that the person cannot progress effectively in a regular school program and therefore needs special instruction or special services.

Sec. 6. ~~NRS 388.470 is hereby amended to read as follows:~~

~~388.470 1. Before any child is placed in a special program for pupils with disabilities or gifted and talented pupils:~~

~~(a) A consultation must be held with the child's parents or guardian.~~

~~(b) An examination must be conducted for the purpose of finding the extent to which the child deviates from normal growth and development patterns.~~

~~2. The examination conducted pursuant to paragraph (b) of subsection 1 must be conducted in accordance with standards prescribed by the State Board.~~

~~{2.} The evaluations conducted pursuant to section 3 of this act of pupils who have autism must be conducted in accordance with the statewide standard for assessing and evaluating persons with autism prescribed by the Aging and Disability Services Division of the Department of Health and Human Services pursuant to section 1 of this act.~~

~~3. A psychiatrist may be consulted in any specific case when the board of trustees of a school district deems it necessary.~~

~~{3.} 4. The board of trustees of a school district or the governing body of a charter school shall not place a child or authorize the placement of a child in a program for pupils with disabilities solely because the child is a disciplinary problem in school.~~

~~{4.} 5. Pursuant to the provisions of NRS 392C.010, a child with a disability who transfers to a school in this State from a school inside or outside this State because of the military transfer of the parent or legal guardian of the child must initially be provided services that are comparable to the services the child received at his or her previous school under his or~~

~~her current individualized education program until the placement of the child is determined pursuant to this section.] (Deleted by amendment.)~~

Sec. 7. Chapter 433 of NRS is hereby amended by adding thereto the provisions set forth as sections 8 and 9 of this act.

Sec. 8. 1. *For a client under the age of 22 years who may have autism, the Division shall use the statewide standard for measuring outcomes and assessing and evaluating persons with autism through the age of 21 years prescribed ~~by the Aging and Disability Services Division of the Department~~ pursuant to section 1 of this act to determine whether the client is a person with autism. The Division shall ensure that the treatment, training and other services provided to a client with autism are based upon the results of the evaluation conducted pursuant to this subsection.*

2. *The Division shall conduct an evaluation upon intake of a client with autism to evaluate the cognitive, communicative, social and emotional condition and adaptive skill level of the client and shall once every 3 years conduct a follow-up evaluation to assess the progress of the client from the time of the previous evaluation. The treatment of the client must be adjusted, if appropriate, to reflect the results of an evaluation conducted pursuant to this subsection.*

Sec. 9. 1. *The Division shall report annually to the Aging and Disability Services Division of the Department information relating to clients with autism. The information must:*

(a) Be submitted in the form required by the Aging and Disability Services Division;

(b) Include the information required by the Aging and Disability Services Division pursuant to section 1 of this act; and

(c) Include the total number of clients with autism who are receiving treatment, training or other services from the Division. ~~;~~ and

~~(d) Include information concerning the progress of clients with autism, based upon the evaluation conducted pursuant to section 8 of this act.]~~

2. *A client with autism who is designated as a client with more than one physical or mental impairment or disability must be included as a client with autism for the purposes of reporting information pursuant to this section.*

Sec. 10. Chapter 442 of NRS is hereby amended by adding thereto the provisions set forth as sections 11 and 12 of this act.

Sec. 11. *As used in this section and NRS 442.750 and section 12 of this act, "early intervention services" has the meaning ascribed to it in 20 U.S.C. 1432.*

Sec. 12. 1. *The Health Division shall report annually to the Aging and Disability Services Division of the Department information relating to children with autism. The information must:*

(a) Be submitted in the form required by the Aging and Disability Services Division;

(b) Include the information required by the Aging and Disability Services Division pursuant to section 1 of this act;

(c) Include the total number of children with autism and the total number of children who may have autism who are enrolled in early intervention services through the Health Division; and

(d) Include the total number of hours and the type of early intervention services received by each child with autism.

2. A child with autism who is designated as a child with more than one physical or mental impairment or disability must be included as a child with autism for the purposes of reporting information pursuant to this section.

3. The Health Division shall review the information submitted to the Aging and Disability Services Division pursuant to this section and any other data collected by the Health Division which demonstrates the ongoing outcomes of specific programs and treatments for children with autism.

Sec. 13. NRS 442.750 is hereby amended to read as follows:

442.750 1. The Health Division shall ensure that the personnel employed by the Health Division who provide early intervention services to children with autism and the persons with whom the Health Division contracts to provide early intervention services to children with autism possess the knowledge and skills necessary to serve children with autism, including, without limitation:

(a) The screening of a child for autism at the age levels and frequency recommended by the American Academy of Pediatrics, or its successor organization;

(b) The procedure for evaluating children who demonstrate behaviors ~~[which]~~ **that** are consistent with autism ~~[;], which procedure must require the use of the statewide standard for measuring outcomes and assessing and evaluating persons with autism through the age of 21 years prescribed [by the Aging and Disability Services Division of the Department]~~ **pursuant to section 1 of this act;**

(c) The procedure for enrolling a child in early intervention services upon determining that the child has autism;

(d) Methods of providing support to children with autism and their families; and

(e) The procedure for developing an individualized family service plan in accordance with Part C of the Individuals with Disabilities Education Act, 20 U.S.C. 1431 et seq., or other appropriate plan for the child.

2. The Health Division shall ensure that the personnel employed by the Health Division to provide early intervention services to children with autism and the persons with whom the Health Division contracts to provide early intervention services to children with autism:

(a) Possess the knowledge and understanding of the scientific research and support for the methods and approaches for serving children with autism and

the ability to recognize the difference between an approach or method that is scientifically validated and one that is not;

(b) Possess the knowledge to accurately describe to parents and guardians the research supporting the methods and approaches, including, without limitation, the knowledge necessary to provide an explanation that a method or approach is experimental if it is not supported by scientific evidence;

(c) Immediately notify a parent or legal guardian if a child is identified as being at risk for a diagnosis of autism and refer the parent or legal guardian to the appropriate professionals for further evaluation and simultaneously refer the parent or legal guardian to any appropriate early intervention services and strategies; and

(d) Provide the parent or legal guardian with information on evidence-based treatments and interventions that may assist the child in the child's development and advancement.

3. The Health Division shall ensure that the personnel employed by the Health Division who provide early intervention screenings to children and the persons with whom the Health Division contracts to provide early intervention screenings to children perform screenings of children for autism at the age levels and frequency recommended by the American Academy of Pediatrics, or its successor organization.

4. The Health Division shall ensure that:

(a) For a child who may have autism, the personnel employed by the Health Division who provide early intervention screenings to children and the persons with whom the Health Division contracts to provide early intervention screenings to children use the ~~the nationally recognized~~ protocol designated ~~by the Aging and Disability Services Division of the Department~~ pursuant to section 1 of this act for determining whether a child has autism.

(b) An evaluation of the cognitive, communicative, social, emotional and behavioral condition and adaptive skill level of a child with autism is conducted to determine the condition of the child upon concluding early intervention services and the progress made by the child from the time of his or her initial screening.

Sec. 14. Chapter 615 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Department shall report annually to the Aging and Disability Services Division of the Department of Health and Human Services information relating to persons with autism who receive vocational rehabilitation services. The information must:

(a) Be submitted in the form required by the Aging and Disability Services Division;

(b) Include the information required by the Aging and Disability Services Division pursuant to section 1 of this act;

(c) Include the total number of persons with autism who are receiving vocational rehabilitation services from the Division;

(d) Include information concerning the types of vocational rehabilitation services provided to persons with autism, the effectiveness of those services and the reasons for the ineffectiveness of those services, if applicable; and

(e) Include information concerning the technical assistance and training provided to personnel of the Division who work with persons with autism to improve the effectiveness of vocational rehabilitation services.

2. A person with autism who is designated as a person with more than one physical or mental impairment or disability must be included as a person with autism for the purposes of reporting information pursuant to this section.

Sec. 15. This act becomes effective on July 1, 2011.

Assemblywoman Mastroluca moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblywoman Mastroluca moved that upon return from the printer, Assembly Bill No. 316 be rereferred to the Committee on Ways and Means.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 317.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 354.

SUMMARY—Revises provisions governing ~~mediation and~~ arbitration of certain claims relating to residential property. (BDR 3-540)

AN ACT relating to civil actions; revising provisions relating to the ~~submission~~ **commencement of civil actions concerning** certain claims relating to residential property ~~for mediation or arbitration; revising procedures relating to mediation or~~ **after the completion of nonbinding** ~~arbitration of such claims; revising the qualifications required for inclusion by the Real Estate Division of the Department of Business and Industry on a list of mediators and arbitrators available for mediation and~~ arbitration of such claims; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires certain claims relating to residential property to be submitted for mediation or arbitration with the Real Estate Division of the Department of Business and Industry by filing a written claim with the Division as a prerequisite to filing a civil action based on those claims. **(NRS 38.310, 38.320)** Existing law further ~~requires a person who is served with such a claim to file a written answer with the Division within 30 days after the person was served. (NRS 38.310, 38.320)~~ Section 1 of this bill requires the Division to: (1) find a person to be in default if the person is served with

~~such a claim and fails to file a written answer with the Division within 20 days; and (2) appoint an arbitrator for the claim. Section 1 further requires the arbitrator appointed by the Division to set and give notice of a hearing to allow an opportunity for the person who failed to file a written answer to prove that the failure to file was a result of excusable neglect. Section 1 also sets forth the procedures governing the arbitration if: (1) the arbitrator determines the failure to file was not a result of excusable neglect; (2) the person who failed to file the answer does not appear at the hearing; or (3) the arbitrator determines the failure to file was a result of excusable neglect.~~

Section 4 of this bill requires: (1) the Division to send to the parties the written claim filed with the Division a list of mediators and arbitrators; and (2) the parties to notify the Division of, among other things, their selection of a mediator or arbitrator within a specific period. Existing law¹ authorizes, under certain circumstances, any party to nonbinding arbitration to commence a civil action concerning the claim which was submitted for arbitration within 30 days after a decision and award have been served upon the parties. (NRS 38.330) **Section 4 of this bill** requires such a decision and award to be both final and dispositive of any and all issues of the claim which were submitted to nonbinding arbitration before such a party may commence a civil action.

~~Existing law requires the Division to establish and maintain a list of mediators and arbitrators who the Division determines have received training and experience in the resolution of disputes concerning residential property within a common interest community and who are available for mediation and arbitration of claims arising from such disputes. (NRS 38.340) Section 5 of this bill mandates rather than authorizes the Division to require a mediator or arbitrator to present proof of that training and experience before the Division includes the mediator or arbitrator on the list and also requires the training to: (1) include at least 8 hours of continuing education approved by the Division; and (2) be completed during the 1-year period before the initial inclusion of the mediator or arbitrator on the list and each year thereafter.~~

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. ~~{Chapter 38 of NRS is hereby amended by adding thereto a new section to read as follows:~~

1. ~~If the person upon whom a copy of the written claim was served pursuant to subsection 3 of NRS 38.320 fails to file a written answer with the Division within the period required pursuant to subsection 4 of that section, the Division shall find the person to be in default and appoint an arbitrator from the list maintained by the Division pursuant to NRS 38.340. Any arbitrator appointed by the Division pursuant to this subsection must be available within the geographic area.~~

2. ~~An arbitrator appointed by the Division pursuant to subsection 1 shall:~~

~~(a) Set a time and place for a hearing to allow an opportunity for the person upon whom a copy of the written claim was served to prove that his or her failure to file a written answer with the Division was the result of excusable neglect; and~~

~~(b) Give notice of the hearing to the claimant and the person upon whom a copy of the written claim was served not less than 5 days before the date of the hearing.~~

~~3. If the arbitrator determines, at the hearing conducted pursuant to subsection 2, that the person upon whom a copy of the written claim was served did not prove that his or her failure to file a written answer with the Division was the result of excusable neglect or if that person does not appear at the hearing, the arbitrator shall:~~

~~(a) Allow the claimant to prove the written claim; and~~

~~(b) Decide the controversy upon the evidence produced by the claimant.~~

~~4. If the arbitrator determines, at the hearing conducted pursuant to subsection 2, that the person upon whom a copy of the written claim was served has proven his or her failure to file a written answer with the Division was the result of excusable neglect, the parties shall proceed with arbitration of the claim pursuant to the provisions of this section and NRS 38.300 to NRS 38.360, inclusive.] (Deleted by amendment.)~~

Sec. 2. ~~[NRS 38.300 is hereby amended to read as follows:~~

~~38.300 As used in NRS 38.300 to 38.360, inclusive, and section 1 of this act, unless the context otherwise requires:~~

~~1. "Assessments" means:~~

~~(a) Any charge which an association may impose against an owner of residential property pursuant to a declaration of covenants, conditions and restrictions, including any late charges, interest and costs of collecting the charges; and~~

~~(b) Any penalties, fines, fees and other charges which may be imposed by an association pursuant to paragraphs (j) to (n), inclusive, of subsection 1 of NRS 116.3102 or subsections 10, 11 and 12 of NRS 116B.420.~~

~~2. "Association" has the meaning ascribed to it in NRS 116.011 or 116B.030.~~

~~3. "Civil action" includes an action for money damages or equitable relief. The term does not include an action in equity for injunctive relief in which there is an immediate threat of irreparable harm, or an action relating to the title to residential property.~~

~~4. "Division" means the Real Estate Division of the Department of Business and Industry.~~

~~5. "Geographic area" means an area within 150 miles from any residential property or association which is the subject of a written claim submitted pursuant to NRS 38.320.~~

~~6. "Residential property" includes, but is not limited to, real estate within a planned community subject to the provisions of chapter 116 of NRS or real estate within a condominium hotel subject to the provisions of chapter 116B~~

of NRS. The term does not include commercial property if no portion thereof contains property which is used for residential purposes. (Deleted by amendment.)

Sec. 3. ~~NRS 38.320 is hereby amended to read as follows:~~

~~38.320 1. Any civil action described in NRS 38.340 must be submitted for mediation or arbitration by filing a written claim with the Division. The claim must include:~~

~~(a) The complete names, addresses and telephone numbers of all parties to the claim;~~

~~(b) A specific statement of the nature of the claim;~~

~~(c) A statement of whether the person wishes to have the claim submitted to a mediator or to an arbitrator and, if the person wishes to have the claim submitted to an arbitrator, whether the person agrees to binding arbitration; and~~

~~(d) Such other information as the Division may require.~~

~~2. The written claim must be accompanied by a reasonable fee as determined by the Division.~~

~~3. Upon the filing of the written claim, the claimant shall serve a copy of the claim in the manner prescribed in Rule 4 of the Nevada Rules of Civil Procedure for the service of a summons and complaint. The claim so served must be accompanied by a statement explaining the procedures for mediation and arbitration set forth in NRS 38.300 to 38.360, inclusive [.] , and section 1 of this act.~~

~~4. Upon being served pursuant to subsection 3, the person upon whom a copy of the written claim was served shall, within 30 days after the date of service, file a written answer with the Division. The answer must be accompanied by a reasonable fee as determined by the Division. (Deleted by amendment.)~~

Sec. 4. NRS 38.330 is hereby amended to read as follows:

38.330 1. ~~Upon the filing of the written answer pursuant to subsection 4 of NRS 38.320, the Division shall send the list of mediators and arbitrators maintained by the Division pursuant to NRS 38.340 to all parties named in the written claim filed pursuant to NRS 38.320. Except as otherwise provided by subsection 4, within 10 days after receipt of the list, the parties shall submit written notice to the Division, signed by the parties, which states whether the parties agreed to mediation or arbitration and includes, without limitation:~~

~~(a) The name of a mutually agreed upon mediator or arbitrator, as appropriate, from the list; or~~

~~(b) A statement indicating that the parties participated in the process to select a mediator or arbitrator but failed to agree upon a mediator or arbitrator from the list.~~

~~Any mediator or arbitrator selected pursuant to this subsection must be available within the geographic area.~~

~~2.1~~ If all parties named in a written claim filed pursuant to NRS 38.320 agree to have the claim submitted for mediation, the parties shall reduce the agreement to writing ~~and shall select a mediator from the list of mediators maintained by the Division pursuant to NRS 38.340. Any mediator selected must be available within the geographic area.~~ If the ~~notice submitted by the parties pursuant to subsection 1 indicates that the parties participated in the process to select a mediator but the~~ parties fail ~~failed~~ to agree upon a mediator, the Division shall appoint a mediator from the list of mediators maintained by the Division. Any mediator appointed must be available within the geographic area. Unless otherwise provided by an agreement of the parties, mediation must be completed within 60 days after the parties agree to mediation. Any agreement obtained through mediation conducted pursuant to this section must, within 20 days after the conclusion of mediation, be reduced to writing by the mediator and a copy thereof provided to each party. The agreement may be enforced as any other written agreement. Except as otherwise provided in this section, the parties are responsible for all costs of mediation conducted pursuant to this section.

2. ~~2.1~~ If all the parties named in the claim do not agree to mediation, the parties shall select an arbitrator from the list of arbitrators maintained by the Division pursuant to NRS 38.340. Any arbitrator selected must be available within the geographic area. ~~If~~ and if the notice submitted by the parties pursuant to subsection 1 indicates that the parties participated in the process to select an arbitrator but the parties fail ~~failed~~ to agree upon an arbitrator, the Division shall appoint an arbitrator from the list maintained by the Division. Any arbitrator appointed must be available within the geographic area. Upon appointing an arbitrator, the Division shall provide the name of the arbitrator to each party. An arbitrator shall, not later than 5 days after the arbitrator's selection or appointment pursuant to this subsection, ~~section or section 1 of this act,~~ provide to the parties an informational statement relating to the arbitration of a claim pursuant to this section. The written informational statement:

- (a) Must be written in plain English;
- (b) Must explain the procedures and applicable law relating to the arbitration of a claim conducted pursuant to this section, including, without limitation, the procedures, timelines and applicable law relating to confirmation of an award pursuant to NRS 38.239, vacation of an award pursuant to NRS 38.241, judgment on an award pursuant to NRS 38.243, and any applicable statute or court rule governing the award of attorney's fees or costs to any party; and
- (c) Must be accompanied by a separate form acknowledging that the party has received and read the informational statement, which must be returned to the arbitrator by the party not later than 10 days after receipt of the informational statement.

3. ~~4. If, for any reason, a party named in a written claim filed pursuant to NRS 38.320 does not select a mediator or arbitrator from the list sent by~~

~~the Division within the period required for submitting notice pursuant to subsection 1, that party shall be deemed to have waived the right to participate in the selection of a mediator or arbitrator, and the other party:~~

~~(a) Has the exclusive right to select a mediator or arbitrator from the list maintained by the Division; and~~

~~(b) Shall within 5 days after the period required by subsection 1, notify the Division, in writing, of that selection and the fact that the other party did not participate in the selection of a mediator or arbitrator.~~

~~Any mediator or arbitrator selected pursuant to this subsection must be within the geographic area.~~

~~5. Upon the selection of a mediator or arbitrator pursuant to subsection 4, the Division shall notify each party of the name of the mediator or arbitrator selected.~~

~~6.7~~ The Division may provide for the payment of the fees for a mediator or an arbitrator selected or appointed pursuant to this section ~~for section 1 of this act~~ from the Account for Common-Interest Communities and Condominium Hotels created by NRS 116.630, to the extent that:

(a) The Commission for Common-Interest Communities and Condominium Hotels approves the payment; and

(b) There is money available in the account for this purpose.

4. ~~7.7~~ Except as otherwise provided in this section and except where inconsistent with the provisions of NRS 38.300 to 38.360, inclusive, ~~and section 1 of this act,~~ the arbitration of a claim pursuant to this section must be conducted in accordance with the provisions of NRS 38.231, 38.232, 38.233, 38.236 to 38.239, inclusive, 38.242 and 38.243. At any time during the arbitration of a claim relating to the interpretation, application or enforcement of any covenants, conditions or restrictions applicable to residential property or any bylaws, rules or regulations adopted by an association, the arbitrator may issue an order prohibiting the action upon which the claim is based. An award must be made within 30 days after the conclusion of arbitration, unless a shorter period is agreed upon by the parties to the arbitration.

5. ~~8.7~~ If all the parties have agreed to nonbinding arbitration, any party to the nonbinding arbitration may, within 30 days after a **final** decision and award **which are dispositive of any and all issues of the claim which were submitted to nonbinding arbitration** have been served upon the parties, commence a civil action in the proper court concerning the claim which was submitted for arbitration. Any complaint filed in such an action must contain a sworn statement indicating that the issues addressed in the complaint have been arbitrated pursuant to the provisions of NRS 38.300 to 38.360, inclusive ~~and section 1 of this act.~~ If such an action is not commenced within that period, any party to the arbitration may, within 1 year after the service of the award, apply to the proper court for a confirmation of the award pursuant to NRS 38.239.

6. ~~{9.}~~ If all the parties agree in writing to binding arbitration, the arbitration must be conducted in accordance with the provisions of this chapter. An award procured pursuant to such binding arbitration may be vacated and a rehearing granted upon application of a party pursuant to the provisions of NRS 38.241.

7. ~~{10.}~~ If, after the conclusion of binding arbitration, a party:

(a) Applies to have an award vacated and a rehearing granted pursuant to NRS 38.241; or

(b) Commences a civil action based upon any claim which was the subject of arbitration,

↪ the party shall, if the party fails to obtain a more favorable award or judgment than that which was obtained in the initial binding arbitration, pay all costs and reasonable attorney's fees incurred by the opposing party after the application for a rehearing was made or after the complaint in the civil action was filed.

8. ~~{11.}~~ Upon request by a party, the Division shall provide a statement to the party indicating the amount of the fees for a mediator or an arbitrator selected or appointed pursuant to this section.

9. As used in this section, "geographic area" means an area within 150 miles from any residential property or association which is the subject of a written claim submitted pursuant to NRS 38.320. ~~for section 1 of this act.~~

Sec. 5. ~~{NRS 38.340 is hereby amended to read as follows:~~

~~38.340 For the purposes of NRS 38.300 to 38.360, inclusive, and section 1 of this act, the Division shall establish and maintain:~~

~~1. A list of mediators and arbitrators who are available for mediation and arbitration of claims. The list must include mediators and arbitrators who, as determined by the Division, have received training and experience in mediation or arbitration and in the resolution of disputes concerning associations, including, without limitation, the interpretation, application and enforcement of covenants, conditions and restrictions pertaining to residential property and the articles of incorporation, bylaws, rules and regulations of an association. In establishing and maintaining the list, the Division may use lists of qualified persons maintained by any organization which provides mediation or arbitration services. Before including a mediator or arbitrator on a list established and maintained pursuant to this section, the Division [may] shall require the mediator or arbitrator to present proof satisfactory to the Division that the mediator or arbitrator has received the training and experience required for mediators or arbitrators pursuant to this section. The training required pursuant to this section must include, without limitation, at least 8 hours of continuing education which is approved by the Division and which includes at least 6 hours of courses in the resolution of disputes relating to residential property and at least 2 hours of courses in ethics. The continuing education courses must be completed during the 1 year period immediately preceding the initial inclusion of the mediator or arbitrator on the list and annually thereafter.~~

~~2. A document which contains a written explanation of the procedures for mediating and arbitrating claims pursuant to NRS 38.300 to 38.360, inclusive [;], and section 1 of this act. (Deleted by amendment.)~~

Sec. 6. ~~[NRS 38.360 is hereby amended to read as follows:~~

~~38.360 1. The Division shall administer the provisions of NRS 38.300 to 38.360, inclusive, and section 1 of this act, and may adopt such regulations as are necessary to carry out those provisions.~~

~~2. All fees collected by the Division pursuant to the provisions of NRS 38.300 to 38.360, inclusive, and section 1 of this act must be accounted for separately and may only be used by the Division to administer the provisions of NRS 38.300 to 38.360, inclusive [;], and section 1 of this act. (Deleted by amendment.)~~

Sec. 7. ~~[NRS 116.620 is hereby amended to read as follows:~~

~~116.620 1. There is hereby created the Account for Common Interest Communities and Condominium Hotels in the State General Fund. The Account must be administered by the Administrator.~~

~~2. Except as otherwise provided in subsection 3, all money received by the Commission, a hearing panel or the Division pursuant to this chapter or chapter 116B of NRS, including, without limitation, the fees collected pursuant to NRS 116.31155 and 116B.620, must be deposited into the Account.~~

~~3. If the Commission imposes a fine or penalty, the Commission shall deposit the money collected from the imposition of the fine or penalty with the State Treasurer for credit to the State General Fund. If the money is so deposited, the Commission may present a claim to the State Board of Examiners for recommendation to the Interim Finance Committee if money is required to pay attorney's fees or the costs of an investigation, or both.~~

~~4. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.~~

~~5. The money in the Account must be used solely to defray:~~

~~(a) The costs and expenses of the Commission and the Office of the Ombudsman;~~

~~(b) If authorized by the Commission or any regulations adopted by the Commission, the costs and expenses of subsidizing proceedings for mediation and arbitration conducted pursuant to NRS 38.300 to 38.360, inclusive [;], and section 1 of this act; and~~

~~(c) If authorized by the Legislature or by the Interim Finance Committee if the Legislature is not in session, the costs and expenses of administering the Division. (Deleted by amendment.)~~

Assemblyman Ohrenschall moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 328.

Bill read second time.

The following amendment was proposed by the Committee on Transportation:

Amendment No. 251.

AN ACT relating to motor vehicles; ~~providing an enhanced penalty for motorists who seriously injure or cause the death of a vulnerable highway user; revising provisions related to the duties required of a person involved in a serious accident involving a vehicle;~~ **providing that a person who, while violating certain rules of the road, causes a collision with a pedestrian or person riding a bicycle has committed reckless driving;** providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~[Section 1 of this bill provides for an additional penalty to be imposed on a person convicted of a violation of certain traffic laws if the person was the proximate cause of substantial bodily injury to or the death of a vulnerable highway user. The additional penalty includes completion of a course of traffic safety, performance of community service, a fine and the revocation of a person's driver's license for 1 year. The court must suspend the fine and revocation pending completion of the course of traffic safety and community service. The term "vulnerable highway user" is defined as a pedestrian, a person performing highway construction or maintenance, a person riding an animal, a person operating a farm tractor, or a person on a skateboard, roller skates, a bicycle or an electric bicycle who is on or near a highway.~~

~~Existing law requires a person involved in an accident involving a vehicle resulting in injury or death to any person to report certain information to the other driver and any investigating police officer, to provide reasonable assistance to any person injured in the accident and, if no police officer is present, to report the accident to the nearest office of a police authority. (NRS 484E.030) Section 35 of this bill requires the driver of a vehicle to report an accident involving, and provide assistance to, the rider of a bicycle.] Existing law provides that certain conduct by a driver of a vehicle constitutes reckless driving. (NRS 484B.653) Section 31 of this bill provides that a person who, while violating certain rules of the road relating to bicycles, pedestrians, crosswalks, school crossing guards, school zones or speeding, is the proximate cause of a collision with a pedestrian or person riding a bicycle has committed reckless driving.~~

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. ~~[Chapter 484B of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. A person who is convicted of a violation of NRS 484B.150, 484B.163, 484B.200 to 484B.217, inclusive, 484B.223, 484B.227, 484B.280, 484B.283, 484B.300, 484B.303, 484B.317, 484B.327 to 484B.353, inclusive, 484B.363, 484B.403, 484B.580, 484B.587, 484B.600 to 484B.613, inclusive, 484B.650, 484B.653, 484B.657, 484C.110 or~~

~~484C.120 and as a result of the violation proximately causes the death of or substantial bodily harm to a vulnerable highway user, shall, in addition to the term of imprisonment or amount of the fine, or both, that the court imposes for the primary offense, be punished by:~~

- ~~(a) A fine of not more than \$12,500;~~
- ~~(b) The revocation of his or her driver's license for 1 year;~~
- ~~(c) The performance of not less than 50 hours or more than 200 hours of community service; and~~
- ~~(d) Completion, at the person's expense, of a course of traffic safety approved by the Department.~~

~~2. Subsection 1 does not create a separate offense, but provides an additional penalty for the primary offense, imposition of which is contingent upon the finding of the prescribed fact, and is to be imposed in addition to the penalty which may be imposed pursuant to NRS 484B.130.~~

~~3. The court imposing the penalties required pursuant to subsection 1 shall suspend the fine and the revocation of the driver's license of the person on the condition that the person presents proof to the court, within the time specified by the court, of completion of the community service and the course of traffic safety.~~

~~4. If the person is already subject to an order requiring completion, at the person's expense, of a course of traffic safety approved by the Department, the court shall allow the completion of one such course to satisfy the requirements of this section.~~

~~5. If the court issues an order revoking the driver's license of the driver pursuant to this section, the court shall require the driver to surrender all driver's licenses then held by the driver. The court shall, within 5 days after issuing the order, forward a copy of the order to the Department.~~

~~6. If the person is already subject to any other order suspending or revoking his or her driver's license, the court shall order the additional period of revocation to apply consecutively with the previous order.~~

~~7. As used in this section, "vulnerable highway user" means a pedestrian, a person performing highway construction or maintenance, a person riding an animal, a person operating a farm tractor, or a person riding on or operating something other than a motor vehicle, including, without limitation:~~

- ~~(a) A skateboard;~~
- ~~(b) Roller skates;~~
- ~~(c) A bicycle; and~~
- ~~(d) An electric bicycle;~~

~~who is on or near a highway.] (Deleted by amendment.)~~

Sec. 2. [NRS 484B.130 is hereby amended to read as follows:

~~484B.130 1. Except as otherwise provided in subsections 2 and 6, a person who is convicted of a violation of a speed limit, or of NRS 484B.150, 484B.163, 484B.200 to 484B.217, inclusive, 484B.223, 484B.227, 484B.300, 484B.303, 484B.317, 484B.320, 484B.327, 484B.330, 484B.403,~~

~~484B.587, 484B.600, 484B.603, 484B.650, 484B.653, 484B.657, 484C.110 or 484C.120, that occurred:~~

~~(a) In an area designated as a temporary traffic control zone; and~~

~~(b) At a time when the workers who are performing construction, maintenance or repair of the highway or other work are present, or when the effects of the act may be aggravated because of the condition of the highway caused by construction, maintenance or repair, including, without limitation, reduction in lane width, reduction in the number of lanes, shifting of lanes from the designated alignment and uneven or temporary surfaces, including, without limitation, modifications to road beds, cement treated bases, chip seals and other similar conditions;~~

~~↖ shall be punished by imprisonment or by a fine, or both, for a term or an amount equal to and in addition to the term of imprisonment or amount of the fine, or both, that the court imposes for the primary offense. Any term of imprisonment imposed pursuant to this subsection runs consecutively with the sentence prescribed by the court for the crime. This subsection does not create a separate offense, but provides an additional penalty for the primary offense, whose imposition is contingent upon the finding of the prescribed fact [.] **and is to be imposed in addition to the penalty which may be imposed pursuant to section 1 of this act.**~~

~~2. The additional penalty imposed pursuant to subsection 1 must not exceed a total of \$1,000, 6 months of imprisonment or 120 hours of community service.~~

~~3. Except as otherwise provided in subsection 5, a governmental entity that designates an area or authorizes the designation of an area as a temporary traffic control zone in which construction, maintenance or repair of a highway or other work is conducted, or the person with whom the governmental entity contracts to provide such service, shall cause to be erected:~~

~~(a) A sign located before the beginning of such an area stating "DOUBLE PENALTIES IN WORK ZONES" to indicate a double penalty may be imposed pursuant to this section;~~

~~(b) A sign to mark the beginning of the temporary traffic control zone; and~~

~~(c) A sign to mark the end of the temporary traffic control zone.~~

~~4. A person who otherwise would be subject to an additional penalty pursuant to this section is not relieved of any criminal liability because signs are not erected as required by subsection 3 if the violation results in injury to any person performing highway construction or maintenance or other work in the temporary traffic control zone or in damage to property in an amount equal to \$1,000 or more.~~

~~5. The requirements of subsection 3 do not apply to an area designated as a temporary traffic control zone:~~

~~(a) Pursuant to an emergency which results from a natural or other disaster and which threatens the health, safety or welfare of the public; or~~

~~(b) On a public highway where the posted speed limit is 25 miles per hour or less and that provides access to or is appurtenant to a residential area.~~

~~6. A person who would otherwise be subject to an additional penalty pursuant to this section is not subject to an additional penalty if the violation occurred in a temporary traffic control zone for which signs are not erected pursuant to subsection 5, unless the violation results in injury to any person performing highway construction or maintenance or other work in the temporary traffic control zone or in damage to property in an amount equal to \$1,000 or more.} (Deleted by amendment.)~~

Sec. 3. ~~[NRS 484B.150 is hereby amended to read as follows:~~

~~484B.150 1. It is unlawful for a person to drink an alcoholic beverage while the person is driving or in actual physical control of a motor vehicle upon a highway.~~

~~2. Except as otherwise provided in this subsection, it is unlawful for a person to have an open container of an alcoholic beverage within the passenger area of a motor vehicle while the motor vehicle is upon a highway. This subsection does not apply to a motor vehicle which is designed, maintained or used primarily for the transportation of persons for compensation, or to the living quarters of a house coach or house trailer.~~

~~3. A person who violates any provision of this section may be subject to the additional [penalty] penalties set forth in NRS 484B.130 [.] and section 1 of this act.~~

~~4. As used in this section:~~

~~(a) "Alcoholic beverage" has the meaning ascribed to it in NRS 202.015.~~

~~(b) "Open container" means a container which has been opened or the seal of which has been broken.~~

~~(c) "Passenger area" means that area of a vehicle which is designed for the seating of the driver or a passenger.} (Deleted by amendment.)~~

Sec. 4. ~~[NRS 484B.163 is hereby amended to read as follows:~~

~~484B.163 1. A person shall not drive a vehicle when it is so loaded, or when there are in the front seat such number of persons, exceeding three, as to obstruct the view of the driver to the front or sides of the vehicle or as to interfere with the driver's control over the driving mechanism of the vehicle.~~

~~2. A passenger in a vehicle shall not ride in such position as to interfere with the driver's view ahead or to the sides, or to interfere with the driver's control over the driving mechanism of the vehicle.~~

~~3. Except as otherwise provided in NRS 484D.440, a vehicle must not be operated upon any highway unless the driver's vision through any required glass equipment is normal.~~

~~4. A person who violates any provision of this section may be subject to the additional [penalty] penalties set forth in NRS 484B.130 [.] and section 1 of this act.} (Deleted by amendment.)~~

Sec. 5. ~~[NRS 484B.200 is hereby amended to read as follows:~~

~~484B.200 1. Upon all highways of sufficient width a vehicle must be driven upon the right half of the highway, except as follows:~~

~~(a) When overtaking and passing another vehicle proceeding in the same direction under the laws governing such movements;~~

~~(b) When the right half of the highway is closed to traffic;~~

~~(c) Upon a highway divided into three lanes for traffic under the laws applicable thereon;~~

~~(d) Upon a highway designated and posted for one-way traffic; or~~

~~(e) When the highway is not of sufficient width.~~

~~2.—A person who violates any provision of this section may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

Sec. 6. ~~[NRS 484B.203 is hereby amended to read as follows:~~

~~484B.203 1. Drivers of vehicles proceeding in opposite directions shall pass each other keeping to the right, and upon highways having width for not more than one line of traffic in each direction, each driver shall give to the other at least one half of the paved portion of the highway as nearly as possible.~~

~~2.—A person who violates any provision of this section may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

Sec. 7. ~~[NRS 484B.207 is hereby amended to read as follows:~~

~~484B.207 1. The driver of a vehicle overtaking another vehicle proceeding in the same direction shall pass to the left thereof at a safe distance and shall not again drive to the right side of the highway until safely clear of the overtaken vehicle.~~

~~2. Except when overtaking and passing on the right is permitted, the driver of an overtaken vehicle shall give way to the right in favor of the overtaking vehicle upon observing the overtaking vehicle or hearing a signal. The driver of an overtaken vehicle shall not increase the speed of the vehicle until completely passed by the overtaking vehicle.~~

~~3.—A person who violates any provision of this section may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

Sec. 8. ~~[NRS 484B.210 is hereby amended to read as follows:~~

~~484B.210 1. The driver of a vehicle may overtake and pass upon the right of another vehicle only under the following conditions:~~

~~(a) When the driver of the vehicle overtaken is making or signaling to make a left turn.~~

~~(b) Upon a highway with unobstructed pavement which is not occupied by parked vehicles and which is of sufficient width for two or more lines of moving vehicles in each direction.~~

~~(c) Upon a highway with unobstructed pavement which is not marked as a traffic lane and which is not occupied by parked vehicles, if the vehicle that is overtaking and passing another vehicle:~~

~~(1) Does not travel more than 200 feet in the section of pavement not marked as a traffic lane; or~~

~~(2) While being driven in the section of pavement not marked as a traffic lane, does not travel through an intersection or past any private way that is used to enter or exit the highway.~~

~~(d) Upon any highway on which traffic is restricted to one direction of movement, where the highway is free from obstructions and of sufficient width for two or more lines of moving vehicles.~~

~~2. The driver of a vehicle may overtake and pass another vehicle upon the right only under conditions permitting such movement in safety.~~

~~3. The driver of a vehicle shall not overtake and pass another vehicle upon the right when such movement requires driving off the paved portion of the highway.~~

~~4. A person who violates any provision of this section may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

Sec. 9. ~~[NRS 484B.213 is hereby amended to read as follows:~~

~~484B.213 1. A vehicle must not be driven to the left side of the center of a two-lane, two-directional highway and overtaking and passing another vehicle proceeding in the same direction, unless such left side is clearly visible and is free of oncoming traffic for a sufficient distance ahead to permit such overtaking and passing to be completely made without interfering with the safe operation of any vehicle approaching from the opposite direction or any vehicle overtaken.~~

~~2. A vehicle must not be driven to the left side of the highway at any time:~~

~~(a) When approaching the crest of a grade or upon a curve in the highway where the driver's view is obstructed within such distance as to create a hazard in the event another vehicle might approach from the opposite direction.~~

~~(b) When approaching within 100 feet or traversing any intersection or railroad grade crossing.~~

~~(c) When the view is obstructed upon approaching within 100 feet of any bridge, viaduct or tunnel.~~

~~3. Subsection 2 does not apply upon a one-way highway.~~

~~4. A person who violates any provision of this section may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

Sec. 10. ~~[NRS 484B.217 is hereby amended to read as follows:~~

~~484B.217 1. The Department of Transportation with respect to highways constructed under the authority of chapter 408 of NRS, and local authorities with respect to highways under their jurisdiction, may determine those zones of highways where overtaking and passing to the left or making a left hand turn would be hazardous, and may by the erection of official traffic control devices indicate such zones. When such devices are in place and clearly visible to an ordinarily observant person, every driver of a vehicle shall obey the directions thereof.~~

~~2. Except as otherwise provided in subsections 3 and 4, a driver shall not drive on the left side of the highway within such zone or drive across or on the left side of any pavement striping designed to mark such zone throughout its length.~~

~~3. A driver may drive across a pavement striping marking such zone to an adjoining highway if the driver has first given the appropriate turn signal and there will be no impediment to oncoming or following traffic.~~

~~4. Except where otherwise provided, a driver may drive across a pavement striping marking such a zone to make a left hand turn if the driver has first given the appropriate turn signal in compliance with NRS 484B.413, if it is safe and if it would not be an impediment to oncoming or following traffic.~~

~~5. A person who violates any provision of this section may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

Sec. 11. ~~[NRS 484B.223 is hereby amended to read as follows:~~

~~484B.223 1. If a highway has two or more clearly marked lanes for traffic traveling in one direction, vehicles must:~~

- ~~(a) Be driven as nearly as practicable entirely within a single lane; and~~
- ~~(b) Not be moved from that lane until the driver has given the appropriate turn signal and ascertained that such movement can be made with safety.~~

~~2. Upon a highway which has been divided into three clearly marked lanes, a vehicle must not be driven in the extreme left lane at any time. A vehicle on such a highway must not be driven in the center lane except:~~

- ~~(a) When overtaking and passing another vehicle where the highway is clearly visible and the center lane is clear of traffic for a safe distance;~~
- ~~(b) In preparation for a left turn; or~~
- ~~(c) When the center lane is allocated exclusively to traffic moving in the direction in which the vehicle is proceeding and a sign is posted to give notice of such allocation.~~

~~3. If a highway has been designed to provide a single center lane to be used only for turning by traffic moving in both directions, the following rules apply:~~

- ~~(a) A vehicle may be driven in the center turn lane only for the purpose of making a left hand turn onto or from the highway.~~
- ~~(b) A vehicle must not travel more than 200 feet in a center turn lane before making a left hand turn from the highway.~~
- ~~(c) A vehicle must not travel more than 50 feet in a center turn lane after making a left hand turn onto the highway before merging with traffic.~~

~~4. If a highway has been designed to provide a single right lane to be used only for turning, a vehicle must:~~

- ~~(a) Be driven in the right turn lane only for the purpose of making a right turn; and~~
- ~~(b) While being driven in the right turn lane, not travel through an intersection.~~

~~5. A person who violates any provision of this section may be subject to the additional [penalty] penalties set forth in NRS 484B.130 [.] and section 1 of this act.] (Deleted by amendment.)~~

~~Sec. 12. [NRS 484B.227 is hereby amended to read as follows:~~

~~484B.227 1. Every vehicle driven upon a divided highway must be driven only upon the right hand roadway and must not be driven over, across or within any dividing space, barrier or section or make any left turn, semicircular turn or U-turn, except through an opening in the barrier or dividing section or space or at a crossover or intersection established by a public authority.~~

~~2. A person who violates any provision of this section may be subject to the additional [penalty] penalties set forth in NRS 484B.130 [.] and section 1 of this act.] (Deleted by amendment.)~~

Sec. 12.3. NRS 483.460 is hereby amended to read as follows:

483.460 1. Except as otherwise provided by specific statute, the Department shall revoke the license, permit or privilege of any driver upon receiving a record of his or her conviction of any of the following offenses, when that conviction has become final, and the driver is not eligible for a license, permit or privilege to drive for the period indicated:

(a) For a period of 3 years if the offense is:

(1) A violation of subsection ~~15~~ 6 of NRS 484B.653.

(2) A third or subsequent violation within 7 years of NRS 484C.110 or 484C.120.

(3) A violation of NRS 484C.110 or 484C.120 resulting in a felony conviction pursuant to NRS 484C.400 or 484C.410.

(4) A violation of NRS 484C.430 or a homicide resulting from driving or being in actual physical control of a vehicle while under the influence of intoxicating liquor or a controlled substance or resulting from any other conduct prohibited by NRS 484C.110, 484C.130 or 484C.430.

➡ The period during which such a driver is not eligible for a license, permit or privilege to drive must be set aside during any period of imprisonment and the period of revocation must resume when the Department is notified pursuant to NRS 209.517 or 213.12185 that the person has completed the period of imprisonment or that the person has been placed on residential confinement or parole.

(b) For a period of 1 year if the offense is:

(1) Any other manslaughter, including vehicular manslaughter as described in NRS 484B.657, resulting from the driving of a motor vehicle or felony in the commission of which a motor vehicle is used, including the unlawful taking of a motor vehicle.

(2) Failure to stop and render aid as required pursuant to the laws of this State in the event of a motor vehicle accident resulting in the death or bodily injury of another.

(3) Perjury or the making of a false affidavit or statement under oath to the Department pursuant to NRS 483.010 to 483.630, inclusive, or pursuant to any other law relating to the ownership or driving of motor vehicles.

(4) Conviction, or forfeiture of bail not vacated, upon three charges of reckless driving committed within a period of 12 months.

(5) A second violation within 7 years of NRS 484C.110 or 484C.120 and the driver is not eligible for a restricted license during any of that period.

(6) A violation of NRS 484B.550.

(c) For a period of 90 days, if the offense is a first violation within 7 years of NRS 484C.110 or 484C.120.

2. The Department shall revoke the license, permit or privilege of a driver convicted of violating NRS 484C.110 or 484C.120 who fails to complete the educational course on the use of alcohol and controlled substances within the time ordered by the court and shall add a period of 90 days during which the driver is not eligible for a license, permit or privilege to drive.

3. When the Department is notified by a court that a person who has been convicted of a first violation within 7 years of NRS 484C.110 has been permitted to enter a program of treatment pursuant to NRS 484C.320, the Department shall reduce by one-half the period during which the person is not eligible for a license, permit or privilege to drive, but shall restore that reduction in time if notified that the person was not accepted for or failed to complete the treatment.

4. The Department shall revoke the license, permit or privilege to drive of a person who is required to install a device pursuant to NRS 484C.460 but who operates a motor vehicle without such a device:

(a) For 3 years, if it is his or her first such offense during the period of required use of the device.

(b) For 5 years, if it is his or her second such offense during the period of required use of the device.

5. A driver whose license, permit or privilege is revoked pursuant to subsection 4 is not eligible for a restricted license during the period set forth in paragraph (a) or (b) of that subsection, whichever applies.

6. In addition to any other requirements set forth by specific statute, if the Department is notified that a court has ordered the revocation, suspension or delay in the issuance of a license pursuant to title 5 of NRS, NRS 176.064 or 206.330, chapters 484A to 484E, inclusive, of NRS or any other provision of law, the Department shall take such actions as are necessary to carry out the court's order.

7. As used in this section, "device" has the meaning ascribed to it in NRS 484C.450.

Sec. 12.5. NRS 483.490 is hereby amended to read as follows:

483.490 1. Except as otherwise provided in this section, after a driver's license has been suspended or revoked for an offense other than a second violation within 7 years of NRS 484C.110, and one-half of the period during

which the driver is not eligible for a license has expired, the Department may, unless the statute authorizing the suspension prohibits the issuance of a restricted license, issue a restricted driver's license to an applicant permitting the applicant to drive a motor vehicle:

(a) To and from work or in the course of his or her work, or both; or

(b) To acquire supplies of medicine or food or receive regularly scheduled medical care for himself, herself or a member of his or her immediate family.

➔ Before a restricted license may be issued, the applicant must submit sufficient documentary evidence to satisfy the Department that a severe hardship exists because the applicant has no alternative means of transportation and that the severe hardship outweighs the risk to the public if the applicant is issued a restricted license.

2. A person who has been ordered to install a device in a motor vehicle pursuant to NRS 484C.460:

(a) Shall install the device not later than 21 days after the date on which the order was issued; and

(b) May not receive a restricted license pursuant to this section until:

(1) After at least 1 year of the period during which the person is not eligible for a license, if the person was convicted of:

(I) A violation of NRS 484C.430 or a homicide resulting from driving or being in actual physical control of a vehicle while under the influence of intoxicating liquor or a controlled substance or resulting from any other conduct prohibited by NRS 484C.110, 484C.130 or 484C.430; or

(II) A violation of NRS 484C.110 that is punishable as a felony pursuant to NRS 484C.410 or 484C.420;

(2) After at least 180 days of the period during which the person is not eligible for a license, if the person was convicted of a violation of subsection ~~5~~ 6 of NRS 484B.653; or

(3) After at least 45 days of the period during which the person is not eligible for a license, if the person was convicted of a first violation within 7 years of NRS 484C.110.

3. If the Department has received a copy of an order requiring a person to install a device in a motor vehicle pursuant to NRS 484C.460, the Department shall not issue a restricted driver's license to such a person pursuant to this section unless the applicant has submitted proof of compliance with the order and subsection 2.

4. After a driver's license has been revoked or suspended pursuant to title 5 of NRS, the Department may issue a restricted driver's license to an applicant permitting the applicant to drive a motor vehicle:

(a) If applicable, to and from work or in the course of his or her work, or both; or

(b) If applicable, to and from school.

5. After a driver's license has been suspended pursuant to NRS 483.443, the Department may issue a restricted driver's license to an applicant permitting the applicant to drive a motor vehicle:

(a) If applicable, to and from work or in the course of his or her work, or both;

(b) To receive regularly scheduled medical care for himself, herself or a member of his or her immediate family; or

(c) If applicable, as necessary to exercise a court-ordered right to visit a child.

6. A driver who violates a condition of a restricted license issued pursuant to subsection 1 or by another jurisdiction is guilty of a misdemeanor and, if the license of the driver was suspended or revoked for:

(a) A violation of NRS 484C.110, 484C.210 or 484C.430;

(b) A homicide resulting from driving or being in actual physical control of a vehicle while under the influence of intoxicating liquor or a controlled substance or resulting from any other conduct prohibited by NRS 484C.110, 484C.130 or 484C.430; or

(c) A violation of a law of any other jurisdiction that prohibits the same or similar conduct as set forth in paragraph (a) or (b),

→ the driver shall be punished in the manner provided pursuant to subsection 2 of NRS 483.560.

7. The periods of suspensions and revocations required pursuant to this chapter and NRS 484C.210 must run consecutively, except as otherwise provided in NRS 483.465 and 483.475, when the suspensions must run concurrently.

8. Whenever the Department suspends or revokes a license, the period of suspension, or of ineligibility for a license after the revocation, begins upon the effective date of the revocation or suspension as contained in the notice thereof.

Sec. 12.7. NRS 484B.270 is hereby amended to read as follows:

484B.270 1. The driver of a motor vehicle shall not:

(a) Intentionally interfere with the movement of a person lawfully riding a bicycle or an electric bicycle; or

(b) Overtake and pass a person riding a bicycle or an electric bicycle unless the driver can do so safely without endangering the person riding the bicycle or electric bicycle.

2. The driver of a motor vehicle shall yield the right-of-way to any person riding a bicycle or an electric bicycle on the pathway or lane. The driver of a motor vehicle shall not enter, stop, stand, park or drive within a pathway or lane provided for bicycles or electric bicycles except:

(a) When entering or exiting an alley or driveway;

(b) When operating or parking a disabled vehicle;

(c) To avoid conflict with other traffic;

(d) In the performance of official duties;

(e) In compliance with the directions of a police officer; or

(f) In an emergency.

3. Except as otherwise provided in subsection 2, the driver of a motor vehicle shall not enter or proceed through an intersection while driving within a pathway or lane provided for bicycles or electric bicycles.

4. The driver of a motor vehicle shall:

(a) Exercise due care to avoid a collision with a person riding a bicycle or an electric bicycle; and

(b) Give an audible warning with the horn of the vehicle if appropriate and when necessary to avoid such a collision.

5. **If, while violating any provision of subsections 1 to 4, inclusive, the driver of a motor vehicle is the proximate cause of a collision with a person riding a bicycle, the driver is subject to the additional penalty set forth in subsection 4 of NRS 484B.653.**

6. The operator of a bicycle or an electric bicycle shall not:

(a) Intentionally interfere with the movement of a motor vehicle; or

(b) Overtake and pass a motor vehicle unless the operator can do so safely without endangering himself or herself or the occupants of the motor vehicle.

Sec. 13. NRS 484B.280 is hereby amended to read as follows:

484B.280 1. A driver of a motor vehicle shall:

~~{1-}~~ (a) Exercise due care to avoid a collision with a pedestrian;

~~{2-}~~ (b) Give an audible warning with the horn of the vehicle if appropriate and when necessary to avoid such a collision; and

~~{3-}~~ (c) Exercise proper caution upon observing a pedestrian on or near a highway, street or road or in or near a school crossing zone marked in accordance with NRS 484B.363 or a marked or unmarked crosswalk.

2. ~~{A person who violates}~~ **If, while violating any provision of this section ~~{may be}~~, the driver of a motor vehicle is the proximate cause of a collision with a pedestrian, the driver is subject to the additional penalty set forth in ~~{section 1 of this act.}~~ subsection 4 of NRS 484B.653.**

Sec. 14. NRS 484B.283 is hereby amended to read as follows:

484B.283 1. Except as otherwise provided in NRS 484B.287, 484B.290 and 484B.350:

~~{1-}~~ (a) When official traffic-control devices are not in place or not in operation the driver of a vehicle shall yield the right-of-way, slowing down or stopping if need be so to yield, to a pedestrian crossing the highway within a crosswalk when the pedestrian is upon the half of the highway upon which the vehicle is traveling, or when the pedestrian is approaching so closely from the opposite half of the highway as to be in danger.

~~{2-}~~ (b) A pedestrian shall not suddenly leave a curb or other place of safety and walk or run into the path of a vehicle which is so close that it is impossible for the driver to yield.

~~{3-}~~ (c) Whenever a vehicle is stopped at a marked crosswalk or at an unmarked crosswalk at an intersection, the driver of any other vehicle approaching from the rear shall not overtake and pass the stopped vehicle until the driver has determined that the vehicle being overtaken was not stopped for the purpose of permitting a pedestrian to cross the highway.

~~[(d)]~~ (d) Whenever signals exhibiting the words “Walk” or “Don’t Walk” are in place, such signals indicate as follows:

~~[(a)]~~ (1) While the “Walk” indication is illuminated, pedestrians facing the signal may proceed across the highway in the direction of the signal and must be given the right-of-way by the drivers of all vehicles.

~~[(b)]~~ (2) While the “Don’t Walk” indication is illuminated, either steady or flashing, a pedestrian shall not start to cross the highway in the direction of the signal, but any pedestrian who has partially completed the crossing during the “Walk” indication shall proceed to a sidewalk, or to a safety zone if one is provided.

~~[(c)]~~ (3) Whenever the word “Wait” still appears in a signal, the indication has the same meaning as assigned in this section to the “Don’t Walk” indication.

~~[(d)]~~ (4) Whenever a signal system provides a signal phase for the stopping of all vehicular traffic and the exclusive movement of pedestrians, and “Walk” and “Don’t Walk” indications control pedestrian movement, pedestrians may cross in any direction between corners of the intersection offering the shortest route within the boundaries of the intersection when the “Walk” indication is exhibited, and when signals and other official traffic-control devices direct pedestrian movement in the manner provided in this section and in NRS 484B.307.

2. ~~[(A driver who violates)]~~ **If, while violating paragraph (a) or (c) of subsection 1 (may be), the driver of a motor vehicle is the proximate cause of a collision with a pedestrian, the driver is subject to the additional penalty set forth in [section 1 of this act.] subsection 4 of NRS 484B.653.**

Sec. 15. ~~[NRS 484B.300 is hereby amended to read as follows:]~~

~~484B.300 1. It is unlawful for any driver to disobey the instructions of any official traffic control device placed in accordance with the provisions of chapters 484A to 484E, inclusive, of NRS, unless at the time otherwise directed by a police officer.~~

~~2. No provision of chapters 484A to 484E, inclusive, of NRS for which such devices are required may be enforced against an alleged violator if at the time and place of the alleged violation the device is not in proper position and sufficiently legible to be seen by an ordinarily observant person. Whenever a particular provision of chapters 484A to 484E, inclusive, of NRS does not state that such devices are required, the provision is effective even though no devices are erected or in place.~~

~~3. Whenever devices are placed in position approximately conforming to the requirements of chapters 484A to 484E, inclusive, of NRS, such devices are presumed to have been so placed by the official act or direction of a public authority, unless the contrary is established by competent evidence.~~

~~4. Any device placed pursuant to the provisions of chapters 484A to 484E, inclusive, of NRS and purporting to conform to the lawful requirements pertaining to such devices is presumed to comply with the~~

~~requirements of chapters 484A to 484E, inclusive, of NRS unless the contrary is established by competent evidence.~~

~~5. A person who violates any provision of subsection 1 may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

~~Sec. 16. [NRS 484B.303 is hereby amended to read as follows:~~

~~484B.303 1. Whenever official traffic control devices are erected indicating that no right or left turn is permitted, it is unlawful for any driver of a vehicle to disobey the directions of any such devices.~~

~~2. A person who violates any provision of this section may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

~~Sec. 17. [NRS 484B.327 is hereby amended to read as follows:~~

~~484B.327 1. It is unlawful for any person to remove any barrier or sign stating that a highway is closed to traffic.~~

~~2. It is unlawful to pass over a highway that is marked, signed or barricaded to indicate that it is closed to traffic. A person who violates any provision of this subsection may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

~~Sec. 18. [NRS 484B.330 is hereby amended to read as follows:~~

~~484B.330 1. It is unlawful for a driver of a vehicle to fail or refuse to comply with any signal of an authorized flagger serving in a traffic control capacity in a clearly marked area of highway construction or maintenance or any other area which has been designated as a temporary traffic control zone.~~

~~2. A district attorney shall prosecute all violations of subsection 1 which occur in his or her jurisdiction and which result in injury to any person performing highway construction or maintenance or performing other work within an area designated as a temporary traffic control zone unless the district attorney has good cause for not prosecuting the violation. In addition to any other penalty, if a driver violates any provision of subsection 1 and the violation results in injury to any person performing highway construction or maintenance or performing other work within an area designated as a temporary traffic control zone, or in damage to property in an amount of not less than \$1,000, the driver shall be punished by a fine of not less than \$1,000 or more than \$2,000, and ordered to perform 120 hours of community service.~~

~~3. A person who violates any provision of subsection 1 may be subject to the additional [penalty] **penalties** set forth in subsection 1 of NRS 484B.130 [.] **and section 1 of this act.**~~

~~4. As used in this section, "authorized flagger serving in a traffic control capacity" means:~~

~~(a) An employee of the Department of Transportation or of a contractor performing highway construction or maintenance or performing other work within an area designated as a temporary traffic control zone for the~~

~~Department of Transportation while the employee is carrying out the duties of his or her employment;~~

~~(b) An employee of any other governmental entity or of a contractor performing highway construction or maintenance or performing other work within an area designated as a temporary traffic control zone for the governmental entity while the employee is carrying out the duties of his or her employment; or~~

~~(c) Any other person employed by a private entity performing highway construction or maintenance or performing other work within an area designated as a temporary traffic control zone while the person is carrying out the duties of his or her employment if the person has satisfactorily completed training as a flagger approved or recognized by the Department of Transportation.~~ **(Deleted by amendment.)**

Sec. 19. NRS 484B.350 is hereby amended to read as follows:

484B.350 1. The driver of a vehicle:

(a) Shall stop in obedience to the direction or traffic-control signal of a school crossing guard; and

(b) Shall not proceed until the highway is clear of all persons, including, without limitation, the school crossing guard.

2. A person who violates ~~any of the provisions of this section~~ **subsection 1** is guilty of a misdemeanor.

3. ~~[A driver who violates]~~ **If, while violating subsection 1 [may be], the driver of a motor vehicle is the proximate cause of a collision with a pedestrian or a person riding a bicycle, the driver is subject to the additional penalty set forth in [section 1 of this act.] subsection 4 of NRS 484B.653.**

4. As used in this section, "school crossing guard" means a volunteer or paid employee of a local authority, local law enforcement agency or school district whose duties include assisting pupils to cross a highway.

Sec. 20. ~~[NRS 484B.353 is hereby amended to read as follows:]~~

~~484B.353 1. Except as otherwise provided in subsection 2, the driver of any vehicle, when meeting or overtaking, from either direction, any school bus, equipped with signs and signals required by law, which has stopped to receive or discharge any pupil and is displaying a flashing red light signal visible from the front and rear, shall bring the vehicle to an immediate stop and shall not attempt to overtake or proceed past the school bus until the flashing red signal ceases operation.~~

~~2. The driver of a vehicle upon a divided highway need not stop upon meeting or passing a school bus which is positioned in the other roadway. The driver of a vehicle need not stop upon meeting or passing a school bus where traffic is controlled by a traffic officer.~~

~~3. Any person who violates any of the provisions of this section is guilty of a misdemeanor and:~~

~~(a) For a third or any subsequent offense within 2 years after the most recent offense, shall be punished by a fine of not more than \$1,000 and the driver's license of the person must be suspended for not more than 1 year.~~

~~(b) For a second offense within 1 year after the first offense, shall be punished by a fine of not less than \$250 nor more than \$500 and the driver's license of the person must be suspended for 6 months.~~

~~(c) For a first offense or any subsequent offense for which a punishment is not provided for in paragraph (a) or (b), shall be punished by a fine of not less than \$250 nor more than \$500.~~

~~**4. A person who violates any of the provisions of this section may be subject to the additional penalty set forth in section 1 of this act. (Deleted by amendment.)**~~

Sec. 21. NRS 484B.363 is hereby amended to read as follows:

484B.363 1. A person shall not drive a motor vehicle at a speed in excess of 15 miles per hour in an area designated as a school zone except:

(a) On a day on which school is not in session;

(b) During the period from a half hour after school is no longer in operation to a half hour before school is next in operation;

(c) If the zone is designated by an operational speed limit beacon, during the hours when the pupils of the school are in class and the yellow lights of the speed limit beacon are not flashing in the manner which indicates that the speed limit is in effect; or

(d) If the zone is not designated by an operational speed limit beacon, during the times when the sign designating the school zone indicates that the speed limit is not in effect.

2. A person shall not drive a motor vehicle at a speed in excess of 25 miles per hour in an area designated as a school crossing zone except:

(a) On a day on which school is not in session;

(b) During the period from a half hour after school is no longer in operation to a half hour before school is next in operation;

(c) If the zone is designated by an operational speed limit beacon, during the hours when the pupils of the school are in class and the yellow lights of the speed limit beacon are not flashing in the manner which indicates that the speed limit is in effect; or

(d) If the zone is not designated by an operational speed limit beacon, during the times when the sign designating the school zone indicates that the speed limit is not in effect.

3. The governing body of a local government or the Department of Transportation shall designate school zones and school crossing zones. An area must not be designated as a school zone if imposing a speed limit of 15 miles per hour would be unsafe because of higher speed limits in adjoining areas.

4. Each such governing body and the Department shall provide signs to mark the beginning and end of each school zone and school crossing zone which it respectively designates. Each sign marking the beginning of such a

zone must include a designation of the hours when the speed limit is in effect or that the speed limit is in effect when children are present.

5. With respect to each school zone and school crossing zone in a school district, the superintendent of the school district or his or her designee, in conjunction with the Department of Transportation and the governing body of the local government that designated the school zone or school crossing zone and after consulting with the principal of the school and the agency that is responsible for enforcing the speed limit in the zone, shall determine the times when the speed limit is in effect.

6. ~~[A person who violates]~~ **If, while violating subsection 1 or 2 [may be], the driver of a motor vehicle is the proximate cause of a collision with a pedestrian or a person riding a bicycle, the driver is subject to the additional penalty set forth in [section 1 of this act.] subsection 4 of NRS 484B.653.**

7. As used in this section, "speed limit beacon" means a device which is used in conjunction with a sign and equipped with two or more yellow lights that flash alternately to indicate when the speed limit in a school zone or school crossing zone is in effect.

Sec. 22. ~~[NRS 484B.403 is hereby amended to read as follows:~~

~~484B.403 1. A U-turn may be made on any road where the turn can be made with safety, except as prohibited by this section and by the provisions of NRS 484B.227 and 484B.407.~~

~~2. If an official traffic control device indicates that a U-turn is prohibited, the driver shall obey the directions of the device.~~

~~3. The driver of a vehicle shall not make a U-turn in a business district, except at an intersection or on a divided highway where an appropriate opening or crossing place exists.~~

~~4. Notwithstanding the foregoing provisions of this section, local authorities and the Department of Transportation may prohibit U-turns at any location within their respective jurisdictions.~~

~~5. A person who violates any provision of this section may be subject to the additional [penalty] penalties set forth in NRS 484B.130 [.] and section 1 of this act.] (Deleted by amendment.)~~

Sec. 23. ~~[NRS 484B.580 is hereby amended to read as follows:~~

~~484B.580 1. It is unlawful for a person to:~~

~~(a) Proceed or travel through an administrative roadblock or a temporary roadblock without subjecting himself or herself to the traffic control established at the roadblock.~~

~~(b) Disobey the lawful orders or directions of a police officer at an administrative roadblock or a temporary roadblock.~~

~~2. A person who unlawfully proceeds through an administrative roadblock or a temporary roadblock shall be punished:~~

~~(a) If the person is the direct cause of a death or substantial bodily harm to any person, or damage to property in excess of \$1,000, for a category B felony by imprisonment in the state prison for a minimum term of not less~~

than 1 year and a maximum term of not more than 6 years, or by a fine of not more than \$5,000, or by both fine and imprisonment.

(b) If no death, substantial bodily harm or damage to property in excess of \$1,000 occurs, for a gross misdemeanor.

~~3. A person who violates subsection 1 may be subject to the additional penalty set forth in section 1 of this act.~~ (Deleted by amendment.)

Sec. 24. ~~[NRS 484B.587 is hereby amended to read as follows:~~

~~484B.587 1. When official traffic control devices are erected giving notice thereof, a person shall not drive a vehicle onto or from any controlled access highway except at those entrances and exits which are indicated by such devices.~~

~~2. Except if required by an emergency, a person shall not drive a vehicle on a controlled access highway:~~

~~(a) Upon any portion of the highway that lies outside of a marked traffic lane or marked entrance or exit lane; or~~

~~(b) Across any solid white line that separates an entrance or exit lane from a marked traffic lane.~~

~~3. A person who violates any provision of this section may be subject to the additional [penalty] penalties set forth in NRS 484B.130 [.] and section 1 of this act.] (Deleted by amendment.)~~

Sec. 25. NRS 484B.600 is hereby amended to read as follows:

484B.600 1. It is unlawful for any person to drive or operate a vehicle of any kind or character at:

(a) A rate of speed greater than is reasonable or proper, having due regard for the traffic, surface and width of the highway, the weather and other highway conditions.

(b) Such a rate of speed as to endanger the life, limb or property of any person.

(c) A rate of speed greater than that posted by a public authority for the particular portion of highway being traversed.

(d) In any event, a rate of speed greater than 75 miles per hour.

2. If, while violating any provision of subsection 1, the driver of a motor vehicle is the proximate cause of a collision with a pedestrian or a person riding a bicycle, the driver is subject to the additional penalty set forth in subsection 4 of NRS 484B.653.

3. A person who violates any provision of [this section] subsection 1 may be subject to the additional penalty [penalties] set forth in NRS 484B.130 [and section 1 of this act.]

Sec. 26. ~~[NRS 484B.603 is hereby amended to read as follows:~~

~~484B.603 1. The fact that the speed of a vehicle is lower than the prescribed limits does not relieve a driver from the duty to decrease speed when approaching and crossing an intersection, when approaching and going around a curve, when approaching a hill crest, when traveling upon any narrow or winding highway, or when special hazards exist or may exist with respect to pedestrians or other traffic, or by reason of weather or other~~

~~highway conditions, and speed must be decreased as may be necessary to avoid colliding with any person, vehicle or other conveyance on or entering a highway in compliance with legal requirements and the duty of all persons to use due care.~~

~~2. Any person who fails to use due care as required by subsection 1 may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

Sec. 27. ~~[NRS 484B.607 is hereby amended to read as follows:~~

~~484B.607 1. Upon approaching an authorized emergency vehicle which is stopped and is making use of flashing lights meeting the requirements of subsection 3 of NRS 484A.480 or a tow car which is stopped and is making use of flashing amber warning lights meeting the requirements of NRS 484B.749, the driver of the approaching vehicle shall, in the absence of other direction given by a peace officer:~~

~~(a) Decrease the speed of the vehicle to a speed that is:~~

~~(1) Reasonable and proper, pursuant to the criteria set forth in subsection 1 of NRS 484B.600; and~~

~~(2) Less than the posted speed limit, if a speed limit has been posted;~~

~~(b) Proceed with caution;~~

~~(c) Be prepared to stop; and~~

~~(d) If possible, drive in a lane that is not adjacent to the lane in which the emergency vehicle or tow car is stopped, unless roadway, traffic, weather or other conditions make doing so unsafe or impossible.~~

~~2. A person who violates subsection 1 is guilty of a misdemeanor.~~

~~3. A person who violates subsection 1 may be subject to the additional penalty set forth in section 1 of this act. (Deleted by amendment.)~~

Sec. 28. ~~[NRS 484B.610 is hereby amended to read as follows:~~

~~484B.610 1. Except as otherwise provided in subsection 2 and pursuant to the power granted in NRS 269.185, the town board or board of county commissioners may, by ordinance, limit the speed of motor vehicles in any unincorporated town in the county as may be deemed proper.~~

~~2. The Department of Transportation may establish the speed limits for motor vehicles on highways within the boundaries of any unincorporated town which are constructed and maintained under the authority granted by chapter 408 of NRS.~~

~~3. A person who violates any speed limit established pursuant to this section may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

Sec. 29. ~~[NRS 484B.613 is hereby amended to read as follows:~~

~~484B.613 1. The Department of Transportation may establish the speed limits for motor vehicles on highways which are constructed and maintained by the Department of Transportation under the authority granted to it by chapter 408 of NRS.~~

~~2. Except as otherwise provided by federal law, the Department of Transportation may establish a speed limit on such highways not to exceed 75 miles per hour and may establish a lower speed limit:~~

~~(a) Where necessary to protect public health and safety;~~

~~(b) For trucks, overweight and oversized vehicles, trailers drawn by motor vehicles and buses;~~

~~3. A person who violates any speed limit established pursuant to this section may be subject to the additional [penalty] penalties set forth in NRS 484B.130 [.] and section 1 of this act. (Deleted by amendment.)~~

~~Sec. 30. [NRS 484B.650 is hereby amended to read as follows:~~

~~484B.650 1. A driver commits an offense of aggressive driving if, during any single, continuous period of driving within the course of 1 mile, the driver does all the following, in any sequence:~~

~~(a) Commits one or more acts of speeding in violation of NRS 484B.363 or 484B.600;~~

~~(b) Commits two or more of the following acts, in any combination, or commits any of the following acts more than once:~~

~~(1) Failing to obey an official traffic control device in violation of NRS 484B.300;~~

~~(2) Overtaking and passing another vehicle upon the right by driving off the paved portion of the highway in violation of NRS 484B.210;~~

~~(3) Improper or unsafe driving upon a highway that has marked lanes for traffic in violation of NRS 484B.223;~~

~~(4) Following another vehicle too closely in violation of NRS 484B.127;~~

~~(5) Failing to yield the right of way in violation of any provision of NRS 484B.250 to 484B.267, inclusive;~~

~~(c) Creates an immediate hazard, regardless of its duration, to another vehicle or to another person, whether or not the other person is riding in or upon the vehicle of the driver or any other vehicle;~~

~~2. A driver may be prosecuted and convicted of an offense of aggressive driving in violation of subsection 1 whether or not the driver is prosecuted or convicted for committing any of the acts described in paragraphs (a) and (b) of subsection 1.~~

~~3. A driver who commits an offense of aggressive driving in violation of subsection 1 is guilty of a misdemeanor and:~~

~~(a) For the first offense, shall be punished:~~

~~(1) By a fine of not less than \$250 but not more than \$1,000; or~~

~~(2) By both fine and imprisonment in the county jail for not more than 6 months;~~

~~(b) For the second offense, shall be punished:~~

~~(1) By a fine of not less than \$1,000 but not more than \$1,500; or~~

~~(2) By both fine and imprisonment in the county jail for not more than 6 months;~~

~~(c) For the third and each subsequent offense, shall be punished:~~

~~(1) By a fine of not less than \$1,500 but not more than \$2,000; or~~

~~(2) By both fine and imprisonment in the county jail for not more than 6 months.~~

~~4. In addition to any other penalty pursuant to subsection 2:~~

~~(a) For the first offense within 2 years, the court shall order the driver to attend, at the driver's own expense, a course of traffic safety approved by the Department and may issue an order suspending the driver's license of the driver for a period of not more than 30 days.~~

~~(b) For a second or subsequent offense within 2 years, the court shall issue an order revoking the driver's license of the driver for a period of 1 year.~~

~~5. To determine whether the provisions of paragraph (a) or (b) of subsection 4 apply to one or more offenses of aggressive driving, the court shall use the date on which each offense of aggressive driving was committed.~~

~~6. If the driver is already the subject of any other order suspending or revoking his or her driver's license, the court shall order the additional period of suspension or revocation, as appropriate, to apply consecutively with the previous order.~~

~~7. If the court issues an order suspending or revoking the driver's license of the driver pursuant to this section, the court shall require the driver to surrender to the court all driver's licenses then held by the driver. The court shall, within 5 days after issuing the order, forward the driver's licenses and a copy of the order to the Department.~~

~~8. If the driver successfully completes a course of traffic safety ordered pursuant to this section, the Department shall cancel three demerit points from his or her driving record in accordance with NRS 483.448 or 483.475, as appropriate, unless the driver would not otherwise be entitled to have those demerit points cancelled pursuant to the provisions of that section.~~

~~9. This section does not preclude the suspension or revocation of the driver's license of the driver, or the suspension of the future driving privileges of a person, pursuant to any other provision of law.~~

~~10. A person who violates any provision of subsection 1 may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

Sec. 31. NRS 484B.653 is hereby amended to read as follows:

484B.653 1. It is unlawful for a person to:

(a) Drive a vehicle in willful or wanton disregard of the safety of persons or property.

(b) Drive a vehicle in an unauthorized speed contest on a public highway.

(c) Organize an unauthorized speed contest on a public highway.

↪ A violation of paragraph (a) or (b) of this subsection or subsection 1 of NRS 484B.550 constitutes reckless driving.

2. **If, while violating the provisions of subsections 1 to 4, inclusive, of NRS 484B.270, NRS 484B.280, paragraph (a) or (c) of subsection 1 of NRS 484B.283, NRS 484B.350, subsection 1 or 2 of NRS 484B.363 or**

subsection 1 of NRS 484B.600, the driver of a motor vehicle is the proximate cause of a collision with a pedestrian or a person riding a bicycle, the violation constitutes reckless driving.

3. A person who violates paragraph (a) of subsection 1 is guilty of a misdemeanor and:

(a) For the first offense, shall be punished:

(1) By a fine of not less than \$250 but not more than \$1,000; or

(2) By both fine and imprisonment in the county jail for not more than 6 months.

(b) For the second offense, shall be punished:

(1) By a fine of not less than \$1,000 but not more than \$1,500; or

(2) By both fine and imprisonment in the county jail for not more than 6 months.

(c) For the third and each subsequent offense, shall be punished:

(1) By a fine of not less than \$1,500 but not more than \$2,000; or

(2) By both fine and imprisonment in the county jail for not more than 6 months.

~~3.4~~ **4.** A person who violates paragraph (b) or (c) of subsection 1 **or commits a violation which constitutes reckless driving pursuant to subsection 2** is guilty of a misdemeanor and:

(a) For the first offense:

(1) Shall be punished by a fine of not less than \$250 but not more than \$1,000;

(2) Shall perform not less than 50 hours, but not more than 99 hours, of community service; and

(3) May be punished by imprisonment in the county jail for not more than 6 months.

(b) For the second offense:

(1) Shall be punished by a fine of not less than \$1,000 but not more than \$1,500;

(2) Shall perform not less than 100 hours, but not more than 199 hours, of community service; and

(3) May be punished by imprisonment in the county jail for not more than 6 months.

(c) For the third and each subsequent offense:

(1) Shall be punished by a fine of not less than \$1,500 but not more than \$2,000;

(2) Shall perform 200 hours of community service; and

(3) May be punished by imprisonment in the county jail for not more than 6 months.

~~4.4~~ **5.** In addition to any fine, community service and imprisonment imposed upon a person pursuant to subsection ~~3.4~~ **4.** the court:

(a) Shall issue an order suspending the driver's license of the person for a period of not less than 6 months but not more than 2 years and requiring the person to surrender all driver's licenses then held by the person;

(b) Within 5 days after issuing an order pursuant to paragraph (a), shall forward to the Department any licenses, together with a copy of the order;

(c) For the first offense, may issue an order impounding, for a period of 15 days, any vehicle that is registered to the person who violates paragraph (b) or (c) of subsection 1 if the vehicle is used in the commission of the offense; and

(d) For the second and each subsequent offense, shall issue an order impounding, for a period of 30 days, any vehicle that is registered to the person who violates paragraph (b) or (c) of subsection 1 if the vehicle is used in the commission of the offense.

~~15.1~~ 6. Unless a greater penalty is provided pursuant to subsection 4 of NRS 484B.550, a person who does any act or neglects any duty imposed by law while driving or in actual physical control of any vehicle in willful or wanton disregard of the safety of persons or property, if the act or neglect of duty proximately causes the death of or substantial bodily harm to another person, is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years and by a fine of not less than \$2,000 but not more than \$5,000.

~~16.1~~ 7. A person who violates any provision of this section may be subject to the additional penalty ~~penalties~~ set forth in NRS 484B.130 ~~and section 1 of this act~~ unless the person is subject to the penalty provided pursuant to subsection 4 of NRS 484B.550.

~~17.1~~ 8. As used in this section, "organize" means to plan, schedule or promote, or assist in the planning, scheduling or promotion of, an unauthorized speed contest on a public highway, regardless of whether a fee is charged for attending the unauthorized speed contest.

Sec. 32. ~~[NRS 484B.657 is hereby amended to read as follows:~~

~~484B.657 1. A person who, while driving or in actual physical control of any vehicle, proximately causes the death of another person through an act or omission that constitutes simple negligence is guilty of vehicular manslaughter and shall be punished for a misdemeanor.~~

~~2. A person who commits an offense of vehicular manslaughter may be subject to the additional [penalty] penalties set forth in NRS 484B.130 [.] and section 1 of this act.~~

~~3. Upon the conviction of a person for a violation of the provisions of subsection 1, the court shall notify the Department of the conviction.~~

~~4. Upon receipt of notification from a court pursuant to subsection 3, the Department shall cause an entry of the conviction to be made upon the driving record of the person so convicted.] (Deleted by amendment.)~~

Sec. 33. ~~[NRS 484C.110 is hereby amended to read as follows:~~

~~484C.110 1. It is unlawful for any person who:~~

~~(a) Is under the influence of intoxicating liquor;~~

~~(b) Has a concentration of alcohol of 0.08 or more in his or her blood or breath; or~~

~~(c) Is found by measurement within 2 hours after driving or being in actual physical control of a vehicle to have a concentration of alcohol of 0.08 or more in his or her blood or breath;~~

~~to drive or be in actual physical control of a vehicle on a highway or on premises to which the public has access;~~

~~2. It is unlawful for any person who:~~

~~(a) Is under the influence of a controlled substance;~~

~~(b) Is under the combined influence of intoxicating liquor and a controlled substance; or~~

~~(c) Inhales, ingests, applies or otherwise uses any chemical, poison or organic solvent, or any compound or combination of any of these, to a degree which renders the person incapable of safely driving or exercising actual physical control of a vehicle;~~

~~to drive or be in actual physical control of a vehicle on a highway or on premises to which the public has access. The fact that any person charged with a violation of this subsection is or has been entitled to use that drug under the laws of this State is not a defense against any charge of violating this subsection.~~

~~3. It is unlawful for any person to drive or be in actual physical control of a vehicle on a highway or on premises to which the public has access with an amount of a prohibited substance in his or her blood or urine that is equal to or greater than:~~

~~Urine Blood~~

~~Nanograms Nanograms~~

~~Prohibited substance per milliliter per milliliter~~

~~(a) Amphetamine 500 100~~

~~(b) Cocaine 150 50~~

~~(c) Cocaine metabolite 150 50~~

~~(d) Heroin 2,000 50~~

~~(e) Heroin metabolite:~~

~~(1) Morphine 2,000 50~~

~~(2) 6-monoacetyl morphine 10 10~~

~~(f) Lysergic acid diethylamide 25 10~~

~~(g) Marijuana 10 2~~

~~(h) Marijuana metabolite 15 5~~

~~(i) Methamphetamine 500 100~~

~~(j) Phencyclidine 25 10~~

~~4. If consumption is proven by a preponderance of the evidence, it is an affirmative defense under paragraph (c) of subsection 1 that the defendant consumed a sufficient quantity of alcohol after driving or being in actual physical control of the vehicle, and before his or her blood or breath was tested, to cause the defendant to have a concentration of alcohol of 0.08 or more in his or her blood or breath. A defendant who intends to offer this defense at a trial or preliminary hearing must, not less than 14 days before~~

~~the trial or hearing or at such other time as the court may direct, file and serve on the prosecuting attorney a written notice of that intent.~~

~~5. A person who violates any provision of this section may be subject to the additional [penalty] **penalties** set forth in NRS 484B.130 [.] **and section 1 of this act.** (Deleted by amendment.)~~

~~Sec. 34. [NRS 484C.120 is hereby amended to read as follows:~~

~~484C.120 1. It is unlawful for any person who:~~

~~(a) Is under the influence of intoxicating liquor;~~

~~(b) Has a concentration of alcohol of 0.04 or more but less than 0.08 in his or her blood or breath; or~~

~~(c) Is found by measurement within 2 hours after driving or being in actual physical control of a commercial motor vehicle to have a concentration of alcohol of 0.04 or more but less than 0.08 in his or her blood or breath;~~

~~to drive or be in actual physical control of a commercial motor vehicle on a highway or on premises to which the public has access.~~

~~2. It is unlawful for any person who:~~

~~(a) Is under the influence of a controlled substance;~~

~~(b) Is under the combined influence of intoxicating liquor and a controlled substance; or~~

~~(c) Inhales, ingests, applies or otherwise uses any chemical, poison or organic solvent, or any compound or combination of any of these, to a degree which renders the person incapable of safely driving or exercising actual physical control of a commercial motor vehicle;~~

~~to drive or be in actual physical control of a commercial motor vehicle on a highway or on premises to which the public has access. The fact that any person charged with a violation of this subsection is or has been entitled to use that drug under the laws of this State is not a defense against any charge of violating this subsection.~~

~~3. It is unlawful for any person to drive or be in actual physical control of a commercial motor vehicle on a highway or on premises to which the public has access with an amount of a prohibited substance in his or her blood or urine that is equal to or greater than:~~

~~Urine Blood~~

~~Nanograms Nanograms~~

~~Prohibited substance per milliliter per milliliter~~

~~(a) Amphetamine 500 100~~

~~(b) Cocaine 150 50~~

~~(c) Cocaine metabolite 150 50~~

~~(d) Heroin 2,000 50~~

~~(e) Heroin metabolite:~~

~~(1) Morphine 2,000 50~~

~~(2) 6 monoacetyl morphine 10 10~~

~~(f) Lysergic acid diethylamide 25 10~~

~~(g) Marijuana 10 2~~

~~(h) Marijuana metabolite 15 5~~

~~(i) Methamphetamine 500 100~~

~~(j) Phencyclidine 25 40~~

~~4. If consumption is proven by a preponderance of the evidence, it is an affirmative defense under paragraph (c) of subsection 1 that the defendant consumed a sufficient quantity of alcohol after driving or being in actual physical control of the commercial motor vehicle, and before his or her blood or breath was tested, to cause the defendant to have a concentration of alcohol of 0.04 or more in his or her blood or breath. A defendant who intends to offer this defense at a trial or preliminary hearing must, not less than 14 days before the trial or hearing or at such other time as the court may direct, file and serve on the prosecuting attorney a written notice of that intent.~~

~~5. A person who violates any provision of this section may be subject to the additional [penalty] penalties set forth in NRS 484B.130 [.] and section 1 of this act.~~

~~6. As used in this section:~~

~~(a) "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle:~~

~~(1) Has a gross combination weight rating of 26,001 or more pounds which includes a towed unit with a gross vehicle weight rating of more than 10,000 pounds;~~

~~(2) Has a gross vehicle weight rating of 26,001 or more pounds;~~

~~(3) Is designed to transport 16 or more passengers, including the driver;~~

~~or~~

~~(4) Regardless of size, is used in the transportation of materials which are considered to be hazardous for the purposes of the federal Hazardous Materials Transportation Act, 49 U.S.C. 5101 et. seq., and for which the display of identifying placards is required pursuant to 49 C.F.R. Part 172, Subpart F.~~

~~(b) The phrase "concentration of alcohol of 0.04 or more but less than 0.08 in his or her blood or breath" means 0.04 gram or more but less than 0.08 gram of alcohol per 100 milliliters of the blood of a person or per 210 liters of his or her breath. (Deleted by amendment.)~~

~~Sec. 35. [NRS 484E.030 is hereby amended to read as follows:~~

~~484E.030 1. The driver of any vehicle involved in an accident resulting in injury to or death of any person, including, without limitation, a person riding a bicycle, or damage to any vehicle or other property which is driven or attended by any person shall:~~

~~(a) Give his or her name, address and the registration number of the vehicle the driver is driving, and shall upon request and if available exhibit his or her license to operate a motor vehicle to any person injured in such accident or to the driver or occupant of or person attending any vehicle or other property damaged in such accident;~~

~~(b) If the accident involved a bicycle, report the percentage of liability for the accident which is attributable to the driver of the vehicle and to the rider of the bicycle or, if the percentage of liability is not known, report the circumstances of the accident;~~

~~(c) Give such information and upon request manually surrender such license to any police officer at the scene of the accident or who is investigating the accident; and~~

~~[(c)] (d) Render to any person injured in such accident reasonable assistance, including the carrying, or the making of arrangements for the carrying, of such person to a physician, surgeon or hospital for medical or surgical treatment if it is apparent that such treatment is necessary, or if such carrying is requested by the injured person.~~

~~2. If no police officer is present, the driver of any vehicle involved in such accident after fulfilling all other requirements of subsection 1 and NRS 484E.010, insofar as possible on his or her part to be performed, shall forthwith report such accident to the nearest office of a police authority or of the Nevada Highway Patrol and submit thereto the information specified in subsection 1. (Deleted by amendment.)~~

Assemblywoman Dondero Loop moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 330.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 246.

AN ACT relating to government contracts; declaring privatization contracts to be public records; requiring governmental entities to submit certain information to the Chief of the Budget Division of the Department of Administration relating to the use of privatization contracts; requiring state agencies and local governments to include certain information relating to privatization contracts in the tentative budget of the state agency or local government; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, all public books and records of a governmental entity, the contents of which are not otherwise declared by law to be confidential or which the governmental entity determines pursuant to a balancing test must not be disclosed, must be open at all times during office hours for inspection and copying. (NRS 239.010) **Section 1** of this bill declares to be a public record any privatization contract, defined in section 3 of this bill as a contract executed by or on behalf of a governmental entity which authorizes a private entity to provide public services that are :(1) substantially similar to the services performed by the public employees of the governmental

entity; and (2) in lieu of the services otherwise required to be provided by the governmental entity.

On or before September 1 of each even-numbered year, existing law requires all departments, institutions and other agencies of the Executive Department of the State Government to submit to the Chief of the Budget Division of the Department of Administration information regarding any existing contracts the department, institution or agency has with consultants or temporary employment services, the proposed expenditures for such contracts in the next 2 fiscal years and the reasons for the use of such consultants or services. (NRS 353.210) **Section 7** of this bill requires that if such contracts are privatization contracts, the department, institution or agency must also submit a copy of each of the privatization contracts together with information regarding the duration and number of such contracts, as well as an analysis of the privatization contracts which includes a comparison of the use of the persons employed under the privatization contracts with the costs if the services were provided by regular full-time employees of the department, institution or agency. **Section 7** further requires the information regarding contracts entered into by the department, institution or agency to be made open to public inspection. **Section 8** of this bill requires a local government to provide the same disclosures regarding any contracts it has entered into while preparing a tentative budget, and to make such information open to public inspection. Because the budgetary process of local governments is required to be used by many other units of government, the provisions of **section 8** also require the disclosures required regarding contracts a government agency has entered into to be provided while preparing a tentative budget by the following entities: (1) transportation districts; (2) districts for the support of public parks; (3) consolidated, district or town libraries; (4) county hospital districts; and (5) county fire protection districts.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 239 of NRS is hereby amended by adding thereto a new section to read as follows:

Any privatization contract executed by or on behalf of a governmental entity is a public record and must be open to public inspection during the regular business hours of the governmental entity.

Sec. 2. NRS 239.001 is hereby amended to read as follows:

239.001 The Legislature hereby finds and declares that:

1. The purpose of this chapter is to foster democratic principles by providing members of the public with access to inspect and copy public books and records to the extent permitted by law;

2. The provisions of this chapter must be construed liberally to carry out this important purpose; ~~and~~

3. Any exemption, exception or balancing of interests which limits or restricts access to public books and records by members of the public must be construed narrowly ~~and~~; **and**

4. *The use of private entities in the provision of public services must not deprive members of the public access to inspect and copy books and records relating to the provision of those services.*

Sec. 3. NRS 239.005 is hereby amended to read as follows:

239.005 As used in this chapter, unless the context otherwise requires:

1. "Actual cost" means the direct cost related to the reproduction of a public record. The term does not include a cost that a governmental entity incurs regardless of whether or not a person requests a copy of a particular public record.

2. "Committee" means the Committee to Approve Schedules for the Retention and Disposition of Official State Records.

3. "Division" means the Division of State Library and Archives of the Department of Cultural Affairs.

4. "Governmental entity" means:

(a) An elected or appointed officer of this State or of a political subdivision of this State;

(b) An institution, board, commission, bureau, council, department, division, authority or other unit of government of this State or of a political subdivision of this State;

(c) A university foundation, as defined in NRS 396.405; or

(d) An educational foundation, as defined in NRS 388.750, to the extent that the foundation is dedicated to the assistance of public schools.

5. *"Privatization contract" means a contract executed by or on behalf of a governmental entity which authorizes a private entity to provide public services that are ~~substantially~~ :*

(a) Substantially similar to the services provided by the public employees of the governmental entity; and ~~the~~

(b) In lieu of the services otherwise authorized or required to be provided by the governmental entity.

Sec. 4. NRS 244A.252 is hereby amended to read as follows:

244A.252 1. A board of county commissioners may by ordinance, but not as in a case of emergency, create one or more transportation districts in the unincorporated area of the county. The board of county commissioners is ex officio the governing body of any district created pursuant to this section and may:

(a) Organize and maintain the district.

(b) Establish, by ordinance, regulations:

(1) For the administration of its internal affairs.

(2) For the employment of professional, technical, clerical and other personnel necessary to carry out its duties.

(3) For the establishment and alteration of the boundaries of the district.

(4) Providing for the use of revenue received by the district.

(c) Hold meetings as the governing body of a district in conjunction with its meetings as the board of county commissioners without posting a separate agenda or posting additional notices of the meetings within the district.

(d) Cause a special or general district election to be held in the same manner as provided for other such elections in title 24 of NRS for the purpose of submitting a question pursuant to paragraph (b) of subsection 1 of NRS 244.3351 or paragraph (b) of subsection 1 of NRS 278.710, or both, or cause the question or questions to be submitted at a primary or general state election.

2. A special election may be held only if the board of county commissioners determines, by a unanimous vote, that an emergency exists. The determination made by the board is conclusive unless it is shown that the board acted with fraud or a gross abuse of discretion. An action to challenge the determination made by the board must be commenced within 15 days after the board's determination is final. As used in this subsection, "emergency" means any unexpected occurrence or combination of occurrences which requires immediate action by the board of county commissioners to prevent or mitigate a substantial financial loss to the district or county or to enable the board to provide an essential service to the residents of the county.

3. The budget of a district created pursuant to this section must comply with the provisions of NRS 354.470 to 354.626, inclusive ~~[]~~, **and section 8 of this act.**

4. All persons employed to perform the functions of a district are employees of the county for all purposes.

Sec. 5. NRS 244A.789 is hereby amended to read as follows:

244A.789 1. The budget of a district for the support of public parks must comply with the provisions of NRS 354.470 to 354.626, inclusive, **and section 8 of this act** but need not be separately prepared and may be included within the county budget. The district is not entitled to any share of revenue from the supplemental city-county relief tax.

2. The governing body may submit to the registered voters of the district at a primary or general election:

(a) A proposal to issue general obligation bonds of the district to finance the acquisition, construction, equipment and improvement of one or more park projects within the district, or outside the district if the governing body finds that the park project will benefit the residents of the district, but the amount of general obligation bonds or other securities so issued may not exceed 10 percent of the assessed valuation of the taxable property in the district. The ballot question for such a proposal must contain the principal amount of the general obligation bonds to be issued, the purpose of the issuance of the bonds and the estimate established by the governing body of:

(1) The duration of the levy of property tax that will be used to pay the general obligations; and

(2) The average annual increase, if any, in the amount of property taxes that an owner of a new home with a fair market value of \$100,000 will pay for debt service on the general obligation bonds to be issued.

(b) A proposal to levy a tax ad valorem pursuant to NRS 354.5982 for:

- (1) Any of the purposes described in paragraph (a);
- (2) Maintenance of public parks located within the district;
- (3) Maintenance of public parks located outside the district if the governing body finds that the parks benefit the residents of the district; or
- (4) Any combination of those purposes.

3. The ballot question for a proposal submitted to the registered voters pursuant to paragraph (b) of subsection 2 must contain the rate of the proposed additional property tax stated in dollars and cents per \$100 assessed valuation, the purpose of the proposed additional property tax, the duration of the proposed additional property tax and an estimate established by the governing body of the increase in the amount of property taxes that an owner of a new home with a fair market value of \$100,000 will pay per year as a result of the passage of the question.

4. As used in this section, “park project” has the meaning ascribed to it in NRS 244A.039.

5. If the proposal to issue bonds is approved by the voters, the county may issue bonds of the district as provided in chapter 350 of NRS.

Sec. 6. NRS 268.442 is hereby amended to read as follows:

268.442 1. The governing body of a city may by ordinance, but not as in a case of emergency, create one or more transportation districts in the incorporated area of the city. The governing body of the city is ex officio the governing body of any district created pursuant to this section and may:

- (a) Organize and maintain the district.
- (b) Establish, by ordinance, regulations:
 - (1) For the administration of its internal affairs.
 - (2) For the employment of professional, technical, clerical and other personnel necessary to carry out its duties.
 - (3) For the establishment and alteration of the boundaries of the district.
 - (4) Providing for the use of revenue received by the district.
- (c) Hold meetings as the governing body of a district in conjunction with its meetings as the governing body of the city without posting a separate agenda or posting additional notices of the meetings within the district.

2. The budget of a district created pursuant to this section must comply with NRS 354.470 to 354.626, inclusive ~~and~~, **and section 8 of this act.**

3. All persons employed to perform the functions of a district are employees of the city for all purposes.

Sec. 7. NRS 353.210 is hereby amended to read as follows:

353.210 1. Except as otherwise provided in subsection 6, on or before September 1 of each even-numbered year, all departments, institutions and other agencies of the Executive Department of the State Government, and all agencies of the Executive Department of the State Government receiving

state money, fees or other money under the authority of the State, including those operating on money designated for specific purposes by the Nevada Constitution or otherwise, shall prepare, on blanks furnished them by the Chief, and submit to the Chief:

(a) The number of positions within the department, institution or agency that have been vacant for at least 12 months, the number of months each such position has been vacant and the reasons for each such vacancy. ~~It~~

(b) Any existing contracts the department, institution or agency has with ~~consultants~~ **persons** or temporary employment services, the proposed expenditures for such contracts in the next 2 fiscal years and the reasons for the use of such ~~consultants~~ **persons** or services. ~~It and~~ **If such contracts include any privatization contracts, a copy of each of those privatization contracts together with:**

(1) A statement specifying the duration of the privatization contracts;

(2) The number of privatization contracts proposed for the next 2 fiscal years and the estimated expenditures for the privatization contracts; and

(3) An analysis of each of the privatization contracts, which includes, without limitation:

(I) For the preceding, current and next fiscal years, the annual amount required to perform each of the privatization contracts; and

(II) For the preceding and current fiscal years, the number of persons the department, institution or agency employed pursuant to the privatization contracts, reflected as the equivalent full-time position if the persons were regularly employed by the department, institution or agency, including the equivalent hourly wage and the cost of benefits for each job classification.

(c) Estimates of ~~their~~ expenditure requirements ~~It~~ **of the department, institution or agency**, together with all anticipated income from fees and all other sources, for the next 2 fiscal years compared with the corresponding figures of the last completed fiscal year and the estimated figures for the current fiscal year.

2. The Chief shall direct that one copy of the forms submitted pursuant to subsection 1, accompanied by every supporting schedule and any other related material, be delivered directly to the Fiscal Analysis Division of the Legislative Counsel Bureau on or before September 1 of each even-numbered year.

3. The Budget Division of the Department of Administration shall give advance notice to the Fiscal Analysis Division of the Legislative Counsel Bureau of any conference between the Budget Division of the Department of Administration and personnel of other state agencies regarding budget estimates. A Fiscal Analyst of the Legislative Counsel Bureau or his or her designated representative may attend any such conference.

4. The estimates of expenditure requirements submitted pursuant to subsection 1 must be classified to set forth the data of funds, organizational

units, and the character and objects of expenditures, and must include a mission statement and measurement indicators for each program. The organizational units may be subclassified by functions and activities, or in any other manner at the discretion of the Chief.

5. If any department, institution or other agency of the Executive Department of the State Government, whether its money is derived from state money or from other money collected under the authority of the State, fails or neglects to submit estimates of its expenditure requirements as provided in this section, the Chief may, from any data at hand in the Chief's office or which the Chief may examine or obtain elsewhere, make and enter a proposed budget for the department, institution or agency in accordance with the data.

6. Agencies, bureaus, commissions and officers of the Legislative Department, the Public Employees' Retirement System and the Judicial Department of the State Government shall submit to the Chief for his or her information in preparing the proposed executive budget the budgets which they propose to submit to the Legislature.

7. *The information provided by a department, institution or agency pursuant to paragraph (b) of subsection 1 is a public record and must be open to public inspection.*

8. *As used in this section, "privatization contract" means a contract executed by or on behalf of a department, institution or agency which authorizes a private entity to provide public services which are ~~substantially~~ :*

(a) Substantially similar to the services performed by the public employees of the department, institution or agency; and ~~and~~

(b) In lieu of the services otherwise authorized or required to be provided by the department, institution or agency.

Sec. 8. Chapter 354 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *In preparing a tentative budget pursuant to NRS 354.596, the governing body of a local government shall prepare and include a list of any existing contracts the local government has with persons or temporary employment services, the proposed expenditures for such contracts in the next 2 fiscal years and the reasons for the use of such persons or services. If such contracts include privatization contracts, the local government must include in the list:*

(a) The duration of such contracts;

(b) The number of privatization contracts proposed for the next 2 fiscal years and the estimated expenditures for such contracts; and

(c) A summary of the number of persons the local government proposes to employ pursuant to each contract, reflected as their equivalent full-time positions if the persons were employed regularly by the local government, and their equivalent hourly wage.

2. *The list prepared pursuant to this section is a public record and must be open to public inspection.*

3. *As used in this section, “privatization contract” means a contract executed by or on behalf of a local government which authorizes a private entity to provide public services which are ~~substantially~~ :*

(a) Substantially similar to the services provided by the public employees of the local government; and ~~in~~

(b) In lieu of the services otherwise authorized or required to be provided by the local government.

Sec. 9. NRS 354.474 is hereby amended to read as follows:

354.474 1. Except as otherwise provided in subsections 2 and 3, the provisions of NRS 354.470 to 354.626, inclusive, **and section 8 of this act** apply to all local governments. For the purpose of NRS 354.470 to 354.626, inclusive ~~[-], and section 8 of this act:~~

(a) “Local government” means every political subdivision or other entity which has the right to levy or receive money from ad valorem or other taxes or any mandatory assessments, and includes, without limitation, counties, cities, towns, boards, school districts and other districts organized pursuant to chapters 244A, 309, 318 and 379 of NRS, NRS 450.550 to 450.750, inclusive, and chapters 474, 541, 543 and 555 of NRS, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision.

(b) “Local government” does not include the Nevada Rural Housing Authority.

2. An irrigation district organized pursuant to chapter 539 of NRS shall fix rates and levy assessments as provided in NRS 539.667 to 539.683, inclusive. The levy of such assessments and the posting and publication of claims and annual financial statements as required by chapter 539 of NRS shall be deemed compliance with the budgeting, filing and publication requirements of NRS 354.470 to 354.626, inclusive, **and section 8 of this act**, but any such irrigation district which levies an ad valorem tax shall comply with the filing and publication requirements of NRS 354.470 to 354.626, inclusive, **and section 8 of this act** in addition to the requirements of chapter 539 of NRS.

3. An electric light and power district created pursuant to chapter 318 of NRS shall be deemed to have fulfilled the requirements of NRS 354.470 to 354.626, inclusive, **and section 8 of this act** for a year in which the district does not issue bonds or levy an assessment if the district files with the Department of Taxation a copy of all documents relating to its budget for that year which the district submitted to the Rural Utilities Service of the United States Department of Agriculture.

Sec. 10. NRS 354.476 is hereby amended to read as follows:

354.476 As used in NRS 354.470 to 354.626, inclusive, **and section 8 of this act**, unless the context otherwise requires, the words and terms defined in

NRS 354.479 to 354.578, inclusive, have the meanings ascribed to them in those sections.

Sec. 11. NRS 354.626 is hereby amended to read as follows:

354.626 1. No governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amounts appropriated for that function, other than bond repayments, medium-term obligation repayments and any other long-term contract expressly authorized by law. Any officer or employee of a local government who willfully violates NRS 354.470 to 354.626, inclusive, **and section 8 of this act** is guilty of a misdemeanor and upon conviction thereof ceases to hold his or her office or employment. Prosecution for any violation of this section may be conducted by the Attorney General or, in the case of incorporated cities, school districts or special districts, by the district attorney.

2. Without limiting the generality of the exceptions contained in subsection 1, the provisions of this section specifically do not apply to:

(a) Purchase of coverage and professional services directly related to a program of insurance which require an audit at the end of the term thereof.

(b) Long-term cooperative agreements as authorized by chapter 277 of NRS.

(c) Long-term contracts in connection with planning and zoning as authorized by NRS 278.010 to 278.630, inclusive.

(d) Long-term contracts for the purchase of utility service such as, but not limited to, heat, light, sewerage, power, water and telephone service.

(e) Contracts between a local government and an employee covering professional services to be performed within 24 months following the date of such contract or contracts entered into between local government employers and employee organizations.

(f) Contracts between a local government and any person for the construction or completion of public works, money for which has been or will be provided by the proceeds of a sale of bonds, medium-term obligations or an installment-purchase agreement and that are entered into by the local government after:

(1) Any election required for the approval of the bonds or installment-purchase agreement has been held;

(2) Any approvals by any other governmental entity required to be obtained before the bonds, medium-term obligations or installment-purchase agreement can be issued have been obtained; and

(3) The ordinance or resolution that specifies each of the terms of the bonds, medium-term obligations or installment-purchase agreement, except those terms that are set forth in subsection 2 of NRS 350.165, has been adopted.

↪ Neither the fund balance of a governmental fund nor the equity balance in any proprietary fund may be used unless appropriated in a manner provided by law.

(g) Contracts which are entered into by a local government and delivered to any person solely for the purpose of acquiring supplies, services and equipment necessarily ordered in the current fiscal year for use in an ensuing fiscal year and which, under the method of accounting adopted by the local government, will be charged against an appropriation of a subsequent fiscal year. Purchase orders evidencing such contracts are public records available for inspection by any person on demand.

(h) Long-term contracts for the furnishing of television or FM radio broadcast translator signals as authorized by NRS 269.127.

(i) The receipt and proper expenditure of money received pursuant to a grant awarded by an agency of the Federal Government.

(j) The incurrence of obligations beyond the current fiscal year under a lease or contract for installment purchase which contains a provision that the obligation incurred thereby is extinguished by the failure of the governing body to appropriate money for the ensuing fiscal year for the payment of the amounts then due.

(k) The receipt by a local government of increased revenue that:

(1) Was not anticipated in the preparation of the final budget of the local government; and

(2) Is required by statute to be remitted to another governmental entity.

(l) An agreement authorized pursuant to NRS 277A.370.

Sec. 12. NRS 379.025 is hereby amended to read as follows:

379.025 1. Except as otherwise provided in subsection 2, the trustees of any consolidated, county, district, town or other public library, and their successors, shall:

(a) Establish, supervise and maintain a library.

(b) Appoint, evaluate the performance of and, if necessary, dismiss a librarian or, in the case of a consolidated library district, an executive director.

(c) Hold and possess the property and effects of the library in trust for the public.

(d) In the case of a county library, submit annual budgets to the board of county commissioners, containing detailed estimates of the amount of money necessary for the operation and management of the library for the next succeeding year.

(e) In the case of a consolidated, district or town library, prepare annual budgets in accordance with NRS 354.470 to 354.626, inclusive ~~and~~ , **and section 8 of this act.**

(f) In the case of a consolidated library district:

(1) Administer any separate account established pursuant to NRS 354.603.

(2) Annually submit a budget to the board of county commissioners and governing body of the city for joint review and recommendation, which must contain detailed priorities and estimates of the amount of money necessary for the operation and management of the consolidated library district for the next succeeding year. Unless a majority of the members of the board of county commissioners and a majority of the members of the governing body of the city reject the budget within 21 days after it is submitted to them, the trustees shall cause copies of the final budget to be submitted to the board of county commissioners for attachment to the copy of the final budget for the county which is filed pursuant to NRS 354.59801, and to the governing body of the city for attachment to the copy of the final budget for the city which is filed pursuant to NRS 354.59801. If the budget is so rejected, the trustees shall resubmit a revised budget for joint review pursuant to this subparagraph.

(3) Submit quarterly reports to the board of county commissioners and governing body of the city concerning the budget and the programs of the library, and provide any additional information requested by either governing body as soon as is reasonably practicable after receiving the request.

(g) In the case of a district library, administer any separate account established pursuant to NRS 354.603.

(h) Establish bylaws and regulations for the management of the library and their own management.

(i) Manage all the property, real and personal, of the library.

(j) Acquire and hold real and personal property, by gift, purchase or bequest, for the library.

(k) Administer any trust declared or created for the library.

(l) Maintain or defend any action in reference to the property or affairs of the library.

2. The trustees may:

(a) Make purchases and secure rooms.

(b) Authorize the merger or, subject to the limitations in NRS 379.0221, the consolidation of a town or city library with a county library district.

(c) Invest the money in the appropriate library fund in accordance with the provisions of chapter 355 of NRS.

(d) Do all acts necessary for the orderly and efficient management and control of the library.

3. The trustees shall, as a primary goal of the consolidated library district, provide the library facilities, resources and trained staff to meet the informational needs of all residents of the district.

Sec. 13. NRS 450.650 is hereby amended to read as follows:

450.650 The board of trustees of each county hospital district shall prepare annual budgets in accordance with NRS 354.470 to 354.626, inclusive ~~13~~, **and section 8 of this act.**

Sec. 14. NRS 474.190 is hereby amended to read as follows:

474.190 1. Subject to the provisions of subsection 3, the board of directors of each county fire protection district shall prepare annual budgets in accordance with NRS 354.470 to 354.626, inclusive ~~1-7~~, **and section 8 of this act.**

2. The budget of a district must be based on estimates of the amount of money that will be needed to defray the expenses of the district and to meet unforeseen emergencies and the amount of a fire protection tax sufficient, together with the revenue which will result from application of the rate to the net proceeds of minerals, to raise such sums.

3. The amount of money to be raised for the purpose of establishing, equipping and maintaining the district with fire-fighting facilities must not in any 1 year exceed 1 percent of the assessed value of the property described in NRS 474.200 and any net proceeds of minerals derived from within the boundaries of the district.

Sec. 15. NRS 474.510 is hereby amended to read as follows:

474.510 1. The board of fire commissioners shall prepare an annual budget in accordance with the provisions of NRS 354.470 to 354.626, inclusive, **and section 8 of this act**, for each district organized in accordance with NRS 474.460.

2. Each budget must be based on estimates of the amount of money which will be needed to defray the expenses of the district and to meet unforeseen emergencies and the amount of a fire protection tax sufficient, together with the revenue which will result from application of the rate to the net proceeds of minerals, to raise such sums.

3. At the time of making the levy of county taxes for the year, the board of county commissioners shall levy the tax provided by subsection 2, upon all property, both real and personal, subject to taxation within the boundaries of the district. Any tax levied on interstate or intercounty telephone lines, power lines and other public utility lines as authorized in this section must be based upon valuations established by the Nevada Tax Commission pursuant to the provisions of NRS 361.315 to 361.330, inclusive.

4. The amount of tax to be collected for the purposes of this section must not exceed, in any 1 year, 1 percent of the value of the property described in subsection 3 and any net proceeds of minerals derived from within the boundaries of the district.

5. If levied, the tax must be entered upon the assessment roll and collected in the same manner as state and county taxes. Taxes may be paid in four approximately equal installments at the times specified in NRS 361.483, and the same penalties as specified in NRS 361.483 must be added for failure to pay the taxes.

6. For the purposes of NRS 474.460 to 474.540, inclusive, the treasurer of the district shall keep two separate funds for each district, one to be known as the district fire protection operating fund and one to be known as the district emergency fund. The money collected to defray the expenses of any district organized pursuant to NRS 474.460 must be deposited in the district

fire protection operating fund, and the money collected to meet unforeseen emergencies must be deposited in the district emergency fund. The district emergency fund must be used solely for emergencies and must not be used for regular operating expenses. The money deposited in the district emergency fund must not exceed the sum of \$1,000,000. Any interest earned on the money in the district emergency fund that causes the balance in that fund to exceed \$1,000,000 must be credited to the district fire protection operating fund.

7. For the purposes of subsection 6, an emergency includes, without limitation, any event that:

(a) Causes widespread or severe damage to property or injury to or the death of persons within the district;

(b) As determined by the district fire chief, requires immediate action to protect the health, safety and welfare of persons who reside within the district; and

(c) Requires the district to provide money to obtain a matching grant from an agency of the Federal Government to repair damage caused by a natural disaster that occurred within the district.

Sec. 16. This act becomes effective on July 1, 2011.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 352.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 427.

AN ACT relating to trade practices; ~~providing that certain persons may bring a civil action for various deceptive trade practices or other violations;~~ providing that various actions related to certain persons with an inability to reasonably protect their rights or interests constitute a deceptive trade practice; allowing equitable relief for certain actions related to consumer fraud; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law defines activities that constitute deceptive trade practices and provides for the imposition of civil and criminal penalties against persons who engage in deceptive trade practices. (Chapter 598 of NRS) ~~[Section 1 of this bill provides that certain persons may bring a civil action for damages for deceptive trade practices and for certain other violations.]~~ **Section 3** of this bill provides that it is a deceptive trade practice knowingly to take advantage of certain persons with an inability reasonably to protect their rights or interests. **Section 10** of this bill allows equitable relief for various actions involving consumer fraud.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. ~~[Chapter 598 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. Except as otherwise provided in subsection 2, in addition to any other remedy or penalty, if a person suffers damage as a result of a deceptive trade practice or a violation of this chapter or any regulation adopted pursuant thereto, that person may commence a civil action against any other person who engaged in the act or violation to recover statutory damages of up to \$5,000 per act or violation.~~

~~2. A person may not be held liable in any civil action brought pursuant to this section if the person proves, by a preponderance of evidence, that the act or violation:~~

~~(a) Was not intentional; and~~

~~(b) Resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.~~

~~3. For the purposes of this section, a bona fide error includes, without limitation, clerical errors, calculation errors, computer malfunction and programming errors and printing errors, except that an error of legal judgment with respect to a person's obligations under this chapter is not a bona fide error.] (Deleted by amendment.)~~

Sec. 2. ~~[NRS 598.0903 is hereby amended to read as follows:~~

~~598.0903 As used in NRS 598.0903 to 598.0999, inclusive, and section 1 of this act, unless the context otherwise requires, the words and terms defined in NRS 598.0905 to 598.0947, inclusive, have the meanings ascribed to them in those sections.] (Deleted by amendment.)~~

Sec. 3. NRS 598.092 is hereby amended to read as follows:

598.092 A person engages in a “deceptive trade practice” when in the course of his or her business or occupation he or she:

1. Knowingly fails to identify goods for sale or lease as being damaged by water.

2. Solicits by telephone or door to door as a lessor or seller, unless the lessor or seller identifies himself or herself, whom he or she represents and the purpose of his or her call within 30 seconds after beginning the conversation.

3. Knowingly states that services, replacement parts or repairs are needed when no such services, replacement parts or repairs are actually needed.

4. Fails to make delivery of goods or services for sale or lease within a reasonable time or to make a refund for the goods or services, if he or she allows refunds.

5. Advertises or offers an opportunity for investment and:

(a) Represents that the investment is guaranteed, secured or protected in a manner which he or she knows or has reason to know is false or misleading;

(b) Represents that the investment will earn a rate of return which he or she knows or has reason to know is false or misleading;

(c) Makes any untrue statement of a material fact or omits to state a material fact which is necessary to make another statement, considering the circumstances under which it is made, not misleading;

(d) Fails to maintain adequate records so that an investor may determine how his or her money is invested;

(e) Fails to provide information to an investor after a reasonable request for information concerning his or her investment;

(f) Fails to comply with any law or regulation for the marketing of securities or other investments; or

(g) Represents that he or she is licensed by an agency of the State to sell or offer for sale investments or services for investments if he or she is not so licensed.

6. Charges a fee for advice with respect to investment of money and fails to disclose:

(a) That he or she is selling or offering to lease goods or services and, if he or she is, their identity; or

(b) That he or she is licensed by an agency of any state or of the United States to sell or to offer for sale investments or services for investments or holds any other license related to the service he or she is providing.

7. Notifies any person, by any means, as a part of an advertising plan or scheme, that he or she has won a prize and that as a condition of receiving the prize he or she must purchase or lease goods or services.

8. Knowingly misrepresents the legal rights, obligations or remedies of a party to a transaction.

9. Fails, in a consumer transaction that is rescinded, cancelled or otherwise terminated in accordance with the terms of an agreement, advertisement, representation or provision of law, to promptly restore to a person entitled to it a deposit, down payment or other payment or, in the case of property traded in but not available, the agreed value of the property or fails to cancel within a specified time or an otherwise reasonable time an acquired security interest. This subsection does not apply to a person who is holding a deposit, down payment or other payment on behalf of another if all parties to the transaction have not agreed to the release of the deposit, down payment or other payment.

10. Fails to inform customers, if he or she does not allow refunds or exchanges, that he or she does not allow refunds or exchanges by:

(a) Printing a statement on the face of the lease or sales receipt;

(b) Printing a statement on the face of the price tag; or

(c) Posting in an open and conspicuous place a sign at least 8 by 10 inches in size with boldface letters,

➡ specifying that no refunds or exchanges are allowed.

11. Knowingly and willfully violates NRS 597.7118 or 597.7125.

12. Knowingly takes advantage of another person's inability reasonably to protect his or her own rights or interests in a consumer transaction when such an inability is due to illiteracy, or to a mental or physical infirmity or another similar condition which manifests itself as an incapability to understand the language or terms of any agreement. ~~for as another similar condition.~~

Sec. 4. ~~[NRS 598.0955 is hereby amended to read as follows:~~

~~598.0955 1. The provisions of NRS 598.0903 to 598.0999, inclusive, and section 1 of this act do not apply to:~~

~~(a) Conduct in compliance with the orders or rules of, or a statute administered by, a federal, state or local governmental agency;~~

~~(b) Publishers, including outdoor advertising media, advertising agencies, broadcasters or printers engaged in the dissemination of information or reproduction of printed or pictorial matter who publish, broadcast or reproduce material without knowledge of its deceptive character;~~

~~(c) Actions or appeals pending on July 1, 1973.~~

~~2. The provisions of NRS 598.0903 to 598.0999, inclusive, and section 1 of this act do not apply to the use by a person of any service mark, trademark, certification mark, collective mark, trade name or other trade identification which was used and not abandoned prior to July 1, 1973, if the use was in good faith and is otherwise lawful except for the provisions of NRS 598.0903 to 598.0999, inclusive [.] , and section 1 of this act.]~~
(Deleted by amendment.)

Sec. 5. ~~[NRS 598.096 is hereby amended to read as follows:~~

~~598.096 When the Commissioner, Director or Attorney General has cause to believe that any person has engaged or is engaging in any deceptive trade practice, he or she may:~~

~~1. Request the person to file a statement or report in writing under oath or otherwise, on such forms as may be prescribed by the Commissioner, Director or Attorney General, as to all facts and circumstances concerning the sale or advertisement of property by the person, and such other data and information as the Commissioner, Director or Attorney General may deem necessary.~~

~~2. Examine under oath any person in connection with the sale or advertisement of any property.~~

~~3. Examine any property or sample thereof, record, book, document, account or paper as he or she may deem necessary.~~

~~4. Make true copies, at the expense of the Consumer Affairs Division of the Department of Business and Industry, of any record, book, document, account or paper examined pursuant to subsection 3, which copies may be offered into evidence in lieu of the originals thereof in actions brought pursuant to NRS 598.097 and 598.0979.~~

~~5. Pursuant to an order of any district court, impound any sample of property which is material to the deceptive trade practice and retain the property in his or her possession until completion of all proceedings as~~

~~provided in NRS 598.0903 to 598.0999, inclusive [;], and section 1 of this act. An order may not be issued pursuant to this subsection unless:~~

~~(a) The Commissioner, Director or Attorney General and the court give the accused full opportunity to be heard; and~~

~~(b) The Commissioner, Director or Attorney General proves by clear and convincing evidence that the business activities of the accused will not be impaired thereby.}] (Deleted by amendment.)~~

~~Sec. 6. [NRS 598.0971 is hereby amended to read as follows:~~

~~598.0971 1. If, after an investigation, the Commissioner has reasonable cause to believe that any person has been engaged or is engaging in any deceptive trade practice in violation of NRS 598.0903 to 598.0999, inclusive, and section 1 of this act, the Commissioner may issue an order directed to the person to show cause why the Commissioner should not order the person to cease and desist from engaging in the practice. The order must contain a statement of the charges and a notice of a hearing to be held thereon. The order must be served upon the person directly or by certified or registered mail, return receipt requested.~~

~~2. If, after conducting a hearing pursuant to the provisions of subsection 1, the Commissioner determines that the person has violated any of the provisions of NRS 598.0903 to 598.0999, inclusive, and section 1 of this act, or if the person fails to appear for the hearing after being properly served with the statement of charges and notice of hearing, the Commissioner may make a written report of his or her findings of fact concerning the violation and cause to be served a copy thereof upon the person and any intervener at the hearing. If the Commissioner determines in the report that such a violation has occurred, he or she may order the violator to:~~

~~(a) Cease and desist from engaging in the practice or other activity constituting the violation;~~

~~(b) Pay the costs of conducting the investigation, costs of conducting the hearing, costs of reporting services, fees for experts and other witnesses, charges for the rental of a hearing room if such a room is not available to the Commissioner free of charge, charges for providing an independent hearing officer, if any, and charges incurred for any service of process, if the violator is adjudicated to have committed a violation of NRS 598.0903 to 598.0999, inclusive [;], and section 1 of this act; and~~

~~(c) Provide restitution for any money or property improperly received or obtained as a result of the violation.~~

~~* The order must be served upon the person directly or by certified or registered mail, return receipt requested. The order becomes effective upon service in the manner provided in this subsection.~~

~~3. Any person whose pecuniary interests are directly and immediately affected by an order issued pursuant to subsection 2 or who is aggrieved by the order may petition for judicial review in the manner provided in chapter 233B of NRS. Such a petition must be filed within 30 days after the service of the order. The order becomes final upon the filing of the petition.~~

~~4. If a person fails to comply with any provision of an order issued pursuant to subsection 2, the Commissioner may, through the Attorney General, at any time after 30 days after the service of the order, cause an action to be instituted in the district court of the county wherein the person resides or has his or her principal place of business requesting the court to enforce the provisions of the order or to provide any other appropriate injunctive relief.~~

~~5. If the court finds that:~~

~~(a) The violation complained of is a deceptive trade practice;~~

~~(b) The proceedings by the Commissioner concerning the written report and any order issued pursuant to subsection 2 are in the interest of the public; and~~

~~(c) The findings of the Commissioner are supported by the weight of the evidence;~~

~~the court shall issue an order enforcing the provisions of the order of the Commissioner.~~

~~6. Except as otherwise provided in NRS 598.0974, an order issued pursuant to subsection 5 may include:~~

~~(a) A provision requiring the payment to the Commissioner of a penalty of not more than \$5,000 for each act amounting to a failure to comply with the Commissioner's order; or~~

~~(b) Such injunctive or other equitable or extraordinary relief as is determined appropriate by the court.~~

~~7. Any aggrieved party may appeal from the final judgment, order or decree of the court in a like manner as provided for appeals in civil cases.~~

~~8. Upon the violation of any judgment, order or decree issued pursuant to subsection 5 or 6, the Commissioner, after a hearing thereon, may proceed in accordance with the provisions of NRS 598.0999.] (Deleted by amendment.)~~

~~Sec. 7. [NRS 598.0975 is hereby amended to read as follows:~~

~~598.0975 1. Except as otherwise provided in subsection 3 and in subsection 1 of NRS 598.0999, all fees, civil penalties and any other money collected pursuant to the provisions of NRS 598.0903 to 598.0999, inclusive [:], and section 1 of this act:~~

~~(a) In an action brought by the Attorney General, Commissioner or Director, must be deposited in the State General Fund and may only be used to offset the costs of administering and enforcing the provisions of NRS 598.0903 to 598.0999, inclusive [:], and section 1 of this act.~~

~~(b) In an action brought by the district attorney of a county, must be deposited with the county treasurer of that county and accounted for separately in the county general fund.~~

~~2. Money in the account created pursuant to paragraph (b) of subsection 1 must be used by the district attorney of the county for:~~

~~(a) The investigation and prosecution of deceptive trade practices against elderly persons or persons with disabilities; and~~

~~(b) Programs for the education of consumers which are directed toward elderly persons or persons with disabilities, law enforcement officers, members of the judicial system, persons who provide social services and the general public.~~

~~3. The provisions of this section do not apply to:~~

~~(a) Criminal fines imposed pursuant to NRS 598.0903 to 598.0999, inclusive [;], and section 1 of this act; or~~

~~(b) Restitution ordered pursuant to NRS 598.0903 to 598.0999, inclusive, and section 1 of this act in an action brought by the Attorney General. Money collected for restitution ordered in such an action must be deposited by the Attorney General and credited to the appropriate account of the Consumer Affairs Division of the Department of Business and Industry or the Attorney General for distribution to the person for whom the restitution was ordered. (Deleted by amendment.)~~

~~Sec. 8. NRS 598.0999 is hereby amended to read as follows:~~

~~598.0999 1. Except as otherwise provided in NRS 598.0974, a person who violates a court order or injunction issued pursuant to the provisions of NRS 598.0903 to 598.0999, inclusive, and section 1 of this act, upon a complaint brought by the Commissioner, the Director, the district attorney of any county of this State or the Attorney General shall forfeit and pay to the State General Fund a civil penalty of not more than \$10,000 for each violation. For the purpose of this section, the court issuing the order or injunction retains jurisdiction over the action or proceeding. Such civil penalties are in addition to any other penalty or remedy available for the enforcement of the provisions of NRS 598.0903 to 598.0999, inclusive [;], and section 1 of this act.~~

~~2. Except as otherwise provided in NRS 598.0974, in any action brought pursuant to the provisions of NRS 598.0903 to 598.0999, inclusive, and section 1 of this act, if the court finds that a person has willfully engaged in a deceptive trade practice, the Commissioner, the Director, the district attorney of any county in this State or the Attorney General bringing the action may recover a civil penalty not to exceed \$5,000 for each violation. The court in any such action may, in addition to any other relief or reimbursement, award reasonable attorney's fees and costs.~~

~~3. A natural person, firm, or any officer or managing agent of any corporation or association who knowingly and willfully engages in a deceptive trade practice:~~

~~(a) For the first offense, is guilty of a misdemeanor;~~

~~(b) For the second offense, is guilty of a gross misdemeanor;~~

~~(c) For the third and all subsequent offenses, is guilty of a category D felony and shall be punished as provided in NRS 193.130.~~

~~→ The court may require the natural person, firm, or officer or managing agent of the corporation or association to pay to the aggrieved party damages on all profits derived from the knowing and willful engagement in a~~

~~deceptive trade practice and treble damages on all damages suffered by reason of the deceptive trade practice.~~

~~4. Any offense which occurred within 10 years immediately preceding the date of the principal offense or after the principal offense constitutes a prior offense for the purposes of subsection 3 when evidenced by a conviction, without regard to the sequence of the offenses and convictions.~~

~~5. If a person violates any provision of NRS 598.0903 to 598.0999, inclusive, and section 1 of this act, 598.100 to 598.2801, inclusive, 598.305 to 598.395, inclusive, 598.405 to 598.525, inclusive, 598.741 to 598.787, inclusive, or 598.840 to 598.966, inclusive, fails to comply with a judgment or order of any court in this State concerning a violation of such a provision, or fails to comply with an assurance of discontinuance or other agreement concerning an alleged violation of such a provision, the Commissioner or the district attorney of any county may bring an action in the name of the State of Nevada seeking:~~

~~(a) The suspension of the person's privilege to conduct business within this State; or~~

~~(b) If the defendant is a corporation, dissolution of the corporation.~~

~~→ The court may grant or deny the relief sought or may order other appropriate relief.~~

~~6. If a person violates any provision of NRS 228.500 to 228.640, inclusive, fails to comply with a judgment or order of any court in this State concerning a violation of such a provision, or fails to comply with an assurance of discontinuance or other agreement concerning an alleged violation of such a provision, the Attorney General may bring an action in the name of the State of Nevada seeking:~~

~~(a) The suspension of the person's privilege to conduct business within this State; or~~

~~(b) If the defendant is a corporation, dissolution of the corporation.~~

~~→ The court may grant or deny the relief sought or may order other appropriate relief. / (Deleted by amendment.)~~

~~Sec. 9. [NRS 11.190 is hereby amended to read as follows:~~

~~11.190 Except as otherwise provided in NRS 125B.050 and 217.007, actions other than those for the recovery of real property, unless further limited by specific statute, may only be commenced as follows:~~

~~1. Within 6 years:~~

~~(a) An action upon a judgment or decree of any court of the United States, or of any state or territory within the United States, or the renewal thereof.~~

~~(b) An action upon a contract, obligation or liability founded upon an instrument in writing, except those mentioned in the preceding sections of this chapter.~~

~~2. Within 4 years:~~

~~(a) An action on an open account for goods, wares and merchandise sold and delivered.~~

~~(b) An action for any article charged on an account in a store.~~

~~(c) An action upon a contract, obligation or liability not founded upon an instrument in writing.~~

~~(d) An action against a person alleged to have committed a deceptive trade practice in violation of NRS 598.0903 to 598.0999, inclusive, and section 1 of this act, but the cause of action shall be deemed to accrue when the aggrieved party discovers, or by the exercise of due diligence should have discovered, the facts constituting the deceptive trade practice.~~

~~3. Within 3 years:~~

~~(a) An action upon a liability created by statute, other than a penalty or forfeiture.~~

~~(b) An action for waste or trespass of real property, but when the waste or trespass is committed by means of underground works upon any mining claim, the cause of action shall be deemed to accrue upon the discovery by the aggrieved party of the facts constituting the waste or trespass.~~

~~(c) An action for taking, detaining or injuring personal property, including actions for specific recovery thereof, but in all cases where the subject of the action is a domestic animal usually included in the term "livestock," which has a recorded mark or brand upon it at the time of its loss, and which strays or is stolen from the true owner without the owner's fault, the statute does not begin to run against an action for the recovery of the animal until the owner has actual knowledge of such facts as would put a reasonable person upon inquiry as to the possession thereof by the defendant.~~

~~(d) Except as otherwise provided in NRS 112.230 and 166.170, an action for relief on the ground of fraud or mistake, but the cause of action in such a case shall be deemed to accrue upon the discovery by the aggrieved party of the facts constituting the fraud or mistake.~~

~~(e) An action pursuant to NRS 40.750 for damages sustained by a financial institution or other lender because of its reliance on certain fraudulent conduct of a borrower, but the cause of action in such a case shall be deemed to accrue upon the discovery by the financial institution or other lender of the facts constituting the concealment or false statement.~~

~~4. Within 2 years:~~

~~(a) An action against a sheriff, coroner or constable upon liability incurred by acting in his or her official capacity and in virtue of his or her office, or by the omission of an official duty, including the nonpayment of money collected upon an execution.~~

~~(b) An action upon a statute for a penalty or forfeiture, where the action is given to a person or the State, or both, except when the statute imposing it prescribes a different limitation.~~

~~(c) An action for libel, slander, assault, battery, false imprisonment or seduction.~~

~~(d) An action against a sheriff or other officer for the escape of a prisoner arrested or imprisoned on civil process.~~

~~(e) Except as otherwise provided in NRS 11.215, an action to recover damages for injuries to a person or for the death of a person caused by the~~

~~wrongful act or neglect of another. The provisions of this paragraph relating to an action to recover damages for injuries to a person apply only to causes of action which accrue after March 20, 1951.~~

~~(f) An action to recover damages under NRS 41.740.~~

~~5. Within 1 year:~~

~~(a) An action against an officer, or officer de facto to recover goods, wares, merchandise or other property seized by the officer in his or her official capacity, as tax collector, or to recover the price or value of goods, wares, merchandise or other personal property so seized, or for damages for the seizure, detention or sale of, or injury to, goods, wares, merchandise or other personal property seized, or for damages done to any person or property in making the seizure.~~

~~(b) An action against an officer, or officer de facto for money paid to the officer under protest, or seized by the officer in his or her official capacity, as a collector of taxes, and which, it is claimed, ought to be refunded. (Deleted by amendment.)~~

Sec. 10. NRS 41.600 is hereby amended to read as follows:

41.600 1. An action may be brought by any person who is a victim of consumer fraud.

2. As used in this section, "consumer fraud" means:

- (a) An unlawful act as defined in NRS 119.330;
- (b) An unlawful act as defined in NRS 205.2747;
- (c) An act prohibited by NRS 482.36655 to 482.36667, inclusive;
- (d) An act prohibited by NRS 482.351; or
- (e) A deceptive trade practice as defined in NRS 598.0915 to 598.0925, inclusive.

3. If the claimant is the prevailing party, the court shall award the claimant:

- (a) Any damages that the claimant has sustained; ~~and~~
- (b) ***Any equitable relief that the court deems appropriate; and***
- (c) The claimant's costs in the action and reasonable attorney's fees.

4. Any action brought pursuant to this section is not an action upon any contract underlying the original transaction.

Sec. 11. ~~[NRS 645B.189 is hereby amended to read as follows:~~

~~645B.189 1. If, in carrying on his or her business, a mortgage broker uses an advertisement that is designed, intended or reasonably likely to solicit money from private investors, the mortgage broker shall include in each such advertisement a statement of disclosure in substantially the following form: Money invested through a mortgage broker is not guaranteed to earn any interest or return and is not insured.~~

~~2. A mortgage broker shall include in each advertisement that the mortgage broker uses in carrying on his or her business any statements of disclosure required pursuant to the regulations adopted by the Commissioner or required pursuant to an order of the Commissioner entered in accordance with subsections 7 and 8 of NRS 645B.185.~~

~~3. Each mortgage broker who has received an initial license within the past 12 months shall submit any proposed advertisement that the mortgage broker intends to use in carrying on his or her business to the Commissioner for approval.~~

~~4. In addition to the requirements set forth in this chapter, each advertisement that a mortgage broker uses in carrying on his or her business must comply with the requirements of:~~

~~(a) NRS 598.0903 to 598.0999, inclusive, and section 1 of this act concerning deceptive trade practices; and~~

~~(b) Any applicable federal statute or regulation concerning deceptive advertising and the advertising of interest rates.~~

~~5. If a mortgage broker violates any provision of NRS 598.0903 to 598.0999, inclusive, and section 1 of this act concerning deceptive trade practices or any federal statute or regulation concerning deceptive advertising or the advertising of interest rates, in addition to any sanction or penalty imposed by state or federal law upon the mortgage broker for the violation, the Commissioner may take any disciplinary action set forth in subsection 2 of NRS 645B.670 against the mortgage broker.~~

~~6. The Commissioner may adopt any regulations that are necessary to carry out the provisions of this section.~~ **(Deleted by amendment.)**

Sec. 12. This act becomes effective on July 1, 2011.

Assemblyman Atkinson moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 362.

Bill read second time.

The following amendment was proposed by the Committee on Health and Human Services:

Amendment No. 481.

AN ACT relating to education; establishing the Interim Task Force on Out-of-School-Time Programs; requiring the Task Force to prescribe standards for out-of-school-time programs and to make certain recommendations relating to out-of-school-time programs; exempting an out-of-school-time program from licensure and regulation as a child care facility; authorizing an out-of-school-time program to report certain information to the Bureau of Services for Child Care of the Division of Child and Family Services of the Department of Health and Human Services; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 2 of this bill defines an "out-of-school-time program" as a program that operates for 10 or more hours per week, **is offered on a continuing basis**, provides supervision of children **who are of school age** and provides regularly scheduled, structured and supervised activities where learning opportunities take place during times when a child is not in school.

~~[Section 3 of this bill authorizes but does not require an out-of-school-time program to report certain information to the Bureau of Services for Child Care of the Division of Child and Family Services of the Department of Health and Human Services.]~~ **Section 5** of this bill exempts an out-of-school-time program from the licensing requirements for and regulation as a child care facility by excluding an out-of-school-time program from the definition of a “child care facility.” **Sections 6-8** of this bill ensure that the existing definition of “child care facility” is not changed for certain other purposes.

Section 9 of this bill establishes the Interim Task Force on Out-of-School-Time Programs and requires the Task Force to prescribe standards for out-of-school-time programs and make certain other recommendations concerning out-of-school-time programs. **Section 9** also requires the Task Force to submit a report of its recommendations to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the 77th Session of the Nevada Legislature.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 432A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 1. “Out-of-school-time program” means a program that operates for 10 or more hours per week, is offered on a continuing basis, provides supervision of children who are of school age and provides regularly scheduled, structured and supervised activities where learning opportunities take place:

~~1-1~~ (a) Before or after school;

~~2-2~~ (b) During the summer or other seasonal breaks in the school calendar; or

~~3-3~~ (c) Between sessions for children who attend a school which operates on a year-round calendar.

2. The term does not include programs for children which have a single focus or activity, which may include, without limitation, religious education, instruction in music, participation in a sport, tutoring or participation in a club.

Sec. 3. ~~[An out-of-school-time program may report to the Bureau such information as the program determines would be helpful to the Bureau in carrying out its duties pursuant to this chapter.] (Deleted by amendment.)~~

Sec. 4. NRS 432A.020 is hereby amended to read as follows:

432A.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 432A.0205 to 432A.028, inclusive, **and section 2 of this act** have the meanings ascribed to them in those sections.

Sec. 5. NRS 432A.024 is hereby amended to read as follows:

432A.024 1. “Child care facility” means:

(a) An establishment operated and maintained for the purpose of furnishing care on a temporary or permanent basis, during the day or

overnight, to five or more children under 18 years of age, if compensation is received for the care of any of those children;

- (b) An on-site child care facility;
- (c) A child care institution; or
- (d) An outdoor youth program.

2. "Child care facility" does not include:

(a) The home of a natural parent or guardian, foster home as defined in NRS 424.014 or maternity home;

(b) A home in which the only children received, cared for and maintained are related within the third degree of consanguinity or affinity by blood, adoption or marriage to the person operating the facility; ~~for~~

(c) A home in which a person provides care for the children of a friend or neighbor for not more than 4 weeks if the person who provides the care does not regularly engage in that activity ~~for~~; **or**

(d) A location at which an out-of-school-time program is operated.

Sec. 6. NRS 202.2483 is hereby amended to read as follows:

202.2483 1. Except as otherwise provided in subsection 3, smoking tobacco in any form is prohibited within indoor places of employment including, but not limited to, the following:

- (a) Child care facilities;
- (b) Movie theatres;
- (c) Video arcades;
- (d) Government buildings and public places;
- (e) Malls and retail establishments;
- (f) All areas of grocery stores; and
- (g) All indoor areas within restaurants.

2. Without exception, smoking tobacco in any form is prohibited within school buildings and on school property.

3. Smoking tobacco is not prohibited in:

(a) Areas within casinos where loitering by minors is already prohibited by state law pursuant to NRS 463.350;

- (b) Stand-alone bars, taverns and saloons;
- (c) Strip clubs or brothels;
- (d) Retail tobacco stores;

(e) Private residences, including private residences which may serve as an office workplace, except if used as a child care, an adult day care or a health care facility; and

(f) The area of a convention facility in which a meeting or trade show is being held, during the time the meeting or trade show is occurring, if the meeting or trade show:

(1) Is not open to the public;

(2) Is being produced or organized by a business relating to tobacco or a professional association for convenience stores; and

(3) Involves the display of tobacco products.

4. In areas or establishments where smoking is not prohibited by this section, nothing in state law shall be construed to prohibit the owners of said establishments from voluntarily creating nonsmoking sections or designating the entire establishment as smoke free.

5. Nothing in state law shall be construed to restrict local control or otherwise prohibit a county, city or town from adopting and enforcing local tobacco control measures that meet or exceed the minimum applicable standards set forth in this section.

6. “No Smoking” signs or the international “No Smoking” symbol shall be clearly and conspicuously posted in every public place and place of employment where smoking is prohibited by this section. Each public place and place of employment where smoking is prohibited shall post, at every entrance, a conspicuous sign clearly stating that smoking is prohibited. All ashtrays and other smoking paraphernalia shall be removed from any area where smoking is prohibited.

7. Health authorities, police officers of cities or towns, sheriffs and their deputies shall, within their respective jurisdictions, enforce the provisions of this section and shall issue citations for violations of this section pursuant to NRS 202.2492 and 202.24925.

8. No person or employer shall retaliate against an employee, applicant or customer for exercising any rights afforded by, or attempts to prosecute a violation of, this section.

9. For the purposes of this section, the following terms have the following definitions:

(a) “Casino” means an entity that contains a building or large room devoted to gambling games or wagering on a variety of events. A casino must possess a nonrestricted gaming license as described in NRS 463.0177 and typically uses the word ‘casino’ as part of its proper name.

(b) “Child care facility” has the meaning ascribed to it in NRS ~~432A.024~~ **441A.030**.

(c) “Completely enclosed area” means an area that is enclosed on all sides by any combination of solid walls, windows or doors that extend from the floor to the ceiling.

(d) “Government building” means any building or office space owned or occupied by:

(1) Any component of the Nevada System of Higher Education and used for any purpose related to the System;

(2) The State of Nevada and used for any public purpose; or

(3) Any county, city, school district or other political subdivision of the State and used for any public purpose.

(e) “Health authority” has the meaning ascribed to it in NRS 202.2485.

(f) “Incidental food service or sales” means the service of prepackaged food items including, but not limited to, peanuts, popcorn, chips, pretzels or any other incidental food items that are exempt from food licensing requirements pursuant to subsection 2 of NRS 446.870.

(g) "Place of employment" means any enclosed area under the control of a public or private employer which employees frequent during the course of employment including, but not limited to, work areas, restrooms, hallways, employee lounges, cafeterias, conference and meeting rooms, lobbies and reception areas.

(h) "Public places" means any enclosed areas to which the public is invited or in which the public is permitted.

(i) "Restaurant" means a business which gives or offers for sale food, with or without alcoholic beverages, to the public, guests or employees, as well as kitchens and catering facilities in which food is prepared on the premises for serving elsewhere.

(j) "Retail tobacco store" means a retail store utilized primarily for the sale of tobacco products and accessories and in which the sale of other products is merely incidental.

(k) "School building" means all buildings on the grounds of any public school described in NRS 388.020 and any private school as defined in NRS 394.103.

(l) "School property" means the grounds of any public school described in NRS 388.020 and any private school as defined in NRS 394.103.

(m) "Stand-alone bar, tavern or saloon" means an establishment devoted primarily to the sale of alcoholic beverages to be consumed on the premises, in which food service is incidental to its operation, and provided that smoke from such establishments does not infiltrate into areas where smoking is prohibited under the provisions of this section. In addition, a stand-alone bar, tavern or saloon must be housed in either:

(1) A physically independent building that does not share a common entryway or indoor area with a restaurant, public place or any other indoor workplaces where smoking is prohibited by this section; or

(2) A completely enclosed area of a larger structure, such as a strip mall or an airport, provided that indoor windows must remain shut at all times and doors must remain closed when not actively in use.

(n) "Video arcade" has the meaning ascribed to it in paragraph (d) of subsection 3 of NRS 453.3345.

10. Any statute or regulation inconsistent with this section is null and void.

11. The provisions of this section are severable. If any provision of this section or the application thereof is declared by a court of competent jurisdiction to be invalid or unconstitutional, such declaration shall not affect the validity of the section as a whole or any provision thereof other than the part declared to be invalid or unconstitutional.

Sec. 7. NRS 441A.030 is hereby amended to read as follows:

441A.030 1. "Child care facility" ~~has the meaning ascribed to it in NRS 432A.024.~~ **means:**

(a) An establishment operated and maintained for the purpose of furnishing care on a temporary or permanent basis, during the day or

overnight, to five or more children under 18 years of age, if compensation is received for the care of any of those children;

(b) An on-site child care facility as defined in NRS 432A.0275;

(c) A child care institution as defined in NRS 432A.0245; or

(d) An outdoor youth program as defined in NRS 432A.028.

2. “Child care facility” does not include:

(a) The home of a natural parent or guardian, foster home as defined in NRS 424.014 or maternity home;

(b) A home in which the only children received, cared for and maintained are related within the third degree of consanguinity or affinity by blood, adoption or marriage to the person operating the facility; or

(c) A home in which a person provides care for the children of a friend or neighbor for not more than 4 weeks if the person who provides the care does not regularly engage in that activity.

Sec. 8. NRS 444.065 is hereby amended to read as follows:

444.065 1. Except as otherwise provided in subsection 2, as used in NRS 444.065 to 444.120, inclusive, “public swimming pool” means any structure containing an artificial body of water that is intended to be used collectively by persons for swimming or bathing, regardless of whether a fee is charged for its use.

2. The term does not include any such structure at:

(a) A private residence if the structure is controlled by the owner or other authorized occupant of the residence and the use of the structure is limited to members of the family of the owner or authorized occupant of the residence or invited guests of the owner or authorized occupant of the residence.

(b) A family foster home as defined in NRS 424.013.

(c) A child care facility, as defined in NRS ~~432A.024,~~ **441A.030**, furnishing care to 12 children or less.

(d) Any other residence or facility as determined by the State Board of Health.

(e) Any location if the structure is a privately owned pool used by members of a private club or invited guests of the members.

Sec. 9. 1. There is hereby created the Interim Task Force on Out-of-School-Time Programs. The Task Force is composed of the following ~~nine~~ **12** members:

(a) A representative of the Bureau of Services for Child Care of the Division of Child and Family Services of the Department of Health and Human Services, appointed by the Administrator of the Division;

(b) A representative of local governmental agencies that provide public services for children, appointed by the Nevada Association of Counties or its successor organization;

(c) A representative of the Nevada System of Higher Education, appointed by the Board of Regents of the University of Nevada;

(d) A representative of the public schools in this State, appointed by the State Board of Education;

(e) A representative of a national nonprofit organization that provides services to children, appointed by the Legislative Commission;

(f) A representative of a nonprofit organization that is located in Nevada and provides services to children, appointed by the Legislative Commission;

(g) **A representative of a nonprofit organization that is located in Nevada and provides support to an out-of-school-time program, appointed by the Legislative Commission;**

(h) A representative of a private, for profit organization that is located in Nevada and provides services to children, appointed by the Legislative Commission;

(i) A representative of an agency that provides resources and referrals to out-of-school-time programs, appointed by the Legislative Commission;

(j) A representative of a faith-based organization that provides services to children, appointed by the Legislative Commission; and

~~[(h)]~~ **(k)** Two members who are parents of children in this State, appointed by the Legislative Commission.

2. The Administrator of the Division of Child and Family Services of the Department of Health and Human Services, the Nevada Association of Counties, the Board of Regents of the University of Nevada, the State Board of Education and the Legislative Commission shall appoint the members of the Task Force as soon as practicable after July 1, 2011. A vacancy on the Task Force must be filled in the same manner as the original appointment.

3. The Task Force shall meet on or before October 1, 2011, and at its first meeting the members of the Task Force shall elect a Chair from among the members. A majority of the members of the Task Force constitutes a quorum for the transaction of business, and a majority of those members present at any meeting is sufficient for any official action taken by the Task Force.

4. The Task Force shall meet at least once every 3 months and at the call of the Chair or a majority of the members of the Task Force.

5. Each member of the Task Force serves without compensation. Each member of the Task Force who is an officer or employee of the State or a local government must be relieved from his or her duties without loss of his or her regular compensation to prepare for and attend meetings of the Task Force and perform any work necessary to carry out the duties of the Task Force in the most timely manner practicable. A state agency or local government shall not require an officer or employee who is a member of the Task Force to make up the time the member is absent from work to carry out his or her duties as a member and shall not require the member to take annual vacation or compensatory time for the absence.

6. The Bureau of Services for Child Care of the Division of Child and Family Services of the Department of Health and Human Services shall provide administrative support to the Task Force ~~and~~ **and may accept assistance from a nonprofit organization in providing such support.**

7. The Task Force shall:

- (a) Prescribe standards for out-of-school-time programs;
- (b) Make recommendations concerning out-of-school-time programs and the implementation of the standards prescribed by the Task Force, including, without limitation, recommendations for a pilot program for the standards; and
- (c) Make recommendations concerning whether out-of-school-time programs should be licensed and regulated by the Bureau of Services for Child Care.

8. The Task Force shall, on or before June 30, 2012, submit a report to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the 77th Session of the Nevada Legislature. The report must include, without limitation:

- (a) A full and detailed description of the standards for out-of-school-time programs prescribed by the Task Force;
- (b) Recommendations concerning the establishment of a pilot program for the standards prescribed by the Task Force;
- (c) Recommendations concerning whether out-of-school-time programs should be licensed and regulated by the Bureau of Services for Child Care; and
- (d) Any other recommendations for legislation relating to out-of-school-time programs.

9. An out-of-school-time program may register with the Bureau of Services for Child Care or other entity designated by the Bureau. By registering with the Bureau, the out-of-school-time program agrees to comply with the standards established by the Task Force and to participate in any pilot project established pursuant to subsection 8.

10. As used in this section, “out-of-school-time program” has the meaning ascribed to it in section 2 of this act.

Sec. 10. 1. This act becomes effective on July 1, 2011.

2. Section 9 of this act expires by limitation on June 30, ~~2012~~, **2013**.

Assemblywoman Mastroluca moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 384.

Bill read second time.

The following amendment was proposed by the Committee on Transportation:

Amendment No. 318.

SUMMARY—~~Repeals~~ **Revises** provisions governing certain duties of engineers who drive locomotives. (BDR 58-978)

AN ACT relating to railroads; ~~repealing~~ **exempting an engineer who is driving a locomotive in a quiet zone established pursuant to federal regulations from** provisions requiring the ringing of ~~for the~~ bell or ~~the~~

sounding of ~~the~~ the whistle of ~~the~~ the locomotive; ~~under certain circumstances,~~ and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The Federal Railroad Administration of the United States Department of Transportation prescribes standards for sounding locomotive horns when locomotives approach and pass through public highway-rail grade crossings. The Federal Railroad Administration also provides standards for the creation and maintenance of quiet zones within which locomotive horns need not be sounded. (49 C.F.R. Part 222)

Under existing Nevada law, an engineer who drives a locomotive is guilty of a misdemeanor if he or she fails to ring the bell or sound the whistle of the locomotive at least 80 rods from any place where the railway crosses a traveled road or street. (NRS 705.430) This bill ~~repeals~~ exempts from this state law requirement ~~which means that an engineer who drives a locomotive would be required to follow the federal law relating to circumstances for sounding the horn of a locomotive,~~ an engineer who drives a locomotive through a quiet zone established pursuant to federal regulations.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. ~~NRS 705.430 is hereby repealed.~~ (Deleted by amendment.)

Sec. 2. NRS 705.430 is hereby amended to read as follows:

705.430 ~~Every~~

1. Except as otherwise provided in subsection 2, every engineer driving a locomotive on any railway who ~~shall fail~~ fails to ring the bell or sound the whistle or horn upon ~~such~~ the locomotive ~~or~~ to cause the ~~same~~ bell, whistle or horn to be rung or sounded ~~at~~ at least 80 rods from any place where ~~such~~ the railway crosses a traveled road or street ~~where such road or street that~~ that is customarily used by the public for the purpose of travel, ~~(except in cities where other regulations are required),~~ or who fails to continue the ringing of ~~such~~ the bell or the sounding of ~~such~~ the whistle or horn until ~~such~~ the locomotive ~~shall have~~ has crossed ~~such~~ the road or street, ~~shall be~~ is guilty of a misdemeanor.

2. The provisions of subsection 1 do not apply in any quiet zone established pursuant to regulations of the Federal Railroad Administration of the United States Department of Transportation.

3. As used in this section, "quiet zone" has the meaning ascribed to it in 49 C.F.R. 222.9.

†

TEXT OF REPEALED SECTION

~~705.430 Penalty for unlawful failure to ring bell or sound whistle at crossing. Every engineer driving a locomotive on any railway who shall fail to ring the bell or sound the whistle upon such locomotive, or cause the~~

~~same to be rung or sounded, at least 80 rods from any place where such railway crosses a traveled road or street, where such road or street is customarily used by the public for the purpose of travel (except in cities where other regulations are required), or to continue the ringing of such bell or sounding of such whistle until such locomotive shall have crossed such road or street, shall be guilty of a misdemeanor.]~~

Assemblywoman Dondero Loop moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 400.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 396.

AN ACT relating to unincorporated towns; requiring the election of the members of ~~the~~ certain town advisory ~~board~~ boards in a county whose population is ~~400,000~~ 700,000 or more; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the board of county commissioners of a county whose population is ~~400,000~~ 700,000 or more (currently Clark County), when enacting an ordinance to establish an unincorporated town, may choose to either appoint the members of the town advisory board or to allow the registered voters of the unincorporated town to elect the members of the town advisory board. (NRS 269.576) This bill requires the members of a town advisory board for an unincorporated town that is in a county whose population is ~~400,000~~ 700,000 or more (currently Clark County) and that is located 25 miles or more from an incorporated city whose population is 500,000 or more (currently Las Vegas) to be elected by the registered voters of the unincorporated town.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 269.563 is hereby amended to read as follows:

269.563 1. The board of county commissioners of a county whose population is ~~400,000~~ 700,000 or more may provide by ordinance for the formation of an unincorporated town in an area that contains no residents if all of the owners of land within the boundaries of the proposed unincorporated town so request in writing. The written request of the owners must include the statement that the owners consent to be taxed for the services to be listed in the ordinance. If any owner withdraws his or her consent before adoption of the ordinance creating the unincorporated town, the owner's property must be excluded in fixing the boundaries of the town.

2. The ordinance must contain clear designation of the boundaries of the unincorporated town and the boundaries of any area which may be annexed into the unincorporated town, a listing of services to be provided, the number of members to serve on the town advisory board and the conditions that must be satisfied before appointment or election of the first town advisory board. These conditions may include, without limitation, the number of residents, the level of services being provided and the extent of improvements in place.

Sec. 2. NRS 269.576 is hereby amended to read as follows:

269.576 1. Except as appointment or election may be deferred pursuant to NRS 269.563 ~~1~~ **and except as otherwise provided in subsection 6,** the board of county commissioners of any county whose population is ~~400,000~~ **700,000** or more shall, in each ordinance which establishes an unincorporated town pursuant to NRS 269.500 to 269.625, inclusive, provide for:

(a) Appointment by the board of county commissioners or the ~~The~~ election by the registered voters of the unincorporated town of three or five qualified electors who are residents of the unincorporated town to serve as the town advisory board. If the ordinance provides for appointment by the board of county commissioners, in making such appointments, the board of county commissioners shall consider:

(1) The results of any poll conducted by the town advisory board; and

(2) Any application submitted to the board of county commissioners by persons who desire to be appointed to the town advisory board in response to an announcement made by the town advisory board.

(b) A term of 2 years for members of the town advisory board.

(c) Election of a chair from among the members of the town advisory board for a term of 2 years, and, if a vacancy occurs in the office of chair, for the election of a chair from among the members for the remainder of the unexpired term. The ordinance must also provide that a chair is not eligible to succeed himself or herself for a term of office as chair.

2. ~~The~~ **Except as otherwise provided in subsection 6, the** members of a town advisory board serve at the pleasure of the board of county commissioners. If a ~~member is removed,~~ **vacancy occurs on the town advisory board,** the board of county commissioners shall appoint a new member to serve out the remainder of the unexpired term . ~~for the member who was removed.~~

3. The board of county commissioners shall provide notice of the expiration of the term of a member of and any vacancy on a town advisory board to the residents of the unincorporated town by mail, newsletter or newspaper at least 30 days before the expiration of the term or filling the vacancy.

4. The duties of the town advisory board are to:

(a) Assist the board of county commissioners in governing the unincorporated town by acting as liaison between the residents of the town and the board of county commissioners; and

(b) Advise the board of county commissioners on matters of importance to the unincorporated town and its residents.

5. The board of county commissioners may provide by ordinance for compensation for the members of the town advisory board.

6. If an unincorporated town is established in a county whose population is 700,000 or more and is located 25 miles or more from an incorporated city whose population is 500,000 or more:

(a) The board of county commissioners shall by ordinance provide for the election by the registered voters of the unincorporated town of three or five qualified electors who are residents of the unincorporated town to serve as the town advisory board. If there are fewer qualified electors who are residents of the unincorporated town who file for election to the town advisory board than there are seats on the town advisory board, the board of county commissioners shall appoint as many new members as are necessary to fill the seats left vacant after the election.

(b) The members of the town advisory board of the unincorporated town do not serve at the pleasure of and may not be removed by the board of county commissioners.

(c) If a vacancy occurs on the town advisory board, the board of county commissioners shall appoint a new member to serve out the remainder of the unexpired term.

Sec. 3. The amendatory provisions of this act do not affect the current term of appointment or election for any person who, on October 1, 2011, is a member of a town advisory board in a county whose population is ~~400,000~~ **700,000** or more.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 408.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 450.

AN ACT relating to the administration of justice; restricting the use of restraints on pregnant females who are in confinement; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Sections 1 and 2 of this bill ~~permit only the least restrictive restraints which are necessary to ensure safety and security to be used on a prisoner when a state, local or private correctional institution or facility knows that a prisoner is in the second or third trimester of pregnancy. Additionally, sections 1 and 2~~ prohibit the use of restraints on a prisoner who is in labor, delivering a baby or recuperating from delivery unless the prisoner presents a risk of harm or flight. If restraints are used on a prisoner who is in labor,

delivering a baby or recuperating from delivery, the restraints used must be the least restrictive restraints which are necessary to ensure safety and security.

Sections 3 and 4 of this bill provide for the same ~~limitations and~~ prohibitions and limitations on the use of restraints on pregnant children confined in a state, local or private facility or institution for the detention of children.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 209 of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. Only the least restrictive restraints which are necessary to ensure safety and security may be used on an offender when a facility or institution at which the offender is confined has actual or constructive knowledge that the offender is in the second or third trimester of pregnancy.~~

~~2.~~ ***No restraints of any kind may be used on an offender who is in labor, delivering her baby or recuperating from delivery unless there are compelling reasons to believe that the offender presents:***

(a) A serious and immediate threat of harm to herself, staff or others; or

(b) A substantial flight risk and cannot be reasonably confined by other means.

~~3.~~ ***2. If an offender who is in labor, delivering her baby or recuperating from delivery is restrained, only the least restrictive restraints which are necessary to ensure safety and security may be used.***

~~4. As used in this section, the term "facility or institution" includes a private facility or institution.~~

Sec. 2. Chapter 211 of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. Only the least restrictive restraints which are necessary to ensure safety and security may be used on a prisoner when a jail or detention facility at which the prisoner is confined has actual or constructive knowledge that the prisoner is in the second or third trimester of pregnancy.~~

~~2.~~ ***No restraints of any kind may be used on a prisoner who is in labor, delivering her baby or recuperating from delivery unless there are compelling reasons to believe that the prisoner presents:***

(a) A serious and immediate threat of harm to herself, staff or others; or

(b) A substantial flight risk and cannot be reasonably confined by other means.

~~3.~~ ***2. If a prisoner who is in labor, delivering her baby or recuperating from delivery is restrained, only the least restrictive restraints which are necessary to ensure safety and security may be used.***

Sec. 3. Chapter 62B of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. Only the least restrictive restraints which are necessary to ensure safety and security may be used on a child in the custody of a public or private institution or agency when the institution or agency has actual or constructive knowledge that the child is in the second or third trimester of pregnancy.~~

~~2. No restraints of any kind may be used on a child who is in labor, delivering her baby or recuperating from delivery unless there are compelling reasons to believe that the child presents:~~

- ~~(a) A serious and immediate threat of harm to herself, staff or others; or~~
- ~~(b) A substantial flight risk and cannot be reasonably confined by other means.~~

~~3. 2. If a child who is in labor, delivering her baby or recuperating from delivery is restrained, only the least restrictive restraints which are necessary to ensure safety and security may be used.~~

Sec. 4. Chapter 63 of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. Only the least restrictive restraints which are necessary to ensure safety and security may be used on a child in a facility when the facility has actual or constructive knowledge that the child is in the second or third trimester of pregnancy.~~

~~2. No restraints of any kind may be used on a child who is in labor, delivering her baby or recuperating from delivery unless there are compelling reasons to believe that the child presents:~~

- ~~(a) A serious and immediate threat of harm to herself, staff or others; or~~
- ~~(b) A substantial flight risk and cannot be reasonably confined by other means.~~

~~3. 2. If a child who is in labor, delivering her baby or recuperating from delivery is restrained, only the least restrictive restraints which are necessary to ensure safety and security may be used.~~

Assemblyman Ohrenschall moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 410.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 397.

AN ACT relating to water; requiring that protests against the granting of certain applications relating to water rights by a government, governmental agency or political subdivision of a government be verified or signed by the person in charge of the government, agency or political subdivision; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, any interested person, including a governmental entity, is authorized to file a written protest with the State Engineer against the granting of an application for a permit to appropriate water or to change the place of diversion, the manner of use or the place of use of water already appropriated. (NRS 533.010, 533.325, 533.365) In addition, any person, including a governmental entity, who may be adversely affected by a project for the recharge, storage and recovery of water is authorized under existing law to file a written protest with the State Engineer against the granting of an application for a permit to operate the project. (NRS 534.014, 534.250, 534.270)

This bill requires that any protest which is filed by a government, governmental agency or political subdivision against the granting of an application for a permit to change the place of diversion, the manner of use or the place of use of water already appropriated within the same basin or for a permit to operate a project for the recharge, storage and recovery of water be verified or signed by the director, administrator, chief, head or other person in charge of that government, governmental agency or political subdivision. However, this bill does not change the requirements under existing law for a protest by a government, governmental agency or political subdivision against the granting of an application for a permit to appropriate water or an application that involves an interbasin transfer of groundwater. (NRS 533.365)

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 533.365 is hereby amended to read as follows:

533.365 1. Any person interested may, within 30 days after the date of last publication of the notice of application, file with the State Engineer a written protest against the granting of the application, setting forth with reasonable certainty the grounds of such protest, which , ***except as otherwise provided in subsection 2***, must be verified by the affidavit of the protestant, or an agent or attorney thereof.

2. ***If the application is for a permit to change the place of diversion, manner of use or place of use of water already appropriated within the same basin, a protest filed against the granting of such an application by a government, governmental agency or political subdivision of a government must be verified by the affidavit of:***

(a) ***Except as otherwise provided in paragraph (b), the director, administrator, chief, head or other person in charge of the government, governmental agency or political subdivision; or***

(b) ***If the governmental agency or political subdivision is a division or other part of a department, the director or other person in charge of that department ~~is~~ in this State, including, without limitation:***

(1) The ~~{Secretary of Agriculture,}~~ Forest Supervisor for the Humboldt-Toiyabe National Forest, if the protest is filed by the United States Forest Service;

(2) The ~~{Secretary of the Interior,}~~ State Director of the Nevada State Office of the Bureau of Land Management, if the protest is filed by the Bureau of Land Management ~~{or}~~ ;

(3) The Regional Director of the Pacific Southwest Region, if the protest is filed by the United States Fish and Wildlife Service;

~~{(3)}~~ (4) The Director of the State Department of Conservation and Natural Resources, if the protest is filed by any division of that Department; or

~~{(4)}~~ (5) The chair of the board of county commissioners, if the protest is filed by a county.

3. On receipt of a protest ~~{,}~~ *that complies with the requirements of subsection 1 or 2*, the State Engineer shall advise the applicant whose application has been protested of the fact that the protest has been filed with the State Engineer, which advice must be sent by certified mail.

~~{3.}~~ 4. The State Engineer shall consider the protest, and may, in his or her discretion, hold hearings and require the filing of such evidence as the State Engineer may deem necessary to a full understanding of the rights involved. The State Engineer shall give notice of the hearing by certified mail to both the applicant and the protestant. The notice must state the time and place at which the hearing is to be held and must be mailed at least 15 days before the date set for the hearing.

~~{4.}~~ 5. Each applicant and each protestant shall, in accordance with a schedule established by the State Engineer, provide to the State Engineer and to each protestant and each applicant information required by the State Engineer relating to the application or protest.

~~{5.}~~ 6. If the State Engineer holds a hearing pursuant to subsection ~~{3.}~~ 4, the State Engineer shall render a decision on each application not later than 240 days after the later of:

(a) The date all transcripts of the hearing become available to the State Engineer; or

(b) The date specified by the State Engineer for the filing of any additional information, evidence, studies or compilations requested by the State Engineer. The State Engineer may, for good cause shown, extend any applicable period.

~~{6.}~~ 7. The State Engineer shall adopt rules of practice regarding the conduct of a hearing held pursuant to subsection ~~{3.}~~ 4. The rules of practice must be adopted in accordance with the provisions of NRS 233B.040 to 233B.120, inclusive, and codified in the Nevada Administrative Code. The technical rules of evidence do not apply at such a hearing.

~~{7.}~~ 8. The provisions of this section do not prohibit the noticing of a new period of 45 days in which a person may file with the State Engineer a

written protest against the granting of the application, if such notification is required to be given pursuant to subsection 8 of NRS 533.370.

Sec. 2. NRS 534.270 is hereby amended to read as follows:

534.270 1. Upon receipt of an application for a permit to operate a project, the State Engineer shall endorse on the application the date it was received and keep a record of the application. The State Engineer shall conduct an initial review of the application within 45 days after receipt of the application. If the State Engineer determines in the initial review that the application is incomplete, the State Engineer shall notify the applicant. The application is incomplete until the applicant files all the information requested in the application. The State Engineer shall determine whether the application is correct within 180 days after receipt of a complete application. The State Engineer may request additional information from the applicant. The State Engineer may conduct such independent investigations as are necessary to determine whether the application should be approved or rejected.

2. If the application is determined to be complete and correct, the State Engineer, within 30 days after such a determination or a longer period if requested by the applicant, shall cause notice of the application to be given once each week for 2 consecutive weeks in a newspaper of general circulation in the county or counties in which persons reside who could reasonably be expected to be affected by the project. The notice must state:

- (a) The legal description of the location of the proposed project;
- (b) A brief description of the proposed project including its capacity;
- (c) That any person who may be adversely affected by the project may file a written protest with the State Engineer within 30 days after the last publication of the notice;
- (d) The date of the last publication;
- (e) That the grounds for protesting the project are limited to whether the project would be in compliance with subsection 2 of NRS 534.250;
- (f) The name of the applicant; and
- (g) That a protest must:
 - (1) State the name and mailing address of the protester;
 - (2) Clearly set forth the reason why the permit should not be issued; and
 - (3) Be signed by the protester or the protester's agent or attorney ~~to~~ **or, if the protester is a government, governmental agency or political subdivision of a government, be approved and signed in the manner specified in paragraph (g) of subsection 3.**

3. A protest to a proposed project:

- (a) May be made by any person who may be adversely affected by the project;
- (b) Must be in writing;
- (c) Must be filed with the State Engineer within 30 days after the last publication of the notice;
- (d) Must be upon a ground listed in subsection 2 of NRS 534.250;

(e) Must state the name and mailing address of the protester;
 (f) Must clearly set forth the reason why the permit should not be issued;
 and

(g) ~~Must~~ *Except as otherwise provided in this paragraph, must* be signed by the protester or the protester's agent or attorney. *If the protester is a government, governmental agency or political subdivision of a government, the protest must be:*

(1) Except as otherwise provided in subparagraph (2), approved and signed by the director, administrator, chief, head or other person in charge of the government, governmental agency or political subdivision; or

(2) If the governmental agency or political subdivision is a division or other part of a department, approved and signed by the director or other person in charge of that department ~~for~~ in this State, including, without limitation:

(I) The ~~Secretary of Agriculture,~~ Forest Supervisor for the Humboldt-Toiyabe National Forest, if the protest is filed by the United States Forest Service;

(II) The ~~Secretary of the Interior,~~ State Director of the Nevada State Office of the Bureau of Land Management, if the protest is filed by the Bureau of Land Management ~~for~~ ;

(III) The Regional Director of the Pacific Southwest Region, if the protest is filed by the United States Fish and Wildlife Service;

~~+(IV)+~~ *(IV) The Director of the State Department of Conservation and Natural Resources, if the protest is filed by any division of that Department; or*

~~+(V)+~~ *(V) The chair of the board of county commissioners, if the protest is filed by a county.*

4. Upon receipt of a protest, the State Engineer shall advise the applicant by certified mail that a protest has been filed.

5. Upon receipt of a protest, or upon the motion of the State Engineer, the State Engineer may hold a hearing. Not less than 30 days before the hearing, the State Engineer shall send by certified mail notice of the hearing to the applicant and any person who filed a protest.

6. The State Engineer shall either approve or deny each application within 1 year after the final date for filing a protest, unless the State Engineer has received a written request from the applicant to postpone making a decision or, in the case of a protested application, from both the protester and the applicant. The State Engineer may delay action on the application pursuant to paragraph (c) of subsection 2 of NRS 533.370.

7. Any person aggrieved by any decision of the State Engineer made pursuant to subsection 6 may appeal that decision to the district court pursuant to NRS 533.450.

Sec. 3. This act becomes effective on July 1, 2011.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 413.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 175.

AN ACT relating to public works; making various changes relating to the withholding of retainage on progress payments for public works contracts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a public body to withhold as retainage at least 10 percent of the progress payments owed to a contractor on a public works project during the first half of the project. (NRS 338.515) Similarly, contractors and subcontractors may withhold as retainage not more than 10 percent of progress payments to their subcontractors and suppliers during the first half of the public works project. (NRS 338.555, 338.595) **Sections 1, 3 and 5** of this bill revise the maximum amount of retainage that may be withheld during the first half of the project to 5 percent of the progress payment. **Sections 1, 3 and 5** also provide that, except under limited circumstances, the amount of retainage may not exceed 2.5 percent of progress payments during the second half of a public works project.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 338.515 is hereby amended to read as follows:

338.515 1. Except as otherwise provided in NRS 338.525, a public body and its officers or agents awarding a contract for a public work shall pay or cause to be paid to a contractor the progress payments due under the contract within 30 days after the date the public body receives the progress bill or within a shorter period if the provisions of the contract so provide. Not more than ~~90~~ 95 percent of the amount of any progress payment may be paid until 50 percent of the work required by the contract has been performed. ~~[Thereafter,]~~

2. *After 50 percent of the work required by the contract has been performed*, the public body may pay any of the remaining progress payments without withholding additional retainage if, in the opinion of the public body, satisfactory progress is being made in the work.

~~{2-}~~ *If the public body continues to withhold retainage from remaining progress payments:*

(a) If the public body does not withhold any amount pursuant to NRS 338.525:

(1) The public body may not withhold more than 2.5 percent of the amount of any progress payment; and

~~¶ (b) Except as otherwise provided in NRS 338.525, before~~

(2) Before withholding any amount pursuant to ~~paragraph (a),~~ subparagraph (1), the public body must pay to the contractor 50 percent of the amount of any retainage that was withheld from progress payments pursuant to subsection 1 ~~¶~~; or

(b) If the public body withholds any amount pursuant to NRS 338.525:

(1) The public body may not withhold more than 5 percent of the amount of any progress payment; and

(2) The public body may continue to retain the amount of any retainage that was withheld from progress payments pursuant to subsection 1.

3. Except as otherwise provided in NRS 338.525, a public body shall identify in the contract and pay or cause to be paid to a contractor the actual cost of the supplies, materials and equipment that:

(a) Are identified in the contract;

(b) Have been delivered and stored at a location, and in the time and manner, specified in a contract by the contractor or a subcontractor or supplier for use in a public work; and

(c) Are in short supply or were specially made for the public work,

↪ within 30 days after the public body receives a progress bill from the contractor for those supplies, materials or equipment.

~~¶3.¶~~ 4. A public body shall pay or cause to be paid to the contractor at the end of each quarter interest for the quarter on any amount withheld by the public body pursuant to NRS 338.400 to 338.645, inclusive, at a rate equal to the rate quoted by at least three insured banks, credit unions or savings and loan associations in this State as the highest rate paid on a certificate of deposit whose duration is approximately 90 days on the first day of the quarter. If the amount due to a contractor pursuant to this subsection for any quarter is less than \$500, the public body may hold the interest until:

(a) The end of a subsequent quarter after which the amount of interest due is \$500 or more;

(b) The end of the fourth consecutive quarter for which no interest has been paid to the contractor; or

(c) The amount withheld under the contract is due pursuant to NRS 338.520,

↪ whichever occurs first.

~~¶4.¶~~ 5. If the Labor Commissioner has reason to believe that a worker is owed wages by a contractor or subcontractor, the Labor Commissioner may require the public body to withhold from any payment due the contractor under this section and pay the Labor Commissioner instead, an amount equal to the amount the Labor Commissioner believes the contractor owes to the worker. This amount must be paid by the Labor Commissioner to the worker

if the matter is resolved in the worker's favor, otherwise it must be returned to the public body for payment to the contractor.

Sec. 2. NRS 338.530 is hereby amended to read as follows:

338.530 1. If a public body receives:

(a) A progress bill or retainage bill, fails to give a contractor a written notice of any withholding in the manner set forth in subsection 2 of NRS 338.525, and does not pay the contractor within 30 days after receiving the progress bill or retainage bill; or

(b) A contractor's written notice of the correction of a condition set forth pursuant to subsection 2 of NRS 338.525 as the reason for the withholding, signed by an authorized agent of the contractor, and fails to:

(1) Pay the amount of the progress payment or retainage payment that was withheld from the contractor within 30 days after the public body receives the next progress bill or retainage bill; or

(2) Object to the scope and manner of the correction, within 30 days after the public body receives the notice of correction, in a written statement that sets forth the reason for the objection and is signed by an authorized agent of the public body,

→ the public body shall pay to the contractor, in addition to the entire amount of the progress bill or retainage bill or any unpaid portion thereof, interest from the 30th day on the amount delayed, at a rate equal to the amount provided for in subsection ~~{3}~~ 4 of NRS 338.515, until payment is made to the contractor.

2. If the public body objects pursuant to subparagraph (2) of paragraph (b) of subsection 1, it shall pay to the contractor an amount equal to the value of the corrections to which the public body does not object.

Sec. 3. NRS 338.555 is hereby amended to read as follows:

338.555 1. If a public body and a contractor enter into a contract for a public work, the contractor may withhold as retainage not more than ~~{10}~~ 5 percent from the amount of any progress payment due under a subcontract which is made before 50 percent of the work has been completed under the subcontract. ~~{Thereafter}~~

2. ***After 50 percent of the work required by the contract has been performed,*** the contractor shall pay any additional progress payments due under the subcontract without withholding any additional retainage if, in the opinion of the contractor, satisfactory progress is being made in the work under the subcontract, and the payment must be equal to that paid by the public body to the contractor for the work performed by the subcontractor.

~~{2-}~~ ***If the contractor continues to withhold retainage from remaining progress payments:***

(a) If the contractor does not withhold any amount pursuant to NRS 338.560:

(1) The contractor may not withhold more than 2.5 percent of the amount of any progress payment; and

~~† (b) Except as otherwise provided in NRS 338.560, before~~

(2) Before withholding any amount pursuant to ~~paragraph (a),~~ subparagraph (1), the contractor must pay to the subcontractor 50 percent of the amount of any retainage that was withheld from progress payments pursuant to subsection 1 ~~f-1~~; or

(b) If the contractor withholds any amount pursuant to NRS 338.560:

(1) The contractor may not withhold more than 5 percent of the amount of any progress payment; and

(2) The contractor may continue to retain the amount of any retainage that was withheld from progress payments pursuant to subsection 1.

3. If the contractor receives a payment of interest earned on the retainage or an amount withheld from a progress payment, the contractor shall, within 10 days after he or she receives the money, pay to each subcontractor or supplier that portion of the interest received from the public body which is attributable to the retainage or amount withheld from a progress payment by the contractor to the subcontractor or supplier.

Sec. 4. NRS 338.560 is hereby amended to read as follows:

338.560 1. A contractor may withhold from a progress payment or retainage payment an amount sufficient to pay:

(a) The expenses the contractor reasonably expects to incur as a result of the failure of his or her subcontractor or supplier to comply with the subcontract or applicable building code, law or regulation.

(b) An amount withheld from payment to the contractor by a public body pursuant to subsection ~~f-4~~ 5 of NRS 338.515 for a claim for wages against the subcontractor.

2. A contractor shall, within 10 days after the contractor receives:

(a) A progress payment or retainage payment from the public body for an amount that is less than the amount set forth in the applicable progress bill or retainage bill; or

(b) A progress bill or retainage bill from his or her subcontractor or supplier,

➤ give a written notice to his or her subcontractor or supplier of any amount that will be withheld pursuant to this section.

3. The written notice must:

(a) Set forth:

(1) The amount of the progress payment or retainage payment that will be withheld from his or her subcontractor or supplier; and

(2) A detailed explanation of the reason the contractor will withhold that amount, including, without limitation, a specific reference to the provision or section of the subcontract, or documents related thereto, or applicable building code, law or regulation with which his or her subcontractor or supplier has failed to comply; and

(b) Be signed by an authorized agent of the contractor.

4. The contractor shall pay to his or her subcontractor or supplier the amount withheld by the public body or the contractor within 10 days after:

(a) The contractor receives a written notice of the correction of the condition that is the reason for the withholding, signed by an authorized agent of the subcontractor or supplier; or

(b) The public body pays to the contractor the amount withheld, whichever occurs later.

Sec. 5. NRS 338.595 is hereby amended to read as follows:

338.595 1. If a subcontractor and another subcontractor or supplier enter into a subcontract for a public work, the subcontractor may withhold as retainage not more than ~~10~~ 5 percent from the amount of any progress payment due under a subcontract which is made before 50 percent of the work has been completed under the subcontract. ~~The~~

2. ***After 50 percent of the work required by the subcontractor or supplier has been performed, the*** subcontractor shall pay any additional progress payments due under the subcontract without withholding any additional retainage if, in the opinion of the subcontractor, satisfactory progress is being made in the work under the subcontract. The payment must be equal to that paid by the contractor to the subcontractor for the work performed or supplies provided by his or her subcontractor or supplier.

~~{2-}~~ ***If the subcontractor continues to withhold retainage from remaining progress payments:***

(a) If the subcontractor does not withhold any amount pursuant to NRS 338.600:

(1) The subcontractor may not withhold more than 2.5 percent of the amount of any progress payment; and

~~{ (b) Except as otherwise provided in NRS 338.600, before }~~

(2) Before withholding any amount pursuant to ~~paragraph (a)~~ subparagraph (1), the subcontractor must pay to the subcontractor or supplier 50 percent of the amount of any retainage that was withheld from progress payments pursuant to subsection 1~~1~~; or

(b) If the subcontractor withholds any amount pursuant to NRS 338.600:

(1) The subcontractor may not withhold more than 5 percent of the amount of any progress payment; and

(2) The subcontractor may continue to retain the amount of any retainage that was withheld from progress payments pursuant to subsection 1.

3. If the subcontractor receives a payment of interest earned on the retainage or an amount withheld from a progress payment, the subcontractor shall, within 10 days after receiving the money, pay to each of his or her subcontractors or suppliers that portion of the interest received from the contractor which is attributable to the retainage or amount withheld from a progress payment by the subcontractor to his or her subcontractor or supplier.

Sec. 6. This act becomes effective on October 1, 2011, and expires by limitation on July 1, 2015.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 454.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 263.

SUMMARY—~~[Removes prospective expiration of]~~ **Revises** certain provisions relating to land use planning. (BDR 22-1119)

AN ACT relating to land use planning; **extending the period within which certain parcel maps must be recorded in certain counties;** removing the prospective expiration of certain provisions concerning tentative maps and final maps of certain subdivisions of land; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prescribes certain requirements for the proposed dividing of land into five or more units for the purpose of transfer or development, unless otherwise exempted. (NRS 278.320-278.460) The initial action in the process of dividing such land is the submission of a tentative map of the proposed subdivision, and the concluding action is the recordation of an approved final map. (NRS 278.330, 278.460) A subdivider whose tentative map of a proposed subdivision has been approved by the appropriate planning authority must present a final map covering the entire subdivision, or the first of a series of successive final maps covering portions of the subdivision, within 4 years after the approval of the tentative map, with certain exceptions, or proceedings concerning the subdivision are terminated. (NRS 278.360) Additionally, if a subdivider is presenting a series of final maps, each successive map must be presented within 2 years after the previous final map in the series was recorded, unless the planning authority grants an extension of not more than 2 additional years. (NRS 278.360)

These deadlines of 4 years and 2 years were extended from 2 years and 1 year, respectively, during the 2009 Legislative Session, and those changes are scheduled to expire on June 30, 2013, after which the deadlines will revert to 2 years and 1 year, respectively. (Section 3, chapter 59, Statutes of Nevada 2009, p. 165) ~~[This]~~ **Section 2 of this** bill removes that prospective expiration so that: (1) the deadline for presenting a final map or the first in a series of successive maps will remain at 4 years after the approval of the tentative map; (2) the deadline for presenting one of a series of successive final maps will remain at 2 years after the presentation of the previous map; and (3) the possible duration of an extension to the deadlines for presenting one of a series of successive maps will remain at 2 years.

Existing law requires a person who proposes to divide any land for transfer or development into four lots or less to submit a parcel map showing the proposed division to the appropriate planning commission or local governing body for approval. (NRS 278.461, 278.464) If the parcel map is approved, the person must cause the map to be recorded in the office of the county recorder within 1 year after the approval, unless the governing body establishes by ordinance a longer period, which may not exceed 2 years. (NRS 278.468) Section 1 of this bill extends that period to 3 years, and authorizes the governing body to grant a 1-year extension, for a parcel map prepared in a county whose population is less than 100,000 (currently counties other than Clark and Washoe Counties) if the parcel map shows land totaling 50 acres or more that is subject to a conservation easement preserving or protecting open space, a floodplain or agricultural lands.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 278.468 is hereby amended to read as follows:

278.468 1. If a parcel map is approved or deemed approved pursuant to NRS 278.464, the preparer of the map shall:

(a) ~~Cause~~ Except as otherwise provided in subsection 2, cause the approved map to be recorded in the office of the county recorder within 1 year after the date the map was approved or deemed approved, unless the governing body establishes by ordinance a longer period, not to exceed 2 years, for recording the map. The map must be accompanied by a written statement signed by the treasurer of the county in which the land to be divided is located indicating that all property taxes on the land for the fiscal year have been paid.

(b) Pay a fee of \$17 for the first sheet of the map plus \$10 for each additional sheet to the county recorder for filing and indexing.

2. In a county whose population is less than 100,000, if the parcel map shows an area totaling 50 acres or more that is subject to a conservation easement, the preparer of the map shall cause the approved map to be recorded in the office of the county recorder within 3 years after the date the map was approved or deemed approved, unless the governing body grants an extension of time for recording the map, which may not exceed 1 year. As used in this subsection, "conservation easement" means an easement that permanently preserves or protects open space, a floodplain or agricultural land from being parceled, subdivided or otherwise developed in a manner incompatible with the preservation or protection of the open space, floodplain or agricultural land.

3. Upon receipt of a parcel map, the county recorder shall file the map in a suitable place. The county recorder shall keep proper indexes of parcel maps by the name of grant, tract, subdivision or United States subdivision.

~~12.1~~ **4.** A county recorder who records a parcel map pursuant to this section shall, within 7 working days after he or she records the parcel map, provide to the county assessor at no charge:

- (a) A duplicate copy of the parcel map and any supporting documents; or
- (b) Access to the digital parcel map and any digital supporting documents.

The map and supporting documents must be in a form that is acceptable to the county recorder and the county assessor.

~~Section 1.1~~ **Sec. 2.** Section 3 of chapter 59, Statutes of Nevada 2009, at page 165, is hereby amended to read as follows:

Sec. 3. ~~1.1~~ This act becomes effective upon passage and approval.

~~2. Section 2 of this act expires by limitation on June 30, 2013.~~

~~Sec. 2.1~~ **Sec. 3.** This act becomes effective on upon passage and approval.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 472.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 264.

AN ACT relating to youth shelters; repealing provisions relating to the approval of youth shelters by a county; revising provisions relating to immunity from civil liability; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a county may enact an ordinance to designate a youth shelter as an approved youth shelter if the youth shelter meets certain requirements. (NRS 244.428) An approved youth shelter and its director, employees, agents or volunteers are then immune from civil liability for certain acts or omissions relating to runaway or homeless youth. (NRS 244.429)

Section 4 of this bill repeals the authority of a county to approve youth shelters. **Section 2** of this bill grants immunity from civil liability for certain acts or omissions relating to runaway or homeless youth to a youth shelter and to its director, employees, agents or volunteers. ~~If the youth shelter complies with the regulations of the town or city in which it is located.~~

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 244.421 is hereby amended to read as follows:

244.421 As used in NRS 244.421 to 244.429, inclusive, unless the context otherwise requires, the words and terms defined in NRS ~~244.422~~

244.423 to 244.427, inclusive, have the meanings ascribed to them in those sections.

Sec. 2. NRS 244.429 is hereby amended to read as follows:

244.429 ~~[(If a) (county designates a) (youth shelter) (as an approved youth shelter pursuant to an) (satisfies all applicable requirements imposed by every ordinance adopted) (pursuant to NRS 244.428,)] (by the city or town in which the youth shelter is located, the) (approved) A youth shelter and its director, employees, agents or volunteers are immune from civil liability based upon any act or failure to act while admitting, releasing or caring for a runaway or homeless youth, unless the act or failure to act was the result of the gross negligence or intentional or reckless misconduct of the (approved) youth shelter or its director, employees, agents or volunteers.~~

Sec. 3. NRS 432B.220 is hereby amended to read as follows:

432B.220 1. Any person who is described in subsection 4 and who, in his or her professional or occupational capacity, knows or has reasonable cause to believe that a child has been abused or neglected shall:

(a) Except as otherwise provided in subsection 2, report the abuse or neglect of the child to an agency which provides child welfare services or to a law enforcement agency; and

(b) Make such a report as soon as reasonably practicable but not later than 24 hours after the person knows or has reasonable cause to believe that the child has been abused or neglected.

2. If a person who is required to make a report pursuant to subsection 1 knows or has reasonable cause to believe that the abuse or neglect of the child involves an act or omission of:

(a) A person directly responsible or serving as a volunteer for or an employee of a public or private home, institution or facility where the child is receiving child care outside of the home for a portion of the day, the person shall make the report to a law enforcement agency.

(b) An agency which provides child welfare services or a law enforcement agency, the person shall make the report to an agency other than the one alleged to have committed the act or omission, and the investigation of the abuse or neglect of the child must be made by an agency other than the one alleged to have committed the act or omission.

3. Any person who is described in paragraph (a) of subsection 4 who delivers or provides medical services to a newborn infant and who, in his or her professional or occupational capacity, knows or has reasonable cause to believe that the newborn infant has been affected by prenatal illegal substance abuse or has withdrawal symptoms resulting from prenatal drug exposure shall, as soon as reasonably practicable but not later than 24 hours after the person knows or has reasonable cause to believe that the newborn infant is so affected or has such symptoms, notify an agency which provides child welfare services of the condition of the infant and refer each person who is responsible for the welfare of the infant to an agency which provides child welfare services for appropriate counseling, training or other services.

A notification and referral to an agency which provides child welfare services pursuant to this subsection shall not be construed to require prosecution for any illegal action.

4. A report must be made pursuant to subsection 1 by the following persons:

(a) A physician, dentist, dental hygienist, chiropractor, optometrist, podiatric physician, medical examiner, resident, intern, professional or practical nurse, physician assistant licensed pursuant to chapter 630 or 633 of NRS, perfusionist, psychiatrist, psychologist, marriage and family therapist, clinical professional counselor, clinical alcohol and drug abuse counselor, alcohol and drug abuse counselor, clinical social worker, athletic trainer, advanced emergency medical technician or other person providing medical services licensed or certified in this State.

(b) Any personnel of a hospital or similar institution engaged in the admission, examination, care or treatment of persons or an administrator, manager or other person in charge of a hospital or similar institution upon notification of suspected abuse or neglect of a child by a member of the staff of the hospital.

(c) A coroner.

(d) A member of the clergy, practitioner of Christian Science or religious healer, unless the person has acquired the knowledge of the abuse or neglect from the offender during a confession.

(e) A social worker and an administrator, teacher, librarian or counselor of a school.

(f) Any person who maintains or is employed by a facility or establishment that provides care for children, children's camp or other public or private facility, institution or agency furnishing care to a child.

(g) Any person licensed to conduct a foster home.

(h) Any officer or employee of a law enforcement agency or an adult or juvenile probation officer.

(i) An attorney, unless the attorney has acquired the knowledge of the abuse or neglect from a client who is or may be accused of the abuse or neglect.

(j) Any person who maintains, is employed by or serves as a volunteer for an agency or service which advises persons regarding abuse or neglect of a child and refers them to persons and agencies where their requests and needs can be met.

(k) Any person who is employed by or serves as a volunteer for ~~an approved~~ a youth shelter. As used in this paragraph, ~~“approved”~~ “youth shelter” has the meaning ascribed to it in NRS ~~[244.422.] 244.427.~~

(l) Any adult person who is employed by an entity that provides organized activities for children.

5. A report may be made by any other person.

6. If a person who is required to make a report pursuant to subsection 1 knows or has reasonable cause to believe that a child has died as a result of

abuse or neglect, the person shall, as soon as reasonably practicable, report this belief to an agency which provides child welfare services or a law enforcement agency. If such a report is made to a law enforcement agency, the law enforcement agency shall notify an agency which provides child welfare services and the appropriate medical examiner or coroner of the report. If such a report is made to an agency which provides child welfare services, the agency which provides child welfare services shall notify the appropriate medical examiner or coroner of the report. The medical examiner or coroner who is notified of a report pursuant to this subsection shall investigate the report and submit his or her written findings to the appropriate agency which provides child welfare services, the appropriate district attorney and a law enforcement agency. The written findings must include, if obtainable, the information required pursuant to the provisions of subsection 2 of NRS 432B.230.

Sec. 4. NRS 244.422 and 244.428 are hereby repealed.

Sec. 5. This act becomes effective on July 1, 2011.

TEXT OF REPEALED SECTIONS

244.422 “Approved youth shelter” defined. “Approved youth shelter” means a youth shelter that has been designated as approved by a county pursuant to an ordinance adopted pursuant to NRS 244.428.

244.428 Designation by ordinance; contents of ordinance; regulations.

1. The board of county commissioners of any county may provide by ordinance for the designation of a youth shelter operated within the county as an approved youth shelter.

2. If a board of county commissioners has adopted an ordinance pursuant to subsection 1, a youth shelter that is located in that county and seeking to be designated as an approved youth shelter may apply to the board of county commissioners for such a designation.

3. An ordinance adopted by a board of county commissioners pursuant to subsection 1 must:

(a) Prescribe the requirements for designation of a youth shelter as an approved youth shelter, including, without limitation:

- (1) A requirement that the youth shelter provide necessary services;
- (2) The form and manner of the application for designation or renewal of a designation as an approved youth shelter;
- (3) An application fee in an amount not to exceed the actual cost to the county for reviewing the application; and

(4) A requirement that an applicant must comply with the provisions of an ordinance adopted pursuant to this section and with all applicable federal, state and local laws and ordinances pertaining to shelters for the homeless.

(b) Provide for reasonable inspections of an approved youth shelter to confirm that the youth shelter is complying with the provisions of an ordinance adopted to carry out the provisions of this section.

(c) Provide for the revocation of a designation as an approved youth shelter for failure to comply with the provisions of an ordinance adopted to carry out the provisions of this section.

(d) Require an approved youth shelter to conduct an interview to determine whether a youth is a runaway or homeless youth and is qualified to receive the necessary services of the approved youth shelter.

(e) Upon admission of a runaway or homeless youth to a shelter, require:

(1) A reasonable, bona fide attempt to notify the parent, guardian or custodian of the runaway or homeless youth concerning the whereabouts of the runaway or homeless youth as soon as practicable, except in circumstances of suspected abuse or neglect;

(2) The notification of state and local law enforcement agencies concerning the whereabouts of the runaway or homeless youth; and

(3) A licensed professional to perform an evaluation of the youth to determine:

(I) The reasons why the youth is a runaway or homeless youth;

(II) Whether the youth is a victim of abuse or neglect; and

(III) Whether the youth needs immediate medical care or counseling.

(f) Require an approved youth shelter to return or facilitate the return of a runaway or homeless youth to the parent, guardian or custodian who was notified of the whereabouts of the runaway or homeless youth pursuant to subparagraph (1) of paragraph (e) if the parent, guardian or custodian so requests.

(g) Provide for the liability of a parent, guardian or custodian of a runaway or homeless youth for any expenses or costs incurred by the approved youth shelter for providing services to the runaway or homeless youth only if the services of the shelter were obtained through fraud or misrepresentation.

(h) Except as otherwise provided in NRS 239.0115, require the information or records obtained by an approved youth shelter to remain confidential, unless the use or disclosure of the information or records is necessary to:

(1) Locate a parent, guardian or custodian of a runaway or homeless youth;

(2) Comply with the duty to report abuse or neglect of a child pursuant to NRS 432B.220;

(3) Notify state and local law enforcement agencies or the clearinghouse; or

(4) Seek appropriate assistance for a runaway or homeless youth from public and private agencies.

4. In a county where the board of county commissioners has adopted an ordinance pursuant to subsection 1, the board of county commissioners may establish, by ordinance, other regulations as are necessary to carry out the provisions of this section.

5. As used in this section:

(a) "Abuse or neglect" means abuse or neglect of a child as defined in NRS 432B.020.

(b) "Clearinghouse" has the meaning ascribed to it in NRS 432.150.

(c) "Licensed professional" includes, without limitation:

(1) A social worker;

(2) A registered nurse;

(3) A physician;

(4) A psychologist;

(5) A teacher; or

(6) Any other class of persons who are identified in an ordinance adopted by a county who hold a professional license in this State and who are trained to recognize indications of abuse or neglect.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 474.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 411.

AN ACT relating to governmental administration; creating the Sunset Subcommittee of the Legislative Commission; providing for its membership; requiring the Sunset Subcommittee to review certain boards and commissions in this State to determine the need for the termination, consolidation, modification or continuation of those boards and commissions; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the Legislative Commission and provides for its powers and duties, which consist of, in part, investigating and inquiring into subjects upon which the Legislature may act by the enactment or amendment of statutes, governmental problems, important issues of public policy or questions of statewide interest. (NRS 218E.150, 218E.175) Existing law also provides for certain standing subcommittees of the Legislative Commission to carry out ongoing duties, such as the Audit Subcommittee and the Budget Subcommittee. (NRS 218E.240, 218E.255) Finally, existing law requires the Legislative Commission to conduct reviews of existing agencies to determine whether each agency should be terminated, consolidated with another agency or continued. (NRS 232B.010-232B.100)

Section 2 of this bill creates the Sunset Subcommittee of the Legislative Commission and sets forth its membership. **Section 3** of this bill specifies the Sunset Subcommittee's primary duties, which are: (1) to conduct reviews of all boards and commissions in this State which are not provided for in the Constitution of this State or established by an executive order of the

Governor and determine whether each board or commission should be terminated, modified, consolidated with another agency or continued; (2) to make recommendations for improving the boards or commissions which are to be modified, consolidated or continued; and (3) to determine whether any tax exemptions, abatements or money set aside for a board or commission should be terminated, modified or continued. **Section 3** also requires the Sunset Subcommittee to assess each board or commission reviewed for the cost of conducting the review.

Section 4 of this bill requires each board and commission to submit certain information about itself and how it operates to the Sunset Subcommittee and authorizes the Sunset Subcommittee to direct the Legislative Counsel Bureau to assist the Sunset Subcommittee in investigating, reviewing and analyzing the information submitted. **Section 5** of this bill requires the Sunset Subcommittee to hold public hearings to receive commentary on whether a board or commission should be terminated, modified, consolidated or continued. ~~[and to accept testimony from members of the general public, any person regulated by the board or commission and representatives or members of the board or commission.]~~ **Section 6** of this bill requires the Sunset Subcommittee to make recommendations for direct legislative action to carry out its recommendations regarding the termination, modification, consolidation or continuation of a board or commission. ~~[Finally, section 7 of this bill provides the administrative details of how the existence of a board or commission will be terminated.]~~

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 232B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this act.

Sec. 2. 1. *The Sunset Subcommittee of the Legislative Commission, consisting of nine members, is hereby created. The membership of the Sunset Subcommittee consists of:*

(a) Three members of the Legislature appointed by the Majority Leader of the Senate, at least one of whom must be a member of the minority political party;

(b) Three members of the Legislature appointed by the Speaker of the Assembly, at least one of whom must be a member of the minority political party; and

(c) Three members of the general public appointed by the Chair of the Legislative Commission from among the names of nominees submitted by the Governor pursuant to subsection 2.

2. *The Governor shall, at least 30 days before the beginning of the term of any member appointed pursuant to paragraph (c) of subsection 1, or within 30 days after such a position on the Sunset Subcommittee becomes vacant, submit to the Legislative Commission the names of at least three persons qualified for membership on the Sunset Subcommittee. The Chair*

of the Legislative Commission shall appoint a new member or fill the vacancy from the list, or request a new list. The Chair of the Legislative Commission may appoint any qualified person who is a resident of this State to the position described in paragraph (c) of subsection 1.

3. Each member of the Sunset Subcommittee serves at the pleasure of the appointing authority.

4. The members of the Sunset Subcommittee shall elect a Chair from one House of the Legislature and a Vice Chair from the other House. Each Chair and Vice Chair holds office for a term of 2 years commencing on July 1 of each odd-numbered year. If a vacancy occurs in the Office of Chair or Vice Chair, the vacancy must be filled in the same manner as the original selection for the remainder of the unexpired term.

~~4.~~ 5. The membership of any member of the Sunset Subcommittee who is a Legislator and who is not a candidate for reelection or who is defeated for reelection terminates on the day next after the general election.

~~5.~~ 6. A vacancy on the Sunset Subcommittee must be filled in the same manner as the original appointment.

~~6.~~ 7. The Sunset Subcommittee shall meet at the times and places specified by a call of the Chair. Five members of the Sunset Subcommittee constitute a quorum, and a quorum may exercise any power or authority conferred on the Sunset Subcommittee.

~~7.~~ 8. For each day or portion of a day during which a member of the Sunset Subcommittee who is a Legislator attends a meeting of the Sunset Subcommittee or is otherwise engaged in the business of the Sunset Subcommittee, except during a regular or special session of the Legislature, the Legislator is entitled to receive the:

(a) Compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding regular session;

(b) Per diem allowance provided for state officers generally; and

(c) Travel expenses provided pursuant to NRS 218A.655.

↪ The compensation, per diem allowances and travel expenses of the members of the Sunset Subcommittee who are Legislators must be paid from the Legislative Fund.

~~8.~~ 9. While engaged in the business of the Sunset Subcommittee the members of the Subcommittee who are not Legislators are entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

Sec. 3. 1. The Sunset Subcommittee of the Legislative Commission shall conduct a review of each board and commission in this State which is not provided for in the Constitution of this State or established by an executive order of the Governor to determine whether the board or commission should be terminated, modified, consolidated with another board or commission or continued. Such a review must include, without limitation:

(a) An evaluation of the major policies and programs of the board or commission, including, without limitation, an examination of other programs or services offered in this State to determine if any other provided programs or services duplicate those offered by the board or commission;

(b) Any recommendation for improvements in the policies and programs offered by the board or commission; and

(c) A determination of whether any statutory tax exemptions, abatements or money set aside to be provided to the board or commission should be terminated, modified or continued.

2. The Sunset Subcommittee shall review:

(a) Not less than 20 boards and commissions specified in subsection 1 each year; and

(b) Each of those boards and commissions not less than once every 10 years.

3. For each review of a board or commission that the Sunset Subcommittee conducts, the Sunset Subcommittee shall submit a written assessment to the board or commission setting forth the costs of the review. In determining the amount of an assessment pursuant to this subsection, the Sunset Subcommittee shall consider, based upon the information provided by the board or commission pursuant to section 4 of this act, whether any additional analysis or evaluation is required to review the board or commission because of the specialized nature of the board or commission. As soon as practicable after a board or commission receives a written assessment pursuant to this subsection, the board or commission shall pay the amount set forth in the written assessment to the Sunset Subcommittee.

4. Any action taken by the Sunset Subcommittee concerning a board or commission pursuant to sections 2 to 7, inclusive, of this act is in addition or supplemental to any action taken by the Legislative Commission pursuant to NRS 232B.010 to 232B.100, inclusive.

Sec. 4. 1. Each board and commission subject to review by the Sunset Subcommittee of the Legislative Commission shall submit information to the Sunset Subcommittee on a form prescribed by the Sunset Subcommittee. The information must include, without limitation:

(a) The name of the board or commission;

(b) The name of each member of the board or commission;

(c) The address of the Internet website established and maintained by the board or commission, if any;

(d) The name and contact information of the executive director of the board or commission, if any;

(e) A list of the members of the staff of the board or commission;

(f) The authority by which the board or commission was created;

~~+(e)~~ (g) The governing structure of the board or commission, including, without limitation, information concerning the method, terms,

qualifications and conditions of appointment and removal of the members of the board or commission;

(h) The duties of the board or commission;

~~[(d)]~~ (i) The operating budget of the board or commission;

~~[(e)]~~ (j) A statement setting forth the income and expenses of the board or commission for at least ~~15~~ 3 years immediately preceding the date on which the board or commission submits the form required by this subsection, including the balances of any fund or account maintained by or on behalf of the board or commission;

~~[(f)]~~ (k) The most recent audit conducted of the board or commission, if any;

(l) The dates of the immediately preceding six meetings held by the board or commission;

(m) A statement of the objectives and programs of the board or commission;

~~[(g)]~~ (n) A conclusion concerning the effectiveness of the objectives and programs of the board or commission;

~~[(h)]~~ (o) Any recommendations for statutory changes which are necessary for the board or commission to carry out its objectives and programs; and

~~[(i)]~~ (p) Such other information as the Sunset Subcommittee may require.

2. The Sunset Subcommittee may direct the Legislative Counsel Bureau to assist in its research, investigations, review and analysis of the information submitted by each board and commission pursuant to subsection 1.

Sec. 5. 1. The Sunset Subcommittee of the Legislative Commission shall conduct public hearings for the purpose of obtaining comments on, and may require the Legislative Counsel Bureau to submit reports on, the need for the termination, modification, consolidation or continued operation of a board or commission.

2. ~~At any hearing held pursuant to this section, information may be presented by:~~

~~(a) A member of the general public;~~

~~(b) Any person who is regulated by the board or commission; and~~

~~(c) A representative or member of the board or commission.~~

~~3.~~ The Sunset Subcommittee shall consider any report submitted to it by the Legislative Counsel Bureau.

~~4.~~ 3. A board or commission has the burden of proving that there is a public need for its continued existence.

Sec. 6. 1. If the Sunset Subcommittee of the Legislative Commission determines to recommend the termination of a board or commission, its recommendation must include suggestions for appropriate direct legislative action, if any, which is made necessary or desirable by the termination of the board or commission.

2. If the Sunset Subcommittee determines to recommend the consolidation, modification or continuation of a board or commission, its recommendation must include suggestions for appropriate direct legislative action, if any, which would make the operation of the board or commission or its successor more efficient or effective.

3. On or before June 30, 2012, the Sunset Subcommittee shall make all its initial recommendations pursuant to this section, if any. The Sunset Subcommittee shall make all subsequent recommendations pursuant to this section, if any, on or before June 30 of each even-numbered year occurring thereafter.

Sec. 7. ~~{1. A board or commission may continue in existence until July 1 of the year immediately succeeding the effective date of its termination for the purpose of winding up its affairs, unless the board or commission has been consolidated with another board or commission.~~

~~2. The powers and duties of a board or commission are not abrogated or otherwise limited during the period between its termination and the following July 1, but no board or commission may enter into or let any contract the performance of which extends beyond July 1 of the year immediately following the year in which it is terminated.~~

~~3. The Director of the Department of Administration is responsible for disposing of any property of a terminated board or commission. All assets and liabilities of a board or commission which has been consolidated with another board or commission must be taken over by the successor board or commission. Money in the State Treasury which is held in a special fund for a board or commission which has been terminated reverts to the State General Fund on July 1 of the year immediately following the year in which the board or commission is terminated.} (Deleted by amendment.)~~

Sec. 8. NRS 232B.010 is hereby amended to read as follows:

232B.010 As used in ~~{this chapter,}~~ **NRS 232B.010 to 232B.100, inclusive**, unless the context otherwise requires, “agency” means any public agency which the Legislature has designated to be the subject of a review by the Legislative Commission.

Sec. 9. NRS 232B.080 is hereby amended to read as follows:

232B.080 1. The Legislative Commission shall conduct public hearings for the purpose of obtaining comments on, and may require the Legislative Counsel Bureau to submit reports on, the need for the continued operation of an agency, and its efficiency and effectiveness.

2. At any hearing held ~~{under this chapter,}~~ **pursuant to NRS 232B.010 to 232B.100, inclusive**, information may be presented by:

- (a) Members of the general public;
- (b) Any person who is regulated by the agency; and
- (c) Representatives of the agency.

3. The Legislative Commission shall consider any report submitted to it by the Legislative Counsel Bureau.

4. An agency has the burden of proving that there is a public need for its continued existence or regulatory function.

Sec. 10. 1. On or before August 1, 2011, the Governor shall submit to the Legislative Commission the names of at least three nominees who are qualified for membership on the Sunset Subcommittee of the Legislative Commission pursuant to subsection 2 of section 2 of this act.

2. On or before September 1, 2011:

(a) The Majority Leader of the Senate shall appoint three members of the Sunset Subcommittee pursuant to paragraph (a) of subsection 1 of section 2 of this act.

(b) The Speaker of the Assembly shall appoint three members of the Sunset Subcommittee pursuant to paragraph (b) of subsection 1 of section 2 of this act.

(c) The Chair of the Legislative Commission shall appoint three members of the general public from among the names of the nominees submitted by the Governor pursuant to subsection 1.

~~{Sec. 10.}~~ **Sec. 11.** This act becomes effective on July 1, 2011.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to the Concurrent Committee on Ways and Means.

Assembly Bill No. 501.

Bill read second time.

The following amendment was proposed by the Committee on Legislative Operations and Elections:

Amendment No. 475.

SUMMARY—~~{Establishes a moratorium on the execution of sentences of death and provides}~~ **Provides** for a study of issues regarding the death penalty. (BDR S-1103)

AN ACT relating to the death penalty; ~~{establishing a moratorium on the execution of sentences of death;}~~ providing for a study of issues regarding the death penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~{Section 1 of this bill establishes a moratorium on the execution of sentences of death until July 1, 2013. The moratorium does not prohibit any proceeding or prosecution seeking a sentence of death, but bars any execution from being carried out until July 1, 2013.}~~

~~Section 2 of this~~ **This** bill requires the Audit Division of the Legislative Counsel Bureau to conduct a staff study on the fiscal costs of the death penalty in Nevada. The study must include, without limitation, an examination and analysis of the costs of prosecuting and adjudicating capital cases compared to noncapital cases. The Legislative Auditor is required to

submit a written report of findings to the Director of the Legislative Counsel Bureau on or before January 31, 2013.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. ~~{1. Notwithstanding the provisions of any law, rule of court or order issued by a court of competent jurisdiction, a moratorium on the execution of all sentences of death is hereby established until July 1, 2013, and the sentence of any person sentenced to death before, on or after the effective date of this act must not be executed until July 1, 2013.~~

~~2. Notwithstanding the provisions of any law, rule of court or order issued by a court of competent jurisdiction:~~

~~(a) If, before the effective date of this act, a court has issued a warrant of execution of a sentence of death that appoints a week within which the judgment of death is to be executed which is before July 1, 2013, the court shall, not later than 60 days after the effective date of this act, issue a new warrant of execution of the sentence of death appointing a week within which the judgment of death is to be executed which is on or after July 1, 2013.~~

~~(b) On or after the effective date of this act, a court shall not issue a warrant of execution of a sentence of death that appoints a week within which the judgment of death is to be executed which is before July 1, 2013.~~

~~3. The provisions of this section must not be construed to:~~

~~(a) Affect any procedures regarding charging, prosecution or sentencing with respect to any offense committed before, on or after the effective date of this act;~~

~~(b) Prevent any person from being sentenced to death before, on or after the effective date of this act;~~

~~(c) Constitute the granting of a commutation or pardon to a person sentenced to death before, on or after the effective date of this act;~~

~~(d) Alter or amend the sentence of any person sentenced to death before, on or after the effective date of this act; or~~

~~(e) Affect any appeal, petition for a writ of habeas corpus or other request for judicial relief filed before, on or after the effective date of this act.~~

(Deleted by amendment.)

Sec. 2. 1. The Legislative Commission shall direct the Audit Division of the Legislative Counsel Bureau to conduct a staff study of the fiscal costs associated with the death penalty in this State.

2. The study conducted pursuant to this section must include an examination and analysis concerning the costs of prosecuting and adjudicating capital murder cases as compared to noncapital murder cases, including, without limitation, the costs relating to the death penalty borne by the State of Nevada and by the local governments in this State at each stage of the proceedings in capital murder cases, including pretrial costs, trial costs, appellate and postconviction costs and costs of incarceration such as:

(a) The costs of legal counsel involved in the prosecution and defense of a capital murder case for all pretrial, trial and postconviction proceedings; and

(b) Additional procedural costs involved in capital murder cases as compared to noncapital murder cases, including, without limitation, costs relating to:

(1) Processing of bonds, including investigative costs of prosecutors, police and other staff;

(2) Investigation of a case before a person is charged with a crime, including costs for investigation by the prosecution and the defense;

(3) Pretrial motions;

(4) Extradition;

(5) Psychiatric and medical evaluations;

(6) Expert witnesses;

(7) Juries;

(8) Sentencing proceedings;

(9) Appellate and postconviction proceedings, including motions, writs of certiorari and state and federal petitions for postconviction relief;

(10) Requests for clemency;

(11) Incarceration of persons awaiting trial in capital murder cases and persons sentenced to death; and

(12) Execution of a sentence of death, including costs of facilities and staff.

3. On or before January 31, 2013, the Legislative Auditor shall submit a written report of any findings to the Director of the Legislative Counsel Bureau for transmittal to the 77th Session of the Nevada Legislature.

Sec. 3. This act becomes effective upon passage and approval ~~and expires by limitation on June 30, 2013.~~

Assemblyman Segerblom moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 544.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 265.

SUMMARY—Provides for uniformity in the ~~definitions~~ naming of group homes and similar facilities. (BDR 20-675)

AN ACT relating to group homes; requiring, under certain circumstances, that local governments adopt ~~definitions~~ names for group homes and similar facilities which are the same as ~~for substantially similar to~~ the ~~definitions~~ names used in state law; ~~requiring, under certain circumstances, the use of the terms so defined;~~ clarifying that the names so adopted are solely for purposes of reference and are not definitions for regulatory purposes; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing state law defines the terms “child care institution,” “facility for transitional living for released offenders,” “group foster home,” “halfway house for recovering alcohol and drug abusers,” “home for individual residential care” and “residential facility for groups.” (NRS 424.015, 432A.0245, 449.0055, 449.008, 449.0105, 449.017) Existing county and city ordinances do not necessarily use the same terms or define them in the same way.

This bill requires that each county and city ~~[(1)]~~ adopt ~~[definitions for]~~ **an ordinance using** the preceding terms ~~[which are the same as, or substantially similar to, the definitions of those terms as set forth in state law; and (2) use the terms so defined.]~~ **to describe the applicable facilities, homes, houses and institutions.** However, a county or city is not required to ~~[adopt or use a definition for]~~ **include a specified term in the ordinance** if no facility of the type corresponding to the term exists in the county or city, or if the county's or city's ordinances do not otherwise, by whatever name, refer to a facility of the type corresponding to the term.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 244 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in ~~[subsection 2,]~~ subsections 2 and 3, each board of county commissioners shall ~~[, for consistency with state law:~~

~~[(a) Adopt]~~ **adopt an ordinance** ~~[defining]~~ **using the following terms** ~~[in the following manner, or in a manner substantially similar thereto:~~

~~[(1)]~~ **to describe the following types of facilities, homes, houses and institutions:**

~~[(a)]~~ **Child care institution, as that term is ~~[defined]~~ used in NRS 432A.0245.**

~~[(2)]~~ **Facility for transitional living for released offenders, as that term is ~~[defined]~~ used in NRS 449.0055.**

~~[(3)]~~ **Group foster home, as that term is ~~[defined]~~ used in NRS 424.015.**

~~[(4)]~~ **Halfway house for recovering alcohol and drug abusers, as that term is ~~[defined]~~ used in NRS 449.008.**

~~[(5)]~~ **Home for individual residential care, as that term is ~~[defined]~~ used in NRS 449.0105.**

~~[(6)]~~ **Residential facility for groups, as that term is ~~[defined]~~ used in NRS 449.017.**

~~[(b) If it defines a term pursuant to paragraph (a), ensure that the county government and the ordinances of the county use the term when referring to the type of facility, home, house or institution so defined.]~~

2. Subsection 1 requires the board of county commissioners to use the specified terms solely for the purpose of referring to the named facilities,

homes, houses and institutions and does not require the board to adopt the State's definition for the purpose of regulating or imposing any requirement with respect to such a facility, home, house or institution.

3. A board of county commissioners is not required to ~~{define or use}~~ include a term set forth in subsection 1 in the ordinance if:

(a) A facility, home, house or institution of the type corresponding to the term does not exist in the county; or

(b) The county's ordinances do not otherwise, by whatever name, refer to a facility, home, house or institution of the type corresponding to the term.

Sec. 2. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in ~~{subsection 2,}~~ subsections 2 and 3, the governing body of each city shall ~~{, for consistency with state law}~~

~~(a) Adopt~~ adopt an ordinance ~~{defining}~~ using the following terms ~~{in the following manner, or in a manner substantially similar thereto}~~

~~(1)}~~ to describe the following types of facilities, homes, houses and institutions:

~~(a)~~ Child care institution, as that term is ~~{defined}~~ used in NRS 432A.0245.

~~{(2)}~~ (b) Facility for transitional living for released offenders, as that term is ~~{defined}~~ used in NRS 449.0055.

~~{(3)}~~ (c) Group foster home, as that term is ~~{defined}~~ used in NRS 424.015.

~~{(4)}~~ (d) Halfway house for recovering alcohol and drug abusers, as that term is ~~{defined}~~ used in NRS 449.008.

~~{(5)}~~ (e) Home for individual residential care, as that term is ~~{defined}~~ used in NRS 449.0105.

~~{(6)}~~ (f) Residential facility for groups, as that term is ~~{defined}~~ used in NRS 449.017.

~~{ (b) If it defines a term pursuant to paragraph (a), ensure that the city government and the ordinances of the city use the term when referring to the type of facility, home, house or institution so defined. }~~

2. Subsection 1 requires the governing body of the city to use the specified terms solely for the purpose of referring to the named facilities, homes, houses and institutions and does not require the governing body to use the State's definition for the purpose of regulating or imposing any requirement with respect to such a facility, home, house or institution.

3. The governing body of a city is not required to ~~{define or use}~~ include a term set forth in subsection 1 in the ordinance if:

(a) A facility, home, house or institution of the type corresponding to the term does not exist in the city; or

(b) The city's ordinances do not otherwise, by whatever name, refer to a facility, home, house or institution of the type corresponding to the term.

Sec. 3. This act becomes effective on July 1, 2011.

Assemblywoman Bustamante Adams moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Assembly Bill No. 552.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 374.

AN ACT relating to genetic marker analysis; imposing an administrative assessment upon a defendant convicted of any crime; requiring that a biological specimen be obtained from a person arrested for a felony ~~or a~~ **sexual offense**; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 2 of this bill imposes an additional administrative assessment of \$1 for every \$10 in fines or fees imposed on a person convicted of a misdemeanor, gross misdemeanor or felony. **Section 2** also provides that the money collected from the assessments must be used to defray the costs associated with obtaining biological specimens and genetic marker analysis.

Under existing law, if a defendant is convicted of a felony or certain other specified offenses, the court, as part of the defendant's sentence, must order that a biological specimen be obtained from the defendant and that the specimen be used for analysis to determine the genetic markers of the specimen. (NRS 176.0911-176.0917) **Section 3** of this bill requires that a biological specimen be obtained if a person is arrested for a felony or a sexual offense ~~or~~ **punishable as a misdemeanor**. **Section 3** also provides that if the person is convicted of the felony ~~or~~ **or** the sexual offense, the specimen must be kept, but if the person is not convicted, the specimen and all records relating thereto must be destroyed and expunged.

Existing law prohibits a person from sharing or disclosing certain information relating to another person's biological specimen or genetic marker analysis and makes such conduct a misdemeanor. (NRS 176.0913) **Sections 3 and 8** of this bill increase the penalty for such conduct from a misdemeanor to a ~~gross misdemeanor with a maximum fine of \$2,500.~~ **category C felony**.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 176 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. 1. *In addition to any other administrative assessment imposed, when a defendant pleads guilty, is found guilty or enters a plea of nolo contendere to a misdemeanor, gross misdemeanor or felony, including the violation of any municipal ordinance, the justice or judge of the justice,*

municipal or district court, as applicable, shall include in the sentence the sum of \$1 for every \$10 or fraction thereof upon every fine or fee imposed and collected by the courts as an administrative assessment for obtaining a biological specimen and conducting genetic marker analysis and shall render a judgment against the defendant for the assessment. If a defendant is sentenced to perform community service in lieu of a fine, the sentence must include the administrative assessment required pursuant to this subsection.

2. The money collected for an administrative assessment for the provision of genetic marker analysis must not be deducted from the fine imposed by the justice or judge but must be taxed against the defendant in addition to the fine. The money collected for such an administrative assessment must be stated separately on the court's docket and must be included in the amount posted for bail. If bail is forfeited, the administrative assessment included in the bail pursuant to this subsection must be disbursed pursuant to subsection 3. If the defendant is found not guilty or the charges are dismissed, the money deposited with the court must be returned to the defendant. If the justice or judge cancels a fine because the fine has been determined to be uncollectible, any balance of the fine and the administrative assessment remaining unpaid shall be deemed to be uncollectible, and the defendant is not required to pay it. If a fine is determined to be uncollectible, the defendant is not entitled to a refund of the fine or administrative assessment he or she has paid, and the justice or judge shall not recalculate the administrative assessment.

3. If the justice or judge permits the fine and administrative assessment for the provision of genetic marker analysis to be paid in installments, the payments must be applied in the following order:

(a) To pay the unpaid balance of an administrative assessment imposed pursuant to NRS 176.059;

(b) To pay the unpaid balance of an administrative assessment for the provision of court facilities pursuant to NRS 176.0611;

(c) To pay the unpaid balance of an administrative assessment for the provision of specialty court programs pursuant to NRS 176.0613;

(d) To pay the unpaid balance of an administrative assessment for the provision of genetic marker analysis pursuant to this section; and

(e) To pay the fine.

4. The money collected for an administrative assessment for the provision of genetic marker analysis must be paid by the clerk of the court to the county treasurer on or before the fifth day of each month for the preceding month for credit to the fund for genetic marker analysis pursuant to NRS 176.0915.

Sec. 3. 1. If a person is arrested for a felony ~~for a sexual offense, and a court or magistrate makes a determination that probable cause exists for the person's arrest,~~ pursuant to a warrant, the law enforcement agency making the arrest shall:

(a) Submit the name, social security number, date of birth and any other information identifying the person to the Central Repository for Nevada Records of Criminal History; and

(b) Upon booking the person into a city or county jail or detention facility, and before the person is released from custody, obtain a biological specimen from the person through a cheek swab pursuant to the provisions of this section so that the specimen can be used for an analysis to determine the genetic markers of the specimen. The biological specimen may be collected by any authorized agent of a law enforcement agency.

2. ~~If ~~the~~ a person is arrested for a felony without a warrant, ~~the biological specimen obtained must not be submitted~~~~ the law enforcement agency making the arrest shall:

(a) Submit the name, social security number, date of birth and any other information identifying the person to the Central Repository for Nevada Records of Criminal History;

(b) Upon booking the person into a city or county jail or detention facility, and before the person is released from custody, obtain a biological specimen from the person through a cheek swab pursuant to the provisions of this section so that the specimen can be used for an analysis to determine the genetic markers of the specimen. The biological specimen may be collected by any authorized agent of a law enforcement agency; and

(c) Not submit the biological specimen for genetic marker analysis pursuant to subsection ~~4~~ 4 until a court or magistrate makes a determination that probable cause existed for the person's arrest.

3. If the person is arrested for a sexual offense that is punishable as a misdemeanor, upon booking the person into a city or county jail or detention facility, and before the person is released from custody, the law enforcement agency making the arrest shall obtain a biological specimen from the person through a cheek swab pursuant to the provisions of this section so that the specimen can be used for an analysis to determine the genetic markers of the specimen. The law enforcement agency obtaining the biological specimen shall provide the biological specimen to the forensic laboratory that has been designated in the county in which the person was arrested to conduct or oversee genetic marker analysis for the county pursuant to NRS 176.0917 and shall specifically direct the forensic laboratory to hold the biological specimen in a separate storage area pending notification from:

(a) The Central Repository for Nevada Records of Criminal History indicating that the person from whom the biological specimen was obtained has been convicted; or

(b) A court or magistrate indicating that the person from whom the biological specimen was obtained has failed to appear for a scheduled hearing.

↪ Upon receipt of such notification, the forensic laboratory shall proceed with any genetic marker analysis pursuant to subsection 4.

4. The law enforcement agency obtaining the biological specimen shall provide the specimen to the forensic laboratory that has been designated by the county in which the person was arrested to conduct or oversee genetic marker analysis for the county pursuant to NRS 176.0917. Each designated laboratory is authorized to contract with individuals or organizations for services to perform genetic marker analysis. The identification characteristics resulting from the genetic marker analysis must be stored and maintained by the forensic laboratory in CODIS and only may be made available as provided in section 4 of this act.

~~{4.}~~ 5. Any cost that is incurred to obtain a biological specimen from a person pursuant to this section is a charge against the county in which the person was arrested and must be paid as provided in NRS 176.0915.

~~{5.}~~ 6. A law enforcement agency shall not obtain a biological specimen from a person who has previously submitted such a specimen for an arrest or conviction of a prior offense unless the law enforcement agency, court or magistrate determines that an additional specimen is necessary.

~~{6.}~~ 7. A court or magistrate shall ~~{make}~~ :

(a) Make the provision of a biological specimen a condition of any person being admitted to bail or released on the person's own recognizance

~~{~~
7.} ; and

(b) Require the biological specimen to be provided to the forensic laboratory that has been designated by the county in which the person was arrested to conduct or oversee genetic marker analysis for the county pursuant to NRS 176.0917.

↪ Upon receipt of the biological specimen, the forensic laboratory shall proceed with any genetic marker analysis pursuant to subsection 4.

8. The Attorney General or a district attorney may petition a district court for an order requiring a person under this section to:

(a) Provide a biological specimen; or

(b) Provide a biological specimen by alternative means if the person will not cooperate.

↪ Nothing in this subsection shall be construed to prevent the collection of a biological specimen by order of a court of competent jurisdiction or the collection of a biological specimen of persons required to provide such a specimen under this section.

~~{8.}~~ 9. The detention, arrest or conviction of a person based upon a match in CODIS or other information in CODIS is not invalidated if the biological specimen was obtained or placed in CODIS by mistake, provided that the forensic laboratory can demonstrate that a good faith effort has been made to comply with all laws and regulations governing the inclusion of such information in CODIS.

~~{9-}~~ 10. Upon completion of any genetic marker analysis, the forensic laboratory shall inform the Central Repository for Nevada Records of Criminal History of the existence of such information pursuant to this section.

~~{10-}~~ 11. The Central Repository for Nevada Records of Criminal History shall include an indication on the criminal history record regarding the collection of a biological specimen, but may not include the results of the genetic marker analysis or any other information relating to the forensic laboratory's records.

~~{11-}~~ 12. A person whose genetic marker analysis has been included in the Central Repository for Nevada Records of Criminal History and CODIS pursuant to this section may make a written request to the Central Repository that it be automatically expunged on the grounds:

(a) That the conviction on which the authority for keeping the biological specimen or the result of the genetic marker analysis has been reversed and the case dismissed; or

(b) That the arrest which led to the inclusion of the biological specimen or the result of the genetic marker analysis has:

(1) Resulted in a felony or sexual offense charge that has been resolved by a dismissal, nolle prosequi, successful completion of a preprosecution diversion program or a conditional discharge or acquittal; or

(2) Not resulted in any additional criminal charges for a felony or sexual offense within 10 years after the arrest.

~~{12-}~~ 13. Within 90 days after receiving a written request pursuant to subsection 12, the Central Repository for Nevada Records of Criminal History shall forward such request and documentation to the forensic laboratory holding the biological specimen.

14. Except as otherwise provided in subsection ~~{13-}~~ 15, the forensic laboratory holding the biological specimen shall automatically purge all records and identifiable information pertaining to the person and destroy all specimens from the person upon receipt and confirmation of a written request that such data be expunged pursuant to this section, and:

(a) A certified copy of the court order reversing and dismissing the conviction; or

(b) For biological specimens included pursuant to arrest:

(1) A certified copy of the dismissal, nolle prosequi, successful completion of a preprosecution diversion program or a conditional discharge, or acquittal; or

(2) A sworn affidavit that no felony or sexual offense charges arising out of the arrest have been filed within ~~{1-year}~~ 10 years after the arrest.

~~{13-}~~ 15. The forensic laboratory shall not expunge a person's biological specimen and genetic marker analysis if the person has a prior felony or sexual offense conviction, a new felony or sexual offense arrest

or a pending felony or sexual offense charge for which collection of a biological specimen is authorized pursuant to this section.

~~14.1~~ 16. When a person's biological specimen and genetic marker analysis are expunged pursuant to this section, the forensic laboratory shall ensure that the person's biological specimen and genetic marker analysis are expunged from the Central Repository for Nevada Records of Criminal History and CODIS.

~~15.1~~ 17. Except as otherwise authorized by federal law or specific statute, a biological specimen obtained pursuant to this section, the results of a genetic marker analysis and any information identifying or matching a biological specimen with a person must not knowingly be shared with or knowingly disclosed to any person other than the authorized personnel who have possession and control of the biological specimen, results of a genetic marker analysis or information identifying or matching a biological specimen with a person, except pursuant to:

(a) A court order; or

(b) A request from a law enforcement agency during the course of an investigation.

~~16.1~~ 18. A person who violates any provision of subsection ~~15.1~~ 17 is guilty of a ~~gross misdemeanor and shall be punished by imprisonment in the county jail for not more than 1 year, or by a fine of not more than \$2,500, or by both fine and imprisonment.~~

~~17.1~~ category C felony and shall be punished as provided in NRS 193.130.

19. For the purposes of this section:

(a) "Sexual offense" means any of the following offenses:

(1) Murder of the first degree committed in the perpetration or attempted perpetration of sexual assault or of sexual abuse or sexual molestation of a child less than 14 years of age pursuant to paragraph (b) of subsection 1 of NRS 200.030.

(2) Sexual assault pursuant to NRS 200.366.

(3) Statutory sexual seduction pursuant to NRS 200.368.

(4) Battery with intent to commit sexual assault pursuant to subsection 4 of NRS 200.400.

(5) An offense involving the administration of a drug to another person with the intent to enable or assist the commission of a felony pursuant to NRS 200.405, if the felony is an offense listed in this section.

(6) An offense involving the administration of a controlled substance to another person with the intent to enable or assist the commission of a crime of violence pursuant to NRS 200.408, if the crime of violence is an offense listed in this section.

(7) Abuse of a child pursuant to NRS 200.508, if the abuse involved sexual abuse or sexual exploitation.

(8) An offense involving pornography and a minor pursuant to NRS 200.710 to 200.730, inclusive.

(9) *Incest pursuant to NRS 201.180.*

(10) *Solicitation of a minor to engage in acts constituting the infamous crime against nature pursuant to NRS 201.195.*

(11) *Open or gross lewdness pursuant to NRS 201.210.*

(12) *Indecent or obscene exposure pursuant to NRS 201.220.*

(13) *Lewdness with a child pursuant to NRS 201.230.*

(14) *Sexual penetration of a dead human body pursuant to NRS 201.450.*

(15) *Luring a child or a person with mental illness pursuant to NRS 201.560, if punished as a felony.*

(16) *Any other offense that has an element involving a sexual act or sexual conduct with another.*

(17) *An attempt or conspiracy to commit an offense listed in subparagraphs (1) to (16), inclusive.*

(18) *An offense that is determined to be sexually motivated pursuant to NRS 175.547 or 207.193.*

(19) *An offense committed in another jurisdiction that, if committed in this State, would be an offense listed in this section. This subparagraph includes, without limitation, an offense prosecuted in:*

(I) *A tribal court.*

(II) *A court of the United States or the Armed Forces of the United States.*

(20) *An offense of a sexual nature committed in another jurisdiction, whether or not the offense would be an offense listed in this section, if the person who committed the offense resides or has resided or is or has been a student or worker in any jurisdiction in which the person is or has been required by the laws of that jurisdiction to register as a sex offender because of the offense. This subparagraph includes, without limitation, an offense prosecuted in:*

(I) *A tribal court.*

(II) *A court of the United States or the Armed Forces of the United States.*

(III) *A court having jurisdiction over juveniles.*

(b) *“Sexual offense” does not include an offense involving consensual sexual conduct if the victim was:*

(1) *An adult, unless the adult was under the custodial authority of the offender at the time of the offense; or*

(2) *At least 13 years of age and the offender was not more than 4 years older than the victim at the time of the commission of the offense.*

Sec. 4. 1. *If information related to a biological specimen or genetic marker analysis contained in CODIS is requested, the forensic laboratory shall comply with all applicable federal law and specific statutes and regulations governing the release of such information. In addition, the identity and authority of the requester must be verified. All requests must be directed through the forensic laboratory and the CODIS administrator.*

2. To minimize duplication in collection of biological specimens and genetic marker analysis, a forensic laboratory may make information available to local, state and federal law enforcement agencies, the Department of Corrections, city or county jails or any detention facility to verify whether a biological specimen has been collected from a person. Information provided under this subsection must not include any results of genetic marker analysis.

Sec. 5. NRS 176.0611 is hereby amended to read as follows:

176.0611 1. A county or a city, upon recommendation of the appropriate court, may, by ordinance, authorize the justices or judges of the justice or municipal courts within its jurisdiction to impose for not longer than 50 years, in addition to the administrative assessments imposed pursuant to NRS 176.059 and 176.0613, **and section 2 of this act**, an administrative assessment for the provision of court facilities.

2. Except as otherwise provided in subsection 3, in any jurisdiction in which an administrative assessment for the provision of court facilities has been authorized, when a defendant pleads guilty or guilty but mentally ill or is found guilty or guilty but mentally ill of a misdemeanor, including the violation of any municipal ordinance, the justice or judge shall include in the sentence the sum of \$10 as an administrative assessment for the provision of court facilities and render a judgment against the defendant for the assessment. If the justice or judge sentences the defendant to perform community service in lieu of a fine, the justice or judge shall include in the sentence the administrative assessment required pursuant to this subsection.

3. The provisions of subsection 2 do not apply to:

- (a) An ordinance regulating metered parking; or
- (b) An ordinance that is specifically designated as imposing a civil penalty or liability pursuant to NRS 244.3575 or 268.019.

4. The money collected for an administrative assessment for the provision of court facilities must not be deducted from the fine imposed by the justice or judge but must be taxed against the defendant in addition to the fine. The money collected for such an administrative assessment must be stated separately on the court's docket and must be included in the amount posted for bail. If bail is forfeited, the administrative assessment included in the amount posted for bail pursuant to this subsection must be disbursed in the manner set forth in subsection 6 or 7. If the defendant is found not guilty or the charges are dismissed, the money deposited with the court must be returned to the defendant. If the justice or judge cancels a fine because the fine has been determined to be uncollectible, any balance of the fine and the administrative assessment remaining unpaid shall be deemed to be uncollectible and the defendant is not required to pay it. If a fine is determined to be uncollectible, the defendant is not entitled to a refund of the fine or administrative assessment the defendant has paid and the justice or judge shall not recalculate the administrative assessment.

5. If the justice or judge permits the fine and administrative assessment for the provision of court facilities to be paid in installments, the payments must be applied in the following order:

(a) To pay the unpaid balance of an administrative assessment imposed pursuant to NRS 176.059;

(b) To pay the unpaid balance of an administrative assessment for the provision of court facilities pursuant to this section;

(c) To pay the unpaid balance of an administrative assessment for the provision of specialty court programs pursuant to NRS 176.0613; ~~and~~

(d) ***To pay the unpaid balance of an administrative assessment for obtaining a biological specimen and conducting genetic marker analysis pursuant to section 2 of this act; and***

(e) To pay the fine.

6. The money collected for administrative assessments for the provision of court facilities in municipal courts must be paid by the clerk of the court to the city treasurer on or before the fifth day of each month for the preceding month. The city treasurer shall deposit the money received in a special revenue fund. The city may use the money in the special revenue fund only to:

(a) Acquire land on which to construct additional facilities for the municipal courts or a regional justice center that includes the municipal courts.

(b) Construct or acquire additional facilities for the municipal courts or a regional justice center that includes the municipal courts.

(c) Renovate or remodel existing facilities for the municipal courts.

(d) Acquire furniture, fixtures and equipment necessitated by the construction or acquisition of additional facilities or the renovation of an existing facility for the municipal courts or a regional justice center that includes the municipal courts. This paragraph does not authorize the expenditure of money from the fund for furniture, fixtures or equipment for judicial chambers.

(e) Acquire advanced technology for use in the additional or renovated facilities.

(f) Pay debt service on any bonds issued pursuant to subsection 3 of NRS 350.020 for the acquisition of land or facilities or the construction or renovation of facilities for the municipal courts or a regional justice center that includes the municipal courts.

➡ Any money remaining in the special revenue fund after 5 fiscal years must be deposited in the municipal general fund for the continued maintenance of court facilities if it has not been committed for expenditure pursuant to a plan for the construction or acquisition of court facilities or improvements to court facilities. The city treasurer shall provide, upon request by a municipal court, monthly reports of the revenue credited to and expenditures made from the special revenue fund.

7. The money collected for administrative assessments for the provision of court facilities in justice courts must be paid by the clerk of the court to the county treasurer on or before the fifth day of each month for the preceding month. The county treasurer shall deposit the money received to a special revenue fund. The county may use the money in the special revenue fund only to:

(a) Acquire land on which to construct additional facilities for the justice courts or a regional justice center that includes the justice courts.

(b) Construct or acquire additional facilities for the justice courts or a regional justice center that includes the justice courts.

(c) Renovate or remodel existing facilities for the justice courts.

(d) Acquire furniture, fixtures and equipment necessitated by the construction or acquisition of additional facilities or the renovation of an existing facility for the justice courts or a regional justice center that includes the justice courts. This paragraph does not authorize the expenditure of money from the fund for furniture, fixtures or equipment for judicial chambers.

(e) Acquire advanced technology for use in the additional or renovated facilities.

(f) Pay debt service on any bonds issued pursuant to subsection 3 of NRS 350.020 for the acquisition of land or facilities or the construction or renovation of facilities for the justice courts or a regional justice center that includes the justice courts.

↪ Any money remaining in the special revenue fund after 5 fiscal years must be deposited in the county general fund for the continued maintenance of court facilities if it has not been committed for expenditure pursuant to a plan for the construction or acquisition of court facilities or improvements to court facilities. The county treasurer shall provide, upon request by a justice court, monthly reports of the revenue credited to and expenditures made from the special revenue fund.

8. If money collected pursuant to this section is to be used to acquire land on which to construct a regional justice center, to construct a regional justice center or to pay debt service on bonds issued for these purposes, the county and the participating cities shall, by interlocal agreement, determine such issues as the size of the regional justice center, the manner in which the center will be used and the apportionment of fiscal responsibility for the center.

Sec. 6. NRS 176.0613 is hereby amended to read as follows:

176.0613 1. The justices or judges of the justice or municipal courts shall impose, in addition to an administrative assessment imposed pursuant to NRS 176.059 and 176.0611, **and section 2 of this act**, an administrative assessment for the provision of specialty court programs.

2. Except as otherwise provided in subsection 3, when a defendant pleads guilty or guilty but mentally ill or is found guilty or guilty but mentally ill of a misdemeanor, including the violation of any municipal ordinance, the

justice or judge shall include in the sentence the sum of \$7 as an administrative assessment for the provision of specialty court programs and render a judgment against the defendant for the assessment. If a defendant is sentenced to perform community service in lieu of a fine, the sentence must include the administrative assessment required pursuant to this subsection.

3. The provisions of subsection 2 do not apply to:

- (a) An ordinance regulating metered parking; or
- (b) An ordinance which is specifically designated as imposing a civil penalty or liability pursuant to NRS 244.3575 or 268.019.

4. The money collected for an administrative assessment for the provision of specialty court programs must not be deducted from the fine imposed by the justice or judge but must be taxed against the defendant in addition to the fine. The money collected for such an administrative assessment must be stated separately on the court's docket and must be included in the amount posted for bail. If bail is forfeited, the administrative assessment included in the bail pursuant to this subsection must be disbursed pursuant to subsection 6 or 7. If the defendant is found not guilty or the charges are dismissed, the money deposited with the court must be returned to the defendant. If the justice or judge cancels a fine because the fine has been determined to be uncollectible, any balance of the fine and the administrative assessment remaining unpaid shall be deemed to be uncollectible and the defendant is not required to pay it. If a fine is determined to be uncollectible, the defendant is not entitled to a refund of the fine or administrative assessment the defendant has paid and the justice or judge shall not recalculate the administrative assessment.

5. If the justice or judge permits the fine and administrative assessment for the provision of specialty court programs to be paid in installments, the payments must be applied in the following order:

(a) To pay the unpaid balance of an administrative assessment imposed pursuant to NRS 176.059;

(b) To pay the unpaid balance of an administrative assessment for the provision of court facilities pursuant to NRS 176.0611;

(c) To pay the unpaid balance of an administrative assessment for the provision of specialty court programs; ~~and~~

(d) To pay the unpaid balance of an administrative assessment for obtaining a biological specimen and conducting genetic marker analysis pursuant to section 2 of this act; and

(e) To pay the fine.

6. The money collected for an administrative assessment for the provision of specialty court programs in municipal court must be paid by the clerk of the court to the city treasurer on or before the fifth day of each month for the preceding month. On or before the 15th day of that month, the city treasurer shall deposit the money received for each administrative assessment with the State Controller for credit to a special account in the State General Fund administered by the Office of Court Administrator.

7. The money collected for an administrative assessment for the provision of specialty court programs in justice courts must be paid by the clerk of the court to the county treasurer on or before the fifth day of each month for the preceding month. On or before the 15th day of that month, the county treasurer shall deposit the money received for each administrative assessment with the State Controller for credit to a special account in the State General Fund administered by the Office of Court Administrator.

8. The Office of Court Administrator shall allocate the money credited to the State General Fund pursuant to subsections 6 and 7 to courts to assist with the funding or establishment of specialty court programs.

9. Money that is apportioned to a court from administrative assessments for the provision of specialty court programs must be used by the court to:

(a) Pay for the treatment and testing of persons who participate in the program; and

(b) Improve the operations of the specialty court program by any combination of:

(1) Acquiring necessary capital goods;

(2) Providing for personnel to staff and oversee the specialty court program;

(3) Providing training and education to personnel;

(4) Studying the management and operation of the program;

(5) Conducting audits of the program;

(6) Supplementing the funds used to pay for judges to oversee a specialty court program; or

(7) Acquiring or using appropriate technology.

10. As used in this section:

(a) "Office of Court Administrator" means the Office of Court Administrator created pursuant to NRS 1.320; and

(b) "Specialty court program" means a program established by a court to facilitate testing, treatment and oversight of certain persons over whom the court has jurisdiction and who the court has determined suffer from a mental illness or abuses alcohol or drugs. Such a program includes, without limitation, a program established pursuant to NRS 176A.250, 176A.280 or 453.580.

Sec. 7. NRS 176.0911 is hereby amended to read as follows:

176.0911 As used in NRS 176.0911 to 176.0917, inclusive, **and sections 2, 3 and 4 of this act**, unless the context otherwise requires, "CODIS" means the Combined DNA Indexing System operated by the Federal Bureau of Investigation.

Sec. 8. NRS 176.0913 is hereby amended to read as follows:

176.0913 1. If a defendant is convicted of an offense listed in subsection 4, the court, at sentencing, shall order that:

(a) The name, social security number, date of birth and any other information identifying the defendant be submitted to the Central Repository for Nevada Records of Criminal History; and

(b) A biological specimen be obtained from the defendant pursuant to the provisions of this section and that the specimen be used for an analysis to determine the genetic markers of the specimen.

2. If the defendant is committed to the custody of the Department of Corrections, the Department of Corrections shall arrange for the biological specimen to be obtained from the defendant. The Department of Corrections shall provide the specimen to the forensic laboratory that has been designated by the county in which the defendant was convicted to conduct or oversee genetic marker testing for the county pursuant to NRS 176.0917.

3. If the defendant is not committed to the custody of the Department of Corrections, the Division shall arrange for the biological specimen to be obtained from the defendant. The Division shall provide the specimen to the forensic laboratory that has been designated by the county in which the defendant was convicted to conduct or oversee genetic marker testing for the county pursuant to NRS 176.0917. Any cost that is incurred to obtain a biological specimen from a defendant pursuant to this subsection is a charge against the county in which the defendant was convicted and must be paid as provided in NRS 176.0915.

4. Except as otherwise provided in subsection 5, the provisions of subsection 1 apply to a defendant who is convicted of:

- (a) A felony;
- (b) A crime against a child as defined in NRS 179D.0357;
- (c) A sexual offense as defined in NRS 179D.097;
- (d) Abuse or neglect of an older person or a vulnerable person pursuant to NRS 200.5099;
- (e) A second or subsequent offense for stalking pursuant to NRS 200.575;
- (f) An attempt or conspiracy to commit an offense listed in paragraphs (a) to (e), inclusive;
- (g) Failing to register with a local law enforcement agency as a convicted person as required pursuant to NRS 179C.100, if the defendant previously was:
 - (1) Convicted in this State of committing an offense listed in paragraph (a), (d), (e) or (f); or
 - (2) Convicted in another jurisdiction of committing an offense that would constitute an offense listed in paragraph (a), (d), (e) or (f) if committed in this State;
- (h) Failing to register with a local law enforcement agency after being convicted of a crime against a child as required pursuant to NRS 179D.450; or
- (i) Failing to register with a local law enforcement agency after being convicted of a sexual offense as required pursuant to NRS 179D.450.

5. A court shall not order a biological specimen to be obtained from a defendant who has previously submitted such a specimen **pursuant to section 3 of this act or** for conviction of a prior offense unless the court determines that an additional sample is necessary.

6. Except as otherwise authorized by federal law or by specific statute, a biological specimen obtained pursuant to this section, the results of a genetic marker analysis and any information identifying or matching a biological specimen with a person must not be shared with or disclosed to any person other than the authorized personnel who have possession and control of the biological specimen, results of a genetic marker analysis or information identifying or matching a biological specimen with a person, except pursuant to:

- (a) A court order; or
- (b) A request from a law enforcement agency during the course of an investigation.

7. A person who violates any provision of subsection 6 is guilty of a ~~[gross misdemeanor] [.] [and shall be punished by imprisonment in the county jail for not more than 1 year, or by a fine of not more than \$2,500, or by both fine and imprisonment.]~~ **category C felony and shall be punished as provided in NRS 193.130.**

Sec. 9. NRS 176.0915 is hereby amended to read as follows:

176.0915 1. If a biological specimen is obtained from a ~~{defendant}~~ **person** pursuant to NRS 176.0913 ~~[.]~~ **or section 3 of this act, and the person is convicted of the offense for which the biological specimen was obtained,** the court, in addition to any other penalty, shall order the ~~{defendant,}~~ **person,** to the extent of the ~~{defendant's}~~ **person's** financial ability, to pay the sum of \$150 as a fee for obtaining the specimen and for conducting the analysis to determine the genetic markers of the specimen. The fee:

- (a) Must be stated separately in the judgment of the court or on the docket of the court;
- (b) Must be collected from the ~~{defendant}~~ **person** before or at the same time that any fine imposed by the court is collected from the ~~{defendant;}~~ **person;** and
- (c) Must not be deducted from any fine imposed by the court.

2. All money that is collected pursuant to subsection 1 must be paid by the clerk of the court to the county treasurer on or before the fifth day of each month for the preceding month.

3. The board of county commissioners of each county shall by ordinance create in the county treasury a fund to be designated as the fund for genetic marker testing. The county treasurer shall deposit money that is collected pursuant to subsection 2 in the fund for genetic marker testing. The money must be accounted for separately within the fund.

4. Each month, the county treasurer shall use the money deposited in the fund for genetic marker testing to pay for the actual amount charged to the county for obtaining a biological specimen from a ~~{defendant}~~ **person** pursuant to NRS 176.0913 ~~[.]~~ **or section 3 of this act.**

5. The board of county commissioners of each county may apply for and accept grants, gifts, donations, bequests or devises which the board of county

commissioners shall deposit with the county treasurer for credit to the fund for genetic marker testing.

6. If money remains in the fund after the county treasurer makes the payments required by subsection 4, the county treasurer shall pay the remaining money each month to the forensic laboratory that is designated by the county pursuant to NRS 176.0917 to conduct or oversee genetic marker testing for the county. A forensic laboratory that receives money pursuant to this subsection shall use the money to cover any expense related to genetic marker testing.

Sec. 10. NRS 176.0917 is hereby amended to read as follows:

176.0917 1. The board of county commissioners of each county shall designate a forensic laboratory to conduct or oversee for the county any genetic marker testing that is ~~ordered or arranged~~ **required** pursuant to NRS 176.0913 or 176.0916 ~~or section 3 of this act~~.

2. The forensic laboratory designated by the board of county commissioners pursuant to subsection 1:

- (a) Must be operated by this State or one of its political subdivisions; and
- (b) Must satisfy or exceed the standards for quality assurance that are established by the Federal Bureau of Investigation for participation in CODIS.

Sec. 11. NRS 179.225 is hereby amended to read as follows:

179.225 1. If the punishment of the crime is the confinement of the criminal in prison, the expenses must be paid from money appropriated to the Office of the Attorney General for that purpose, upon approval by the State Board of Examiners. After the appropriation is exhausted, the expenses must be paid from the Reserve for Statutory Contingency Account upon approval by the State Board of Examiners. In all other cases, they must be paid out of the county treasury in the county wherein the crime is alleged to have been committed. The expenses are:

(a) If the prisoner is returned to this State from another state, the fees paid to the officers of the state on whose governor the requisition is made;

(b) If the prisoner is returned to this State from a foreign country or jurisdiction, the fees paid to the officers and agents of this State or the United States; or

(c) If the prisoner is temporarily returned for prosecution to this State from another state pursuant to this chapter or chapter 178 of NRS and is then returned to the sending state upon completion of the prosecution, the fees paid to the officers and agents of this State,

➤ and the per diem allowance and travel expenses provided for state officers and employees generally incurred in returning the prisoner.

2. If a person is returned to this State pursuant to this chapter or chapter 178 of NRS and is convicted of, or pleads guilty, guilty but mentally ill or nolo contendere to, the criminal charge for which the person was returned or a lesser criminal charge, the court shall conduct an investigation of the financial status of the person to determine the ability to make restitution. In

conducting the investigation, the court shall determine if the person is able to pay any existing obligations for:

- (a) Child support;
- (b) Restitution to victims of crimes; and
- (c) Any administrative assessment required to be paid pursuant to NRS 62E.270, 176.059, 176.0611, 176.0613 and 176.062 ~~+~~ **and section 2 of this act.**

3. If the court determines that the person is financially able to pay the obligations described in subsection 2, it shall, in addition to any other sentence it may impose, order the person to make restitution for the expenses incurred by the Attorney General or other governmental entity in returning the person to this State. The court shall not order the person to make restitution if payment of restitution will prevent the person from paying any existing obligations described in subsection 2. Any amount of restitution remaining unpaid constitutes a civil liability arising upon the date of the completion of the sentence.

4. The Attorney General may adopt regulations to carry out the provisions of this section.

Sec. 12. NRS 179A.075 is hereby amended to read as follows:

179A.075 1. The Central Repository for Nevada Records of Criminal History is hereby created within the Records and Technology Division of the Department.

2. Each agency of criminal justice and any other agency dealing with crime or delinquency of children shall:

- (a) Collect and maintain records, reports and compilations of statistical data required by the Department; and
- (b) Submit the information collected to the Central Repository in the manner approved by the Director of the Department.

3. Each agency of criminal justice shall submit the information relating to records of criminal history that it creates or issues, and any information in its possession relating to the genetic markers of a biological specimen of a person ~~[who is convicted of an offense listed in subsection 4 of]~~ **from whom a biological specimen is obtained pursuant to NRS 176.0913 ~~+~~ or section 3 of this act,** to the Division. The information must be submitted to the Division:

- (a) Through an electronic network;
 - (b) On a medium of magnetic storage; or
 - (c) In the manner prescribed by the Director of the Department,
- ↪ within the period prescribed by the Director of the Department. If an agency has submitted a record regarding the arrest of a person who is later determined by the agency not to be the person who committed the particular crime, the agency shall, immediately upon making that determination, so notify the Division. The Division shall delete all references in the Central Repository relating to that particular arrest.

4. The Division shall, in the manner prescribed by the Director of the Department:

(a) Collect, maintain and arrange all information submitted to it relating to:

(1) Records of criminal history; and

(2) The genetic markers of a biological specimen of a person ~~who is convicted of an offense listed in subsection 4 of~~ **from whom a biological specimen is obtained pursuant to NRS 176.0913 ~~1~~ or section 3 of this act.**

(b) When practicable, use a record of the personal identifying information of a subject as the basis for any records maintained regarding him or her.

(c) Upon request, provide the information that is contained in the Central Repository to the State Disaster Identification Team of the Division of Emergency Management of the Department.

5. The Division may:

(a) Disseminate any information which is contained in the Central Repository to any other agency of criminal justice;

(b) Enter into cooperative agreements with repositories of the United States and other states to facilitate exchanges of information that may be disseminated pursuant to paragraph (a); and

(c) Request of and receive from the Federal Bureau of Investigation information on the background and personal history of any person whose record of fingerprints the Central Repository submits to the Federal Bureau of Investigation and:

(1) Who has applied to any agency of the State of Nevada or any political subdivision thereof for a license which it has the power to grant or deny;

(2) With whom any agency of the State of Nevada or any political subdivision thereof intends to enter into a relationship of employment or a contract for personal services;

(3) Who has applied to any agency of the State of Nevada or any political subdivision thereof to attend an academy for training peace officers approved by the Peace Officers' Standards and Training Commission;

(4) For whom such information is required to be obtained pursuant to NRS 427A.735 and 449.179; or

(5) About whom any agency of the State of Nevada or any political subdivision thereof is authorized by law to have accurate personal information for the protection of the agency or the persons within its jurisdiction.

➡ To request and receive information from the Federal Bureau of Investigation concerning a person pursuant to this subsection, the Central Repository must receive the person's complete set of fingerprints from the agency or political subdivision and submit the fingerprints to the Federal Bureau of Investigation for its report.

6. The Central Repository shall:

(a) Collect and maintain records, reports and compilations of statistical data submitted by any agency pursuant to subsection 2.

(b) Tabulate and analyze all records, reports and compilations of statistical data received pursuant to this section.

(c) Disseminate to federal agencies engaged in the collection of statistical data relating to crime information which is contained in the Central Repository.

(d) Investigate the criminal history of any person who:

(1) Has applied to the Superintendent of Public Instruction for a license;

(2) Has applied to a county school district, charter school or private school for employment; or

(3) Is employed by a county school district, charter school or private school,

➡ and notify the superintendent of each county school district, the governing body of each charter school and the Superintendent of Public Instruction, or the administrator of each private school, as appropriate, if the investigation of the Central Repository indicates that the person has been convicted of a violation of NRS 200.508, 201.230, 453.3385, 453.339 or 453.3395, or convicted of a felony or any offense involving moral turpitude.

(e) Upon discovery, notify the superintendent of each county school district, the governing body of each charter school or the administrator of each private school, as appropriate, by providing the superintendent, governing body or administrator with a list of all persons:

(1) Investigated pursuant to paragraph (d); or

(2) Employed by a county school district, charter school or private school whose fingerprints were sent previously to the Central Repository for investigation,

➡ who the Central Repository's records indicate have been convicted of a violation of NRS 200.508, 201.230, 453.3385, 453.339 or 453.3395, or convicted of a felony or any offense involving moral turpitude since the Central Repository's initial investigation. The superintendent of each county school district, the governing body of a charter school or the administrator of each private school, as applicable, shall determine whether further investigation or action by the district, charter school or private school, as applicable, is appropriate.

(f) Investigate the criminal history of each person who submits fingerprints or has fingerprints submitted pursuant to NRS 427A.735, 449.176 or 449.179.

(g) On or before July 1 of each year, prepare and present to the Governor a printed annual report containing the statistical data relating to crime received during the preceding calendar year. Additional reports may be presented to the Governor throughout the year regarding specific areas of crime if they are approved by the Director of the Department.

(h) On or before July 1 of each year, prepare and submit to the Director of the Legislative Counsel Bureau for submission to the Legislature, or to the

Legislative Commission when the Legislature is not in regular session, a report containing statistical data about domestic violence in this State.

(i) Identify and review the collection and processing of statistical data relating to criminal justice and the delinquency of children by any agency identified in subsection 2 and make recommendations for any necessary changes in the manner of collecting and processing statistical data by any such agency.

7. The Central Repository may:

(a) In the manner prescribed by the Director of the Department, disseminate compilations of statistical data and publish statistical reports relating to crime or the delinquency of children.

(b) Charge a reasonable fee for any publication or special report it distributes relating to data collected pursuant to this section. The Central Repository may not collect such a fee from an agency of criminal justice, any other agency dealing with crime or the delinquency of children which is required to submit information pursuant to subsection 2 or the State Disaster Identification Team of the Division of Emergency Management of the Department. All money collected pursuant to this paragraph must be used to pay for the cost of operating the Central Repository.

(c) In the manner prescribed by the Director of the Department, use electronic means to receive and disseminate information contained in the Central Repository that it is authorized to disseminate pursuant to the provisions of this chapter.

8. As used in this section:

(a) "Personal identifying information" means any information designed, commonly used or capable of being used, alone or in conjunction with any other information, to identify a person, including, without limitation:

(1) The name, driver's license number, social security number, date of birth and photograph or computer-generated image of a person; and

(2) The fingerprints, voiceprint, retina image and iris image of a person.

(b) "Private school" has the meaning ascribed to it in NRS 394.103.

Sec. 13. NRS 179D.150 is hereby amended to read as follows:

179D.150 A record of registration must include, if the information is available:

1. Information identifying the offender or sex offender, including, but not limited to:

(a) The name of the offender or sex offender and all aliases that the offender or sex offender has used or under which he or she has been known;

(b) A complete physical description of the offender or sex offender, a current photograph of the offender or sex offender and the fingerprints and palm prints of the offender or sex offender;

(c) The date of birth and the social security number of the offender or sex offender;

(d) The identification number from a driver's license or an identification card issued to the offender or sex offender by this State or any other jurisdiction and a photocopy of such driver's license or identification card;

(e) A report of the analysis of the genetic markers of the specimen obtained from the offender or sex offender pursuant to NRS 176.0913 ~~to~~ **or section 3 of this act;** and

(f) Any other information that identifies the offender or sex offender.

2. Information concerning the residence of the offender or sex offender, including, but not limited to:

(a) The address at which the offender or sex offender resides;

(b) The length of time the offender or sex offender has resided at that address and the length of time the offender or sex offender expects to reside at that address;

(c) The address or location of any other place where the offender or sex offender expects to reside in the future and the length of time the offender or sex offender expects to reside there; and

(d) The length of time the offender or sex offender expects to remain in the county where the offender or sex offender resides and in this State.

3. Information concerning the offender's or sex offender's occupations, employment or work or expected occupations, employment or work, including, but not limited to, the name, address and type of business of all current and expected future employers of the offender or sex offender.

4. Information concerning the offender's or sex offender's volunteer service or expected volunteer service in connection with any activity or organization within this State, including, but not limited to, the name, address and type of each such activity or organization.

5. Information concerning the offender's or sex offender's enrollment or expected enrollment as a student in any public or private educational institution or school within this State, including, but not limited to, the name, address and type of each such educational institution or school.

6. Information concerning whether:

(a) The offender or sex offender is, expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of the offender or sex offender's enrollment at an institution of higher education; or

(b) The offender or sex offender is, expects to be or becomes a worker at an institution of higher education or changes the date of commencement or termination of the offender or sex offender's work at an institution of higher education,

➤ including, but not limited to, the name, address and type of each such institution of higher education.

7. The license plate number and a description of all motor vehicles registered to or frequently driven by the offender or sex offender.

8. The level of registration and community notification of the offender or sex offender.

9. The criminal history of the offender or sex offender, including, without limitation:

- (a) The dates of all arrests and convictions of the offender or sex offender;
- (b) The status of parole, probation or supervised release of the offender or sex offender;
- (c) The status of the registration of the offender or sex offender; and
- (d) The existence of any outstanding arrest warrants for the offender or sex offender.

10. The following information for each offense for which the offender or sex offender has been convicted:

- (a) The court in which the offender or sex offender was convicted;
- (b) The text of the provision of law defining each offense;
- (c) The name under which the offender or sex offender was convicted;
- (d) The name and location of each penal institution, school, hospital, mental facility or other institution to which the offender or sex offender was committed;
- (e) The specific location where the offense was committed;
- (f) The age, the gender, the race and a general physical description of the victim; and
- (g) The method of operation that was used to commit the offense, including, but not limited to:
 - (1) Specific sexual acts committed against the victim;
 - (2) The method of obtaining access to the victim, such as the use of enticements, threats, forced entry or violence against the victim;
 - (3) The type of injuries inflicted on the victim;
 - (4) The types of instruments, weapons or objects used;
 - (5) The type of property taken; and
 - (6) Any other distinctive characteristic of the behavior or personality of the offender or sex offender.

11. Any other information required by federal law.

Sec. 14. NRS 179D.443 is hereby amended to read as follows:

179D.443 When an offender convicted of a crime against a child or a sex offender registers with a local law enforcement agency as required pursuant to NRS 179D.445, 179D.460 or 179D.480, or updates the registration as required pursuant to NRS 179D.447:

1. The offender or sex offender shall provide the local law enforcement agency with the following:

- (a) The name of the offender or sex offender and all aliases that the offender or sex offender has used or under which the offender or sex offender has been known;
- (b) The social security number of the offender or sex offender;
- (c) The address of any residence or location at which the offender or sex offender resides or will reside;
- (d) The name and address of any place where the offender or sex offender is a worker or will be a worker;

(e) The name and address of any place where the offender or sex offender is a student or will be a student;

(f) The license plate number and a description of all motor vehicles registered to or frequently driven by the offender or sex offender; and

(g) Any other information required by federal law.

2. If the offender or sex offender has not previously provided a biological specimen pursuant to NRS 176.0913 or 176.0916, **or section 3 of this act**, the offender or sex offender shall provide a biological specimen to the local law enforcement agency. The local law enforcement agency shall provide the specimen to the forensic laboratory that has been designated by the county in which the offender or sex offender resides, is present or is a worker or student to conduct or oversee genetic marker testing for the county pursuant to NRS 176.0917.

3. The local law enforcement agency shall ensure that the record of registration of the offender or sex offender includes, without limitation:

(a) A complete physical description of the offender or sex offender, a current photograph of the offender or sex offender and the fingerprints and palm prints of the offender or sex offender;

(b) The text of the provision of law defining each offense for which the offender or sex offender is required to register;

(c) The criminal history of the offender or sex offender, including, without limitation:

(1) The dates of all arrests and convictions of the offender or sex offender;

(2) The status of parole, probation or supervised release of the offender or sex offender;

(3) The status of the registration of the offender or sex offender; and

(4) The existence of any outstanding arrest warrants for the offender or sex offender;

(d) A report of the analysis of the genetic markers of the specimen obtained from the offender or sex offender;

(e) The identification number from a driver's license or an identification card issued to the offender or sex offender by this State or any other jurisdiction and a photocopy of such driver's license or identification card; and

(f) Any other information required by federal law.

Sec. 15. NRS 211.245 is hereby amended to read as follows:

211.245 1. If a prisoner fails to make a payment within 10 days after it is due, the district attorney for a county or the city attorney for an incorporated city may file a civil action in any court of competent jurisdiction within this State seeking recovery of:

(a) The amount of reimbursement due;

(b) Costs incurred in conducting an investigation of the financial status of the prisoner; and

(c) Attorney's fees and costs.

2. A civil action brought pursuant to this section must:

- (a) Be instituted in the name of the county or city in which the jail, detention facility or alternative program is located;
- (b) Indicate the date and place of sentencing, including, without limitation, the name of the court which imposed the sentence;
- (c) Include the record of judgment of conviction, if available;
- (d) Indicate the length of time served by the prisoner and, if the prisoner has been released, the date of his or her release; and
- (e) Indicate the amount of reimbursement that the prisoner owes to the county or city.

3. The county or city treasurer of the county or incorporated city in which a prisoner is or was confined shall determine the amount of reimbursement that the prisoner owes to the city or county. The county or city treasurer may render a sworn statement indicating the amount of reimbursement that the prisoner owes and submit the statement in support of a civil action brought pursuant to this section. Such a statement is prima facie evidence of the amount due.

4. A court in a civil action brought pursuant to this section may award a money judgment in favor of the county or city in whose name the action was brought.

5. If necessary to prevent the disposition of the prisoner's property by the prisoner, or the prisoner's spouse or agent, a county or city may file a motion for a temporary restraining order. The court may, without a hearing, issue ex parte orders restraining any person from transferring, encumbering, hypothecating, concealing or in any way disposing of any property of the prisoner, real or personal, whether community or separate, except for necessary living expenses.

6. The payment, pursuant to a judicial order, of existing obligations for:

- (a) Child support or alimony;
- (b) Restitution to victims of crimes; and
- (c) Any administrative assessment required to be paid pursuant to NRS 62E.270, 176.059, 176.0611, 176.0613 and 176.062, **and section 2 of this act,**

↪ has priority over the payment of a judgment entered pursuant to this section.

Sec. 16. NRS 249.085 is hereby amended to read as follows:

249.085 On or before the 15th day of each month, the county treasurer shall report to the State Controller the amount of the administrative assessments paid by each justice court for the preceding month pursuant to NRS 176.059 and 176.0613 ~~and~~ **and section 2 of this act.**

Sec. 17. The amendatory provisions of this act apply to a person arrested on or after July 1, 2012.

Sec. 18. 1. This section and sections 1, 2, 5, 6, 7, 11, 15 and 16 of this act become effective on July 1, 2011.

2. Sections 3, 4, 8, 9, 10, 12, 13, 14 and 17 of this act become effective on July 1, 2012.

Assemblyman Ohrenschall moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

Senate Bill No. 86.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 109.

Senate Bill No. 86—~~[Senator]~~ **SENATORS Leslie ; BREEDEN, COPENING, ROBERSON, SCHNEIDER, SETTELMEYER AND PARKS**

Prefiled January 7, 2011

JOINT SPONSORS: ASSEMBLYMEN HORNE; AIZLEY, ANDERSON, ATKINSON, BOBZIEN, CONKLIN, FLORES, FRIERSON, HARDY, KIRKPATRICK, OCEGUERA, OHRENSCHALL, PIERCE, SEGERBLOM AND SMITH

AN ACT relating to eminent domain; removing the authorization of a person who is not a public agency to exercise the power of eminent domain to acquire real property for mining, smelting and related activities; eliminating the use of the power of eminent domain to acquire real property for pipelines of the beet sugar industry; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the use of eminent domain to acquire real property for certain public uses, including mining, smelting and related activities and pipelines of the beet sugar industry. (NRS 37.010) This bill removes the authorization of a person who is not a public agency to exercise the power of eminent domain for the purposes of mining, smelting and related activities. This bill also eliminates an obsolete provision that authorized the use of the power of eminent domain to acquire real property for pipelines of the beet sugar industry.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 37.0095 is hereby amended to read as follows:

37.0095 1. Except as otherwise provided in subsection 2, only a public agency may exercise the power of eminent domain pursuant to the provisions of this chapter.

2. Except as otherwise provided in NRS 37.0097, the power of eminent domain may be exercised by a person who is not a public agency pursuant to NRS 37.230 and paragraphs ~~[(f), (h), (j), (m)]~~ **(g), (i), (k)** and ~~[(p)]~~ **(n)** of subsection 1 of NRS 37.010.

3. As used in this section, “public agency” means an agency or political subdivision of this State or the United States.

Sec. 2. NRS 37.010 is hereby amended to read as follows:

37.010 1. Subject to the provisions of this chapter and the limitations in subsections 2 and 3, the right of eminent domain may be exercised in behalf of the following public uses:

(a) Federal activities. All public purposes authorized by the Government of the United States.

(b) State activities. Public buildings and grounds for the use of the State, the Nevada System of Higher Education and all other public purposes authorized by the Legislature.

(c) County, city, town and school district activities. Public buildings and grounds for the use of any county, incorporated city or town, or school district, reservoirs, water rights, canals, aqueducts, flumes, ditches or pipes for conducting water for the use of the inhabitants of any county, incorporated city or town, for draining any county, incorporated city or town, for raising the banks of streams, removing obstructions therefrom, and widening, deepening or straightening their channels, for roads, streets and alleys, and all other public purposes for the benefit of any county, incorporated city or town, or the inhabitants thereof.

(d) Bridges, toll roads, railroads, street railways and similar uses. Wharves, docks, piers, chutes, booms, ferries, bridges, toll roads, byroads, plank and turnpike roads, roads for transportation by traction engines or locomotives, roads for logging or lumbering purposes, and railroads and street railways for public transportation.

(e) Ditches, canals, aqueducts for smelting, domestic uses, irrigation and reclamation. Reservoirs, dams, water gates, canals, ditches, flumes, tunnels, aqueducts and pipes for supplying persons, mines, mills, smelters or other works for the reduction of ores, with water for domestic and other uses, for irrigating purposes, for draining and reclaiming lands, or for floating logs and lumber on streams not navigable.

(f) ~~Mineral, smelting and related activities. Mining, smelting and related activities as follows:~~

~~(1) Mining and related activities, which are recognized as the paramount interest of this State.~~

~~(2) Roads, railroads, tramways, tunnels, ditches, flumes, pipes, reservoirs, dams, water gates, canals, aqueducts and dumping places to facilitate the milling, smelting or other reduction of ores, the working, reclamation or dewatering of mines, and for all mining purposes, outlets, natural or otherwise, for the deposit or conduct of tailings, refuse, or water from mills, smelters, or other work for the reduction of ores from mines, mill dams, pipelines, tanks or reservoirs for natural gas or oil, an occupancy in common by the owners or possessors of different mines, mills, smelters or other places for the reduction of ores, or any place for the flow, deposit or conduct of tailings or refuse matter and the necessary land upon which to~~

~~erect smelters and to operate them successfully, including the deposit of fine flue dust, fumes and smoke.~~

~~(g)~~ Byroads. Byroads leading from highways to residences and farms.

~~(h)~~ **(g)** Public utilities. Lines for telegraph, telephone, electric light and electric power and sites for plants for electric light and power.

~~(i)~~ **(h)** Sewerage. Sewerage of any city, town, settlement of not less than 10 families or any public building belonging to the State or college or university.

~~(j)~~ **(i)** Water for generation and transmission of electricity. Canals, reservoirs, dams, ditches, flumes, aqueducts and pipes for supplying and storing water for the operation of machinery to generate and transmit electricity for power, light or heat.

~~(k)~~ **(j)** Cemeteries, public parks. Cemeteries or public parks.

~~(l)~~ Pipelines of beet sugar industry. Pipelines to conduct any liquids connected with the manufacture of beet sugar.

~~(m)~~ **(k)** Pipelines for petroleum products, natural gas. Pipelines for the transportation of crude petroleum, petroleum products or natural gas, whether interstate or intrastate.

~~(n)~~ **(l)** Aviation. Airports, facilities for air navigation and aerial rights-of-way.

~~(o)~~ **(m)** Monorails. Monorails and any other overhead or underground system used for public transportation.

~~(p)~~ **(n)** Video service providers. Video service providers that are authorized pursuant to chapter 711 of NRS to operate a video service network. The exercise of the power of eminent domain may include the right to use the wires, conduits, cables or poles of any public utility if:

(1) It creates no substantial detriment to the service provided by the utility;

(2) It causes no irreparable injury to the utility; and

(3) The Public Utilities Commission of Nevada, after giving notice and affording a hearing to all persons affected by the proposed use of the wires, conduits, cables or poles, has found that it is in the public interest.

~~(q)~~ **(o)** Redevelopment. The acquisition of property pursuant to NRS 279.382 to 279.685, inclusive.

2. Notwithstanding any other provision of law and except as otherwise provided in this subsection, the public uses for which private property may be taken by the exercise of eminent domain do not include the direct or indirect transfer of any interest in the property to another private person or entity. Property taken by the exercise of eminent domain may be transferred to another private person or entity in the following circumstances:

(a) The entity that took the property transfers the property to a private person or entity and the private person or entity uses the property primarily to benefit a public service, including, without limitation, a utility, railroad, public transportation project, pipeline, road, bridge, airport or facility that is owned by a governmental entity.

(b) The entity that took the property leases the property to a private person or entity that occupies an incidental part of an airport or a facility that is owned by a governmental entity and, before leasing the property:

(1) Uses its best efforts to notify the person from whom the property was taken that the property will be leased to a private person or entity that will occupy an incidental part of an airport or facility that is owned by a governmental entity; and

(2) Provides the person from whom the property was taken with an opportunity to bid or propose on any such lease.

(c) The entity that took the property:

(1) Took the property in order to acquire property that was abandoned by the owner, abate an immediate threat to the safety of the public or remediate hazardous waste; and

(2) Grants a right of first refusal to the person from whom the property was taken that allows that person to reacquire the property on the same terms and conditions that are offered to the other private person or entity.

(d) The entity that took the property exchanges it for other property acquired or being acquired by eminent domain or under the threat of eminent domain for roadway or highway purposes, to relocate public or private structures or to avoid payment of excessive compensation or damages.

(e) The person from whom the property is taken consents to the taking.

3. The entity that is taking property by the exercise of eminent domain has the burden of proving that the taking is for a public use.

4. For the purposes of this section, an airport authority or any public airport is not a private person or entity.

Sec. 3. NRS 279.471 is hereby amended to read as follows:

279.471 1. Except as otherwise provided in this subsection, an agency may exercise the power of eminent domain to acquire property for a redevelopment project only if the agency adopts a resolution that includes a written finding by the agency that a condition of blight exists for each individual parcel of property to be acquired by eminent domain. An agency may exercise the power of eminent domain to acquire a parcel of property that is not blighted for a redevelopment project if the agency adopts a resolution that includes a written finding by the agency that a condition of blight exists for at least two-thirds of the property within the redevelopment area at the time the redevelopment area was created.

2. In addition to the requirement set forth in subsection 1, an agency may exercise the power of eminent domain to acquire property for a redevelopment project only if:

(a) The property sought to be acquired is necessary to carry out the redevelopment plan;

(b) The agency has adopted a resolution of necessity that complies with the requirements set forth in subsection 3; and

(c) The agency has complied with the provisions of NRS 279.4712.

3. A resolution of necessity required pursuant to paragraph (b) of subsection 2 must set forth:

(a) A statement that the property will be acquired for purposes of redevelopment as authorized pursuant to paragraph ~~[(a)]~~ (o) of subsection 1 of NRS 37.010 and subsection 2 of NRS 279.470;

(b) A reasonably detailed description of the property to be acquired;

(c) A finding by the agency that the public interest and necessity require the acquisition of the property;

(d) A finding by the agency that acquisition of the property will be the option for redevelopment that is most compatible with the greatest public good and the least private injury; and

(e) A finding by the agency that acquisition of the property is necessary for purposes of redevelopment.

4. After an agency adopts a resolution pursuant to subsection 1 or 2, the resolution so adopted and the findings set forth in the resolution are final and conclusive and are not subject to judicial review unless credible evidence is adduced to suggest that the resolution or the findings set forth therein were procured through bribery or fraud.

Sec. 4. This act becomes effective upon passage and approval.

Assemblyman Ohrenschall moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed, and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Conklin moved that Assembly Bill No. 154 be taken from its position on the General File and placed at the top of the General File.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 154.

Bill read third time.

The following amendment was proposed by Assemblyman Frierson:

Amendment No. 491.

AN ACT relating to the protection of children; establishing provisions which set forth certain rights of children who are placed in foster homes; requiring notice of those rights to children placed in foster homes; establishing a procedure for children who are placed in foster homes to report alleged violations of those rights; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Sections 3-5 of this bill establish certain rights of children who are placed in foster homes. **Section 6** of this bill requires a provider of family foster care which places a child in a foster home to inform the child of his or her rights and provide the child with a written copy of those rights. **Section 6** also requires each group foster home which provides care to more than six

children to post a written copy of those rights in the group foster home. **Section 7** of this bill authorizes a provider of family foster care to place reasonable restrictions on the rights of a child based upon the time, place and manner of a child's exercise of those rights if such restrictions are necessary to preserve the order or safety of the foster home. **Section 8** of this bill authorizes a child placed in foster care who believes that his or her rights as set forth in this bill have been violated to raise and redress a grievance with any of a number of persons or institutions responsible for the child.

Section 9 of this bill prohibits an employee of a school district from disclosing to any person who is not employed by the school district any information relating to a pupil who is placed in foster care.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 432 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.3 to 8, inclusive, of this act.

Sec. 1.3. *As used in sections 1.3 to 8, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 1.5, 1.7 and 1.9 of this act have the meanings ascribed to them in those sections.*

Sec. 1.5. *"Foster home" has the meaning ascribed to it in NRS 424.014.*

Sec. 1.7. *"Group foster home" has the meaning ascribed to it in NRS 424.015.*

Sec. 1.9. *"Provider of family foster care" has the meaning ascribed to it in NRS 424.017.*

Sec. 2. *It is the policy of this State that every child placed in a foster home by an agency which provides child welfare services have the rights set forth in sections 3, 4 and 5 of this act.*

Sec. 3. *A child placed in a foster home by an agency which provides child welfare services has the right:*

1. *To receive information concerning his or her rights set forth in this section and sections 4 and 5 of this act.*

2. *To be treated with dignity and respect.*

3. *To fair and equal access to services, placement, care, treatment and benefits.*

4. *To receive adequate, healthy, appropriate and accessible food.*

5. *To receive adequate, appropriate and accessible clothing and shelter.*

6. *To receive appropriate medical care, including, without limitation:*

(a) *Dental, vision and mental health services;*

(b) *Medical and psychological screening, assessment and testing; and*

(c) *Referral to and receipt of medical, emotional, psychological or psychiatric evaluation and treatment as soon as practicable after the need for such services has been identified.*

7. *To be free from:*

(a) *Abuse or neglect, as defined in NRS 432B.020;*

(b) Corporal punishment, as defined in NRS 388.5225;

(c) Unreasonable searches of his or her personal belongings or other unreasonable invasions of privacy;

(d) The administration of psychotropic medication unless the administration is consistent with NRS 432B.197 and the policies established pursuant thereto; and

(e) Discrimination or harassment on the basis of his or her actual or perceived race, ethnicity, ancestry, national origin, color, religion, sex, sexual orientation, gender identity, mental or physical disability or exposure to the human immunodeficiency virus.

8. To attend religious services of his or her choice or to refuse to attend religious services.

9. Except for placement in a facility, as defined in NRS 432B.6072, not to be locked in any room, building or premise or to be subject to other physical restraint or isolation.

10. Except as otherwise prohibited by the agency which provides child welfare services:

(a) To send and receive unopened mail; and

(b) To maintain a bank account and manage personal income, consistent with the age and developmental level of the child.

11. To complete an identification kit, including, without limitation, photographing, and include the identification kit and his or her photograph in a file maintained by the licensee of the foster home and the agency which provides child welfare services and any employee thereof who provides child welfare services to the child.

12. To communicate with other persons, including, without limitation, the right:

(a) To communicate regularly, but not less often than once each month, with an employee of the agency which provides child welfare services who provides child welfare services to the child;

(b) To communicate confidentially with the agency which provides child welfare services to the child concerning his or her care;

(c) To report any alleged violation of his or her rights pursuant to section 8 of this act without being threatened or punished;

(d) Except as otherwise prohibited by a court order, to contact a family member, social worker, attorney, advocate for children receiving foster care services or guardian ad litem appointed by a court or probation officer; and

(e) Except as otherwise prohibited by a court order, to contact and visit his or her siblings.

Sec. 4. With respect to the placement of a child in a foster home by an agency which provides child welfare services, the child has the right:

1. To live in a safe, healthy, stable and comfortable environment, including, without limitation, the right:

(a) *If safe and appropriate, to remain in his or her home, be placed in the home of a relative or be placed in a home within his or her community;*

(b) *To be placed in an appropriate foster home best suited to meet the unique needs of the child, including, without limitation, any disability of the child;*

(c) *To be placed in a foster home where the licensee, employees and residents of the foster home who are 18 years of age or older have submitted to an investigation of their background and personal history in compliance with NRS 424.031; and*

(d) *To be placed with his or her siblings, whenever possible, and as required by law, if his or her siblings are also placed outside the home.*

2. *To receive and review information concerning his or her placement, including, without limitation, the right:*

(a) *To receive information concerning any plan for his or her permanent placement adopted pursuant to NRS 432B.553;*

(b) *To receive information concerning any changes made to his or her plan for permanent placement; and*

(c) *If the child is 12 years of age or older, to review the plan for his or her permanent placement.*

3. *To attend and participate in a court hearing which affects the child, to the extent authorized by law and appropriate given the age and experience of the child.*

Sec. 5. *With respect to the education and vocational training of a child placed in a foster home by an agency which provides child welfare services, the child has the right:*

1. *To receive fair and equal access to an education, including, without limitation, the right:*

(a) *To receive an education as required by law;*

(b) *To have stability in and minimal disruption to his or her education when the child is placed in a foster home;*

(c) *To attend the school and remain in the scholastic activities that he or she was enrolled in before placement in a foster home, to the extent practicable and if in the best interests of the child;*

(d) *To have educational records transferred in a timely manner from the school that he or she was enrolled in before placement in a foster home to a new school, if any;*

(e) *Not to be identified as a foster child to other students at his or her school by an employee of a school district, including, without limitation, a school administrator, teacher or instructional aide;*

(f) *To receive any educational screening, assessment or testing required by law;*

(g) *To be referred to and receive educational evaluation and services as soon as practicable after the need for such services has been identified, including, without limitation, access to special education and special services to meet the unique needs of a child with educational or behavioral*

disabilities or impairments that adversely affect the child's educational performance;

(h) To have access to information regarding relevant educational opportunities, including, without limitation, course work for vocational and postsecondary educational programs and financial aid for postsecondary education, once the child is 16 years of age or older; and

(i) To attend a class or program concerning independent living for which he or she is qualified that is offered by the agency which provides child welfare services or another agency or contractor of the State.

2. To participate in extracurricular, cultural and personal enrichment activities which are consistent with the age and developmental level of the child.

3. To work and to receive vocational training, to the extent permitted by statute and consistent with the age and developmental level of the child.

4. To have access to transportation, if practicable, to allow the child to participate in extracurricular, cultural, personal and work activities.

Sec. 6. 1. A provider of family foster care that places a child in a foster home shall:

(a) Inform the child of his or her rights set forth in sections 3, 4 and 5 of this act;

(b) Provide the child with a written copy of those rights; and

(c) Provide an additional written copy of those rights to the child upon request.

2. A group foster home shall post a written copy of the rights set forth in sections 3, 4 and 5 of this act in a conspicuous place inside the group foster home.

Sec. 7. A provider of family foster care may impose reasonable restrictions on the time, place and manner in which a child may exercise his or her rights set forth in sections 3, 4 and 5 of this act if the provider of family foster care determines that such restrictions are necessary to preserve the order, discipline or safety of the foster home.

Sec. 8. If a child believes that his or her rights set forth in sections 3, 4 and 5 of this act have been violated, the child may raise and redress a grievance with, without limitation:

1. A provider of foster care;

2. An employee of a family foster home, as defined in NRS 424.013, group foster home or specialized foster home;

3. An agency which provides child welfare services to the child, and any employee thereof;

4. A juvenile court with jurisdiction over the child;

5. A guardian ad litem for the child; or

6. An attorney for the child.

Sec. 9. Chapter 391 of NRS is hereby amended by adding thereto a new section to read as follows:

An employee of a school district, including, without limitation, a teacher, an administrator or an instructional aide, shall not disclose to any person who is not employed by the school district the fact that a pupil is a child who has been placed in a foster home or any related information.

Assemblyman Frierson moved the adoption of the amendment.

Remarks by Assemblyman Frierson.

Amendment adopted.

Bill ordered reprinted, reengrossed, and to third reading.

Assemblyman Conklin moved that the Assembly recess until 2:15 p.m.

Motion carried.

Assembly in recess at 1:54 p.m.

ASSEMBLY IN SESSION

At 2:29 p. m.

Mr. Speaker presiding.

Quorum present.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Conklin moved that the Assembly resolve itself into a Committee of the Whole for the purpose of considering, in work session, the Governor's proposed higher education budget, with Assemblyman Oceguela acting as Chairman of the Committee of the Whole.

Motion carried.

IN COMMITTEE OF THE WHOLE

Chairman Oceguela presiding.

Quorum present.

Governor's proposed higher education budget considered.

CHAIR OCEGUERA:

Like earlier in the week, we will do a couple of things. I think we are going to have the Fiscal staff come up first, and then the university system, some students, some public comment.

Mrs. Smith, did you have a comment before we got started here?

ASSEMBLYWOMAN SMITH:

Thank you, Mr. Chairman. I do not see our staff here yet, so I thought while we are waiting for them to come in, I might just remind the body that this is the usual process that we follow for resolving the budget, that we are on the same track that we are normally in at this time considering the same information. We would just normally be doing this in a small committee, and this, again, will give the entire body the opportunity to see and hear at least some of the information that only the money committees usually have to consider. The document that you have been provided is the same information that the money committees have been reviewing in our hearings, and this, again, is just a bigger venue for this information.

CHAIR OCEGUERA:

I would like to give a few comments myself. As you know, we are in the Committee of the Whole. We did this on Tuesday, and I wanted to let the public watching and listening to the Committee of the Whole for the first time to know how it works. The Committee of the Whole operates under a very similar set of rules as the regular committees, the only real difference

being that the entire Assembly functions as one big committee. Just like we do in committee, we will be having witnesses. Legislators and witnesses would address me, again, as the Chair instead of the Speaker. In our budget committee work sessions, we often ask what the sense of the membership is on a particular issue, and these votes are not binding. They are only for the benefit of the Committee and the public to understand where we stand. With the Committee of the Whole, we are bringing the major budget discussions out of the subcommittees and committees and onto the Assembly and Senate floors for an open and transparent debate.

Today, we are listening to the Governor's higher education budget. We have got big decisions, again, to make, and Nevadans, I believe, have the right to know what their elected representatives are doing, and who is doing what. The Committee of the Whole is also to help individual legislators who do not serve on the money committees to understand what the cuts to higher education proposed by the Governor are and to have more input on the decisions that are made. As I said in Tuesday's Committee of the Whole, this session we are deciding what kind of state we want to be. The Governor's budget recommends a cut of 27 percent to higher education when you include the funds we've received under the American Recovery and Reinvestment Act of 2009 (ARRA) in the last biennium. That's about \$300 million.

Like many of you, I was born in Nevada, and I was raised here. I have a degree from Truckee Meadows Community College and, from Western Nevada Community College. I received my master's degree in public administration from UNLV (University of Nevada, Las Vegas) and my law degree from the University of Nevada, Las Vegas, Boyd School of Law. Nevada's higher education system made me who I am. It is real simple. I do not think I would be sitting here today if not for the great education I received in our colleges and universities. I know how important it is, and I want all Nevadans to have that kind of access that I had.

I am a little troubled by these cuts and the impact they would have on our state and our students. Again, as I stated in the K-12 hearing, we have heard from the economic development experts, university representatives, and businesses that we simply cannot afford the cuts of this size to our university system. It would not pull ourselves out of this economic crisis and then attract 21st century businesses. To create jobs and economic growth, first you need a qualified workforce, and we rely on our universities for that. A \$300+ million cut to higher education will only, among other things, get us higher tuition and shut out students who could not afford to go to school. These cuts would also mean the elimination and reduction of critical programs or departments like Engineering and Computer Science that provide technologically skilled workers to our high-tech businesses in Nevada and those that are considering moving here. There is also a very real threat of campus closings and retraining opportunities, particularly in our community colleges. I want Nevada to continue to have a great higher education system and I believe these cuts would do irreparable harm.

But before we begin, I think we should thank the witnesses who have had to endure—they are going back-to-back. They just did the Senate; now they are doing the Assembly. They are having a pretty long day of testimony. We appreciate them being here. We appreciate their testimony. We appreciate those students that will be here as well. We thank them for being involved and thank them for being engaged. Let us begin with our Fiscal staff.

RICK COMBS, ASSEMBLY FISCAL ANALYST, FISCAL ANALYSIS DIVISION, LEGISLATIVE COUNSEL BUREAU:

We are here today to present our document on the Governor's budget proposal for higher education. Just to point out, the first document under the exhibits in Nevada Electronic Legislative Information System (NELIS) was prepared by our staff ([Exhibit C](#)). It is entitled, "Nevada System of Higher Education." The second document ([Exhibit D](#)) is a cover letter from the System to the last round of questions that they received from our office as a result of the K-12 Higher Education Subcommittee hearing of Ways and Means and Senate Finance. The third document ([Exhibit E](#)) is their detailed response to those questions. In its hard form, it is thick, but it is on NELIS in electronic form for you. We have referenced this document in the document that we prepared a number of times, so I wanted you to know where that was in case you were following along and wanted to look in there.

The document that we will be going through ([Exhibit C](#)) is very table or chart-intensive. Alex [Alex Haartz, Program Analyst, Fiscal Analysis Division] is going to do his best to go through

and make sure that you understand the numbers that we have placed in those tables and charts. We have done our best to reflect the difference between the recommended budget for the upcoming biennium and the current budget that we are in. There is a number of different ways that you can look at this information, and we have tried to present it in a number of those ways so that you can see from different perspectives what the level of recommended decrease is.

With that, I am going to introduce, to my far right, Brian Burke, who is a senior program analyst in our office. To my immediate right is Alex Haartz. He is a program analyst in our office who is responsible for the System of Higher Education budgets. With that, I will turn it over to Alex to go through the document with you.

ALEX HAARTZ, PROGRAM ANALYST, FISCAL ANALYSIS DIVISION, LEGISLATIVE COUNSEL BUREAU:

Thank you. The document before you (Exhibit C), which is about 10 pages, can be broken into two parts overall. The first part is a brief overview of the Nevada System of Higher Education funding, both as approved by the 2009 Legislature as well as the Governor's recommended budget for the upcoming biennium. The second part of the document reflects information as to how the Nevada System of Higher Education has identified from a strategy standpoint how they would address meeting reductions required by the Governor's recommended budget.

Going back to the first part, the first page and the first table provides a biennium-to-biennium funding comparison as approved—as you will see in the first column—by the 2009 Legislature. The numbers of importance there, really in terms of thinking about the Governor's recommended budget, is the General Fund and the student fees and tuition, and then the federal ARRA funds. The Governor recommends funding that is less for the General Fund amount by approximately \$259 million. Student fees are relatively comparable, especially when the surcharges approved by the Board of Regents for the current biennium are included. And then there are the federal ARRA funds and property tax revenues. I point that out to you because to be able to provide you with an apples-to-apples comparison, we have come up with a term that we refer to as “governmental support.” That starts down at the bottom of the first page.

If you turn the page to page number 2, there is a biennium-to-biennium comparison of recommended governmental support. In the 2009 Legislature, the Legislature approved a General Fund appropriation of approximately \$1 billion for the biennium, which was evenly divided as \$500 million per year. The 2009 Legislature also approved almost \$185 million in ARRA State Fiscal Education Stabilization funding. As you will see, there was no property tax revenues included or built into the budget for 2009, but in order to be able to provide you that comparison, that then allows us to talk about governmental support for the upcoming biennium as contained in The Executive Budget. In the second column, you will see that the General Fund appropriation recommended for the 2011-2013 biennium is approximately \$741 million. There are no ARRA funds; those funds have expired. There is \$121 million in property tax revenues derived from Washoe and Clark counties budgeted for UNR (University of Nevada, Reno) and UNLV. One of the distinctions in this comparison is that as budgeted and approved by the 2009 Legislature, the ARRA funds were additive to the budget. They were in addition to the General Fund approved by yourselves. For the 2011-2013 biennium, the property tax revenues that are included in The Executive Budget are not additive in nature in so much as that for every \$1 of property tax revenues included, the budget reduces General Fund by one dollar\$1.

The next aspect that I need to explain to you is a set of actions taken by the 26th Special Session (2010). In order to implement budget reductions, some of you will recall the Nevada System of Higher Education's budgets were reduced by 6.9 percent in fiscal year (FY) 2009-10 and FY 2010-11. The General Fund, which had started at \$500 million for each year of the biennium, in FY 2009-10 was reduced by \$11.5 million and in FY 2010-11 was reduced by \$34.5 million.

The second action approved by the 26th Special Session (2010) was to actually swap how the federal ARRA funds were budgeted. Like the General Fund, which had been evenly budgeted at \$500 million, the \$184.8 million was also evenly split between the two fiscal years, \$92.4 million in each year. In reducing the General Fund appropriation, the 26th Special Session (2010) also moved all of the federal funds from FY 2010-11 into FY 2009-10, so \$92.4 million

was moved over, and an equal amount of General Fund was moved to FY 2010-11, which effectively made FY 2010-11 an entirely General Fund-funded budget for the Nevada System of Higher Education's 26 state-supported operating budgets. The reason I point that out to you is the end result was when you take those two actions into account, the total funding for the Nevada System of Higher Education (NSHE) is \$557.9 million.

If you turn the page to the first of relatively busy tables [page 3], you will see the first column, which is entitled, "FY 2011 General Fund (Leg. Approved Adjusted for 26th Spec. Sess.)." That column reflects the budget as approved by both the 2009 Legislature and the 26th Special Session (2010) as the funding for each of the NSHE accounts. At the top of the table are the main instructional accounts: UNR, UNLV, Nevada State College, Great Basin College, etc. Those are commonly referred to as the instructional accounts. The next series are the professional schools and the Desert Research Institute (DRI), and then the other institution accounts. Down at the bottom of that at the total funding, you will see the \$557.9 million. I point that out to you because that number has been used at the subcommittee level for the K-12/Higher Education Subcommittee as well as by the System of Higher Education as their starting point. It is what they are referencing as, "This is where we have to cut from." If you look at the next column in, "FY 2012 Governmental Support (Gen. Fund + Prop. Taxes) (Gov. Rec.)," the total amount recommended in The Executive Budget is \$466.4 million. That is a \$91.5 million reduction from FY 2010-11. For FY 2012-13, the total amount of funding recommended by the Governor is \$395 million, of which \$335 million is General Fund appropriation, and almost \$61 million is property tax revenues. That is the \$162.5 million reduction you have previously heard and will likely hear the Chancellor talk about today as well.

Now I would like to talk about, briefly, the budget reduction strategies. In the K-12/Higher Education Subcommittee, the Subcommittee requested that the System provide information on what the impact of the budget reductions would be for both the first year as well as the second year. They asked the System to provide the information in the form of templates that standardize the information and reflect the full amount of the budget reductions. In the larger document that Mr. Combs referenced (Exhibit E), beginning on page 37, there are budget reduction templates that you can look at for each of the institutions that lays out the various cuts that are proposed. The NSHE was asked to provide two scenarios, and as you go through this document, two scenarios are referenced. The first scenario is provides information on what would be cut, and how would you implement it if primarily operating reductions were used as a strategy. The second scenario dealt with primarily using closures and consolidations of campuses and institutions as the primary strategy to implement the budget reductions contained in The Executive Budget. I will be speaking to both of those as I move through the document.

The first scenario, which, again, is based upon a \$91.5 million reduction in the first year and a \$162.5 million reduction in the second year, primarily looks at reducing operating expenditures. By operating expenditures, those are cutting costs in the instructional, academic support, student support, operations and maintenance, student services areas, as the institutions have already been doing. If you turn to the next page, which is page 4 of the document, there is an even busier table which, again, the left-hand column anchors to the \$557.9 million, which, again, represents the funding in the current fiscal year. The second column shows the Governor's recommended funding, the \$466 million. The third column represents the budget reductions that would be required for each of the state-supported operating budgets. The fourth column, which is entitled, "FY 2012 SCENARIO #1," that represents the budget reduction amounts that would be required for each of the accounts.

I will use UNR as an example; \$18.4 million is shown in the first year. If you move across the table, it reflects for 2013, \$39.8 million. There are several actions taking place in the table, which I wish to bring to your attention. The first one is that UNR, as a series of budgets, is proposing several different approaches to addressing the budget reductions. The first is that they are reducing some budgets more than what the Governor's recommended budget would otherwise require. As an example, if you look at the Cooperative Extension budget, which is about the sixth row down, you will see that the Governor's budget would recommend a reduction of \$1.457 million. The preliminary plan submitted is \$5.7 million, which means that that budget account is being cut by \$4.3 million more than what otherwise be suggested. The reason being is that UNR is proposing that certain budgets be cut disproportionately more than

others and that those funds be, in effect, shifted to offset the reductions that would otherwise be required. An example of where a budget is not being reduced as much is that first UNR account; that is the main instructional account. The second action UNR is proposing for their budgets is to not cut the full amount in the first year. If you look at the “FY 2012 NET Difference” column, you will see \$1.262 million that they are otherwise short; however, if you look at 2013, you will see that they are cutting by an additional \$1.26 million. Their strategy, as proposed in the budget-reduction strategies, is to use a net approach for the biennium and to spread the cuts out over two years. Other budgets, to some extent or another, are doing that, but the bottom line is that over the biennium, the Nevada System of Higher Education is proposing to reduce their budgets by the \$162.5 million.

This table incorporates, in these reductions, the 5 percent salary reduction you have heard about, the merit freeze, the elimination of longevity. Those amounts are already included in the total reductions. Also included in the total reductions is approximately \$71 million of general operating reductions in the first year and \$149 million of general operating reductions in the second year.

If you turn the page to page 5, I would like to talk a little bit about Scenario 2. Scenario 2 was a request by the [SubCommittee] Committee to also explore what is the impact of closing and consolidating institutions. The three consolidations that were considered, for which information has been provided, is the consolidation of Great Basin College and Western Nevada College into Truckee Meadows Community College, Nevada State College into the College of Southern Nevada (CSN) and UNLV, and then DRI into UNR and UNLV. The information presented reflects nominal savings in the sense that they do not reach the \$162.5 million. In fact, the initial savings that are presented in the budget materials reflect about \$12.41 million, and those are mainly in administrative savings. The consolidations do not project reductions to the academic infrastructure in so much as that [of] the instructional infrastructure. Students would still be taking courses. There would still be the services there, but it is mainly an administrative savings. I would also note that within the first scenario, which is the general operating reductions, both the College of Southern Nevada and Western Nevada College identified closure of satellite and rural campus locations for savings of approximately \$2.6 million as part of their overall budget reduction strategies. Combined, that’s about \$15 million.

The next section of the document covers summary tables which we have put together to assist you in understanding what the budget-reduction materials presented indicate in terms of reductions to the academic infrastructure to student access and capacity as well as staffing and employment by the Nevada System of Higher Education. In the middle of page 5 is the first summary table, which attempts to organize and summarize for you the academic infrastructure impacts that have been identified for Scenario 1 in the budget reduction materials. It is fairly straightforward, as you will see. The main effect is, in each year, the reduction of course sections, which reflects a reduction in the number of courses and classes that would be offered. In the first year, it is approximately 2,313. In the second year, it is 2,373, at least based on the information contained in the preliminary plans—and I will stress that these are preliminary. These have not yet been approved by the Board of Regents. Until the total funding level is known, it is uncertain as to what the actual impacts will be. And not to minimize—there are academic degrees that are proposed to be eliminated; there are academic programs that are also proposed to be eliminated and reorganizations and restructurings. With regard to this table, if you turn to the last page, page 10 of your document, there is an attachment, Attachment A. There is information there in a bullet form that provides a quick summary of some of the impacts identified by each of the institutions. This is not meant to be inclusive or exclusive. These are just some of the impacts that have been identified to put some context to the academic infrastructure reductions that were identified in Table 1.

With regard to impacts to students and student access and capacity, if you turn to page 6, Table 2 provides information on the projected impacts to access. One of the points I would like to make here is that the table reflects student full-time equivalents. Student full-time equivalent is a student who, generally thought to go to school full-time, takes 15 academic credits in a semester or 30 credits in a year. It is a measure of counting credits. It is not necessarily a measure of counting individual students. Counting individual students, we talk about headcount, and I’ll point out the distinction to you in a moment. For FY 2010-11, the Nevada System of

Higher Education, the seven teaching institutions, have projected that they will serve 69,023 full-time equivalent students in the current fiscal/academic year. Based on the budget reductions contained in *The Executive Budget*, the institutions project that they would be able to serve approximately 4,700 full-time students less in FY 2011-12. Down at the bottom of the table, you will see a section that says, "Student Head Count Impact." Based on the information provided, it is projected that approximately 11,600 unique students would not be able to access either classes or enroll or somehow be impacted, [so] that they would no longer be able to be served. In FY 2012--13, the projected impact is approximately 7,900 student full-time equivalents, or approximately 19,000 unduplicated students.

Table 3, in terms of staffing impacts, if you turn to page 7, the Nevada System of Higher Education has also indicated that they will be cutting positions, eliminating full-time employees as well as part-time employees. Again, the same analogy applies when we were talking about headcount and student full-time equivalents (STFE) as full-time employee impact and position impact. Currently, based upon the funding of approximately \$558 million in the current fiscal year, and then the total funding that has been authorized by the Legislature, there are 7,163 full-time equivalents in the state-supported operating budgets. That will decrease by approximately 714 employees as projected, and in the second year, the employment projection is projected to decrease by almost 1,100 full-time employees. The equivalent information for headcount position impact is shown below. The bottom half of the table for Scenario 1 provides information in terms of what do these employees do. Where are they mainly organized? The higher education budgets are divided into instructional areas, research, public service, academic support, student services, and so on. You can see that based upon their current employee count, as well as where they project the reductions will need to occur, approximately 50 percent of the reductions will occur in the instructional area, but also, that's where 50 percent of their employees generally are, so it appears to be proportional for both FY 2011-12 and FY 2012-13. On the right-hand side of the table is information for Scenario 2. Otherwise, Scenario 2 information really has not been presented because there was not an impact projected to the student FTEs and to the academic infrastructure other than along the lines of administrative services and not the instructional component. Under the Scenario 2, there is approximately 103 full-time equivalents positions that would be expected to be eliminated at the closure and consolidation level that is provided in the informational packet.

The Subcommittee has heard the Nevada System of Higher Education talk about some of the challenges that they are confronted with implementing budget reductions of this magnitude. Two issues that they have brought forward that are talked about at the bottom of page 7 in terms of funding and time constraints deal with how employees are hired and the accreditation requirements that are imposed upon the institutions. The first is that generally, professional employees are required to be given 12 months of notice, so the Nevada System of Higher Education is not generally able, as they have reported, to terminate a professional employee or a faculty member on the first day of the fiscal year. As you will see later on in the document, there were reductions that occur in FY 2012-13 that are not able to occur in FY 2011-12. Accreditation requirements also typically require that students who are in academic programs be given a reasonable amount of time to complete their academic studies and graduate or to transition to a new academic program. While that is not necessarily identified in terms of what that time frame is, it is generally thought to be at least a year and possibly up to two to three years depending on unique circumstances.

If you turn to page 8, one of the strategies that the Nevada System of Higher Education has brought forward is the concept of bridge or transition funding. The table at the top of page 8 provides you with some information that shows you the amount of bridge or transition funding that the institutions have identified in their budget reduction plans that would be necessary to allow them to meet both the employee reduction as well as the transitioning of students into either new academic programs or helping them get to graduation. The funding that is noted in the reduction plans, the bridge funding, is not thought to be General Fund, but it is other funds that the institutions have. It could be student registration fees that are being reallocated away from general improvement or capital improvement. It could be other non-state funds.

One of the other strategies that has been identified or talked about at the Subcommittee level in terms of offsetting the recommended budget reductions is an increase in student registration

fees, which would typically occur in the form of surcharges. The Subcommittee has requested that the Nevada System of Higher Education provide information on what a 13 percent surcharge would look like in the first year—and how much would that generate—and then an additional 13 percent in the second year. I would note that the Board of Regents have not approved at this time or provided direction overall with regard to the imposition of a surcharge for FY 2011-12 or FY 2012-13. They have requested information on what a 10 percent, a 13 percent, and a 15 percent would look like, but it has not been approved.

In Table 4, we wanted to provide you some information that showed you where students are today in terms of the per credit hour registration fee that they pay, and that is the column entitled, “2011-2013 Biennium Approved . . . Per Credit Hour . . . Fee.” The university undergraduate is currently paying \$156.75. A student at Nevada State College is paying \$113.25, and a lower division community college student is paying \$69.25. These are the fee revenue amounts, or the per-credit-hour fees, for which student registration fee revenues are contained in The Executive Budget. The second column represents the FY 2011-12—what the fee increase would be at a 13 percent per credit hour surcharge. Essentially, \$20.38 would be added on for the university undergraduate, and in FY 2011-12, if a surcharge of 13 percent was approved by the Board of Regents, a student would pay \$177.13. Moving to your right two columns, you can see the impact of the additional 13 percent, and the total per-credit hour would be slightly over \$200 per-credit hour at the university undergraduate level.

One of the points I would inform you of is that the budget reduction strategies that are provided by the Nevada System of Higher Education—although not approved by the Board of Regents—take these enhanced revenues into account and have the effect of offsetting the reductions that are contained in the budgets. Going back to Table 2 and Table 3 in terms of access for students as well as employee reductions, those two impacts have already been mitigated by the inclusion of the surcharge revenues. If the Board of Regents does not approve surcharges, you could expect that those student access numbers would increase and the number of employees would likely increase as well. One of the issues that the K-12/Higher Education Subcommittee also discussed several times was how do the fees charged to Nevada students compare with the fees charged with the western region comprised of the WICHE Western Interstate Commission for Higher Education (WICHE) region. And are they at the median? How much would they have to increase so that students in Nevada essentially pay the median for the western region? If the 13+ percent surcharges were approved by the Board of Regents, then that revenue was incorporated into the budgets to offset budget reductions. At the university level, students at UNR and UNLV would be, at FY 2012-13, essentially at the median for what is being charged in the current academic year. Subject to other states charging, changing their fees and their tuition amounts, we may hold a relative position. We may improve. We may [see] a little bit decrease, but this amount of surcharge clearly makes the fees paid by Nevada students more comparable to the western region. At the community college level, it would actually increase a little bit above the western region median.

On Table 5 on page 9, this provides you with information on how much would a 13 percent surcharge generate and count towards offsetting the General Fund reductions contained in The Executive Budget. The top half of the table shows FY 2011-12, so again, I’ll use the first column; 13 percent would generate approximately \$27.2 million as projected. Part of this strategy put forward and espoused by the system is that with any surcharge, there should be a set-aside or a carve-out for student financial aid of approximately 15 percent. Off the \$27 million, approximately \$4 million would be set aside to provide student financial aid. Enrollment losses are also projected to occur as a result of the increased fees; that is almost \$4.9 million in a year. Then there are some other identified revenue increases as a result of truing up the budget to FY 2010-11 revenues versus FY 2009-10. The net impact of a 13 percent increase in the first fiscal year would be approximately \$19.3 million of additional fee revenue. The table for FY 2012-13 works the same way and, as you will see, generates about \$39.7 million.

As you go through the budget reduction templates, there is also information that looks at the impact on nonresident tuition revenues and students, and there is actually projected to be a decrease of approximately \$1 million to \$2.5 million in each year of lost nonresident tuition, which, again, would be worked to offset the student registration fee revenues that is projected.

On the last page, again, a point back to Attachment A, which provides those specific examples of impacts identified by each of the institutions.

CHAIR OCEGUERA:

All right, that is the document? Or there is more? That is it? Okay. Questions from the Committee? Mr. Ohrenschall?

ASSEMBLYMAN OHRENSCHALL:

Thank you very much, Mr. Chairman. I just recently graduated from one of our professional schools in December of 2009, and before I graduated, many of my classmates expressed their worries to me about the cuts and whether they would be able to afford to finish. One question I have with these proposed 13 percent increases, which I guess total to 26 percent, are there any figures as to how many students will not be able to afford to go to school anymore based on these increases?

ALEX HAARTZ:

That information is not specifically identified in the budget reduction templates. There has been a lot of discussion about price elasticity and how many students would be projected to be lost. That is probably a question best answered by the Chancellor's Office when they present.

ASSEMBLYMAN OHRENSCHALL:

Thank you. Thank you, Mr. Chairman.

CHAIR OCEGUERA:

Ms. Neal?

ASSEMBLYWOMAN NEAL:

Thanks, Mr. Chair. I have a question on the two charts. You discussed the mitigation of the loss, and you referred to the table that is on page 4, and then you referred to the table that is on page 9. What I see in the columns specifically for UNR, if you go under the reduction proposed under Scenario 1 for their loss proposed, that \$18 million.? Even if they do the surcharge, they are only going to get, in 2012, \$7 million back. Then when you go down to 2013, you see a \$16 million recovery. Although you claim it is a mitigation, I do not see how this loss is actually being recovered, because what it looks like to me is that higher education faculty and student access basically is being gutted. And that the students will have very limited access because now the fees are increased, so your participation of certain groups is not even going to be in existence because you cannot afford to go. I recall students specifically not being able to pay for books, and they were at CSN, which took a \$50 million cut, and I do not see that being recovered here. I am just wondering—and I know I said a whole lot—when you vetted this, did you recommend to the Governor and help him to understand that his economic development agenda may fail because this is actually taking the nuts and bolts out of how you are going to move forward with that agenda?

CHAIR OCEGUERA:

Thank you, Ms. Neal. I think that question is better suited for the university system. Our nonpartisan staff did not vet anything. It is a great question, and I think we ought to hold that question for the university guys. Our guys do not necessarily have the answers to that. I will hold that question for the university folks. And, Ms. Neal, we will have the Governor's staff here in a moment that you can ask that question as well.

Other questions? Mr. Conklin?

ASSEMBLYMAN CONKLIN:

Thank you, Mr. Chair. Just a question and a comment, if I may since this is kind of informal and we are in Committee. The question is on page 6. I am looking through Table 2, and I just want to make sure that I understand: The preliminary total enrollments, the STFes for 2011, 69,023, those are the number of full-time equivalents? In other words, there are actually more students than that, correct? But those are the number of—and I do not know how they define it, whether it is 16 units or 18 units or who knows, but I am sure there is some calculation—total

FTEs that are serviced, not the number of students that are actually enrolled. That number is much higher, correct?

ALEX HAARTZ:
That is correct.

ASSEMBLYMAN CONKLIN:
Okay. A follow-up, Mr. Chair?
The projected impact to capacity is not necessarily, again, how many people will be enrolled. It is the number of FTEs that they could serve. That is not a demand question. That is a capacity question. Is that correct, based on this budget?

ALEX HAARTZ:
That is correct. The information provided addresses capacity. It does not address demand.

ASSEMBLYMAN CONKLIN:
I guess the reason I bring that up is because some times it gets confusing, and my colleague, Mr. Ohrenschall, brought up a question of price elasticity—and I know that it is not a part of this document—but to my colleague, one of the UNLV economists did a small white paper for the Committee [Assembly Committee on Ways and Means] on this subject. There is intermittent evidence of price elasticity's for schools, but what they did uncover in a lot of the research is that more often than not, the decision to go or change based on price is not really a matter of price but a matter of perceived value. That perceived value is being impacted by this budget, not only in what you see here—available classes—but why the number of FTEs is dropping, which I think the universities might suggest to you is a matter of the most talented people we have will leave as a result of [what] amounts to a perceived lack of support for our institutions. That is probably something that you should ask them because I think that is far more damaging than an actual small change in price—although these prices have a significant change; I am not saying I am in support of them. But from an elasticity standpoint, I think we should be far more concerned about the perceived quality of that education. Thank you, Mr. Chair.

CHAIR OCEGUERA:
Thank you, Mr. Conklin.
I was just getting my calculator out here and working on your numbers. On Table 4 on page 8, we are talking an undergraduate per-credit fee from \$156 to \$200 over the biennium. I assume you have to take that \$43.40 times 15, 16, 17 credits to figure out how much the increase will be. Similarly, in the community college level, I'm seeing that just over \$1,000 to over \$2,000, depending on what category you are in of increase for one year of school. Does that sound right?

ALEX HAARTZ:
That would be the correct way to approach it.

CHAIR OCEGUERA:
And then a different question on the two ways that the NSHE had given us to look at these cuts. On the table on page 7, it says that the FTE impact of Scenario 1 would be 1,088 positions impacted, and the FTE impacts for the Scenario 2 would only be 103 positions impacted?

ALEX HAARTZ:
That is correct, Mr. Chairman. Part of the reason being is that as you are aware, the scenarios are different in approach. The first looks at operating expenditures, which are day-to-day expenditures. Then the second scenario, Scenario 2, they were asked to provide information that primarily used closures and consolidations as the main approach, which, based on the information provided, generally avoids impact to the instructional area and looks to—as you will see on the bottom of the table for Scenario 2, you can see where the approximately 103 positions are being eliminated. They are not being eliminated in instruction. There are a few positions being eliminated in research, but they are mainly in the academic support, student support services, and institutional support where they have been identified. The information, being preliminary, is not as extensive for the closure and consolidation information.

CHAIR OCEGUERA:

Further questions from our Fiscal staff? I am not seeing any. Gentlemen, thank you for your hard work.

Let us go with the Governor's staff, now. Welcome, Mrs. Gansert and Mr. Clinger. You can proceed.

HEIDI GANSERT, CHIEF OF STAFF, OFFICE OF THE GOVERNOR:

Thank you, Mr. Speaker. With me I have Andrew Clinger from the Budget Office.

I think we are all in agreement that education is very important. When we put this budget together, it was very, very difficult, and we talked about this partly on Tuesday night. To start with, we had lost the ARRA dollars of one-shot money. There was an increase in caseload growth for Medicaid, and also local revenues were down significantly, about \$440 million. When we put this together, we had to balance K-12 and corrections and health [and] human services and higher education. As many of you, also, I am a graduate of the University of Nevada [UNR]. The Governor is a graduate of the University of Nevada. We have had many people who have graduated from UNLV and the law school and so forth, and so we are very supportive of the entire university system. But at this time, we are facing a very strong fiscal decline, and so we had to make some significant cuts.

One thing that we did do is when we put this budget together, we tied some property tax dollars to the System of Higher Education because we believe that there is a strong nexus between economic development and the Higher System. It was something that was a little bit different than before. Instead of using the 9 cents that was reallocated from the 2009 Legislative Session to go to General Fund, we put it straight towards the university system to UNR and UNLV. Another thing we did was we proposed an economic development bill with the Speaker here and the Majority Leader and the Minority Leaders in an effort to create a knowledge fund so that we can also tie some of the activities within economic development directly to the university system.

These cuts are difficult. We did have some good news on Monday, which we talked about on Tuesday night also, in that unemployment is declining and also that employment is increasing. We found that employment went up for the first time after 37 months this last month.

When we were first talking to the university system about the budget and about what we could do for them given that they were expecting some cuts—we did not know the level at the time—they asked for greater autonomy in their budget. They asked for some things very specifically. They wanted flexibility among budget accounts, control over the tuition so they could differentiate it. They wanted to make sure they could also set aside a portion of increased tuition to help people with financial aid to help the students, and we were in total agreement with that. They also wanted a stabilization account, and they wanted to be removed from the Public Works Board oversight. In addition, we talked at length about accountability with them, and I know when the Chancellor comes down, he is going to talk about some of the many things that they are doing with which we also agree. All of those pieces, all those things that the System of Higher Education wanted, we put into Senate Bill 434. We agree with them. We believe there should be more autonomy, and we believe that when the budget is tight and when dollars are short that they do need that flexibility.

In looking at the cost of tuition and fees versus what the taxpayers are covering, if you look nationwide, you will see that there is actually a decline in the taxpayers' subsidies for higher education. Right now, tuition and fees, according to the figures that we have, cover about 27 percent of the cost of an education, whereas the rest, the 73 percent, is covered by the taxpayers. It is also important to note, when you look at our budget, our budget is only a piece of the total funding for higher education. I do not have the numbers, but I know there is a lot of federal support and a lot of grants and so forth that go towards the System of Higher Education. Also, I think the Fiscal Division pointed out that our tuition is fairly low for the western states. If you look at the comparison with WICHE, we are about 20 percent less than the average.

As far as the decisions on the budget, those decisions will be made by the Regents. I know that each of the presidents have submitted plans, and I can tell you that this administration supports keeping all the institutions open. We believe they are all important. We believe out in the rural counties, in particular, there have been discussions about closures. The original budget

that was proposed by the different presidents, all of them included keeping them open and just having cuts within their budgets but not any closures. We think they are critical both for economic development in the urban areas but also in the rural areas. We thank you for being able to talk to you about this budget today, and I have Andrew with me if you have any specific questions about the budget. Thank you.

CHAIR OCEGUERA:

Thank you, Mrs. Gansert. Mr. Conklin?

ASSEMBLYMAN CONKLIN:

Thank you, Mr. Chair. Mrs. Gansert, you said in the beginning of your remarks that—and I’m assuming that you are speaking on behalf of the Governor—the exact words you said was that you believe there was a strong tie between economic development and higher education—I’m assuming attainment—and I think that makes practical sense. I think that is sound. I wonder why you believe it, though, and you do not know it. What I am wondering is why do you choose the term “believe” instead of “know”? I think there is ample evidence out there that it is true. Would you agree with that?

HEIDI GANSERT:

Yes. We do believe; we do know that there is a strong tie with economic development. That is why we looked towards the knowledge fund.

ASSEMBLYMAN CONKLIN:

And I totally agree with this, but what is bothering me is here. We recognize that educational attainment is tied to future economic growth for our state, and yet, we are cutting. In fact, the only thing we are considering is cutting. If you accept that spending that money equates to growth, then cutting that money equates to decline. You said “believe.” I am telling you I can prove it. There are 80 years worth of economic data and studies that demonstrate that is the case. If that is the case, what commitment do we have to growth if we are cutting this budget?

HEIDI GANSERT:

We know that there is a tie with economic growth and the university system. I think we all agree, whether you choose “believe” or “know.” That is one of the reasons we tied the knowledge fund, when we were doing the economic development department and division and the mission of that department, we made sure that we included the System of Higher Education.

In this budget, we had to balance a lot of different priorities; K-12, we talked about that on Tuesday night. Health and human services: I mentioned that the Medicaid caseload is up significantly. It is up \$269 million. We also lost one-shot ARRA money, and then in looking at the local property tax and the local funds that go into the Distributive School Account (DSA), we were down about \$440 million. I think there was a strong effort made to mitigate cuts, but at the same time, there was only so much money within the budget.

ASSEMBLYMAN CONKLIN:

Mr. Chairman, if I may? Just a follow-up or an observation or a question if you choose to answer it. The reality is this is that these cuts are going to cost us way more than finding some alternatives, because these cuts cost future growth. There is no doubt about it, and in fact, there is a lot of economic research out there that suggests that it is not about the revenue that we have so much as it is about we spend that money in future growth. I guess I want you to think about that. I wish the Governor was here because I really want him to think about that. It is not what how much money we have; it is what you do with it that counts. I got to tell you, cutting this budget is going to be painful, and it is going to be painful next year. It is going to be more painful the following year. It is going to continue along the line because for every person that does not get that education, we have stunted their growth. We have stunted their economic future, and when we stunt their economic future, we are stunting our own. It is almost unacceptable to me. That is my two cents. Thank you.

CHAIR OCEGUERA:

Thank you, Mr. Conklin. Any response from the Governor’s Office? Or leave it at that?

HEIDI GANSERT:

Mr. Clinger can go over the add-backs that we had created and if you would like. Again, we believe it is a priority. We know it is a priority, and we are working hard to do the best with what we have. Thank you.

ANDREW CLINGER, DIRECTOR, DEPARTMENT OF ADMINISTRATION, OFFICE OF THE GOVERNOR::

Mr. Chairman, through you to Assemblyman Conklin. I just want to point out that while we made cuts in the Governor's The Executive Budget, budget, we did also add over \$1 billion in revenue. It is not just about cuts. As you know, we got \$5.3 billion from the Economic Forum, and then we added another \$1 billion to that.

ASSEMBLYMAN CONKLIN:

Mr. Chairman?

In all due respect, I do not think you added revenue. I think we are taking revenue from other places. There is nothing just new, just taken. Unless I missed something? Is there actual new revenue that we have added in The Executive Budget?

ANDREW CLINGER:

Mr. Chairman, through you to Assemblyman Conklin. Some of these are continuations. The property tax, for example, was set to sunset, so whether you say that is new or not, that is additional revenue that if we let the law sunset, we would not have had. It is in addition to the Economic Forum revenues. We got \$5.33 billion from the Economic Forum, and to that we added \$1 billion in new revenue. Not new taxes, necessarily, but new revenue.

ASSEMBLYMAN CONKLIN:

Let us clarify one point. It may be new to us. It is not new in the sense of "we -have-added-it" new. It had to come from somewhere else. We can dissect this any way we want, but the fact of the matter is, if it is a policy decision, just as Mrs. Gansert has already indicated, we have made a policy decision—if you want to call it new revenue, I will grant you that even though we all know it is not—to take it from somewhere else and put it in this budget. That is fine. But it is not new revenue in the sense of adding revenue to our budget.

CHAIR OCEGUERA:

Okay, we are done with that debate. Let us go to Ms. Neal, who will go to back to her initial question.

ASSEMBLYWOMAN NEAL:

I actually ended up having two more.

CHAIR OCEGUERA:

You got some new ones?

ASSEMBLYWOMAN NEAL:

Yes.

CHAIR OCEGUERA:

Okay, go ahead.

ASSEMBLYWOMAN NEAL:

Thanks, Mr. Chair. Two points I wanted to address. You started off speaking about the unemployment and the drop in unemployment. You did not say what that number was. That it came down from 14 percent to what? Because I know for a fact that even if it came down to 14 percent, I know for Hispanics, it was somewhere around 16 percent unemployment. For African-Americans, it was 20 percent for that specific group. I was really trying to figure out where you were going out for that, number one.

And the second point that you brought up was that you were giving the higher education institutions autonomy. To me, it seems like you are passing the buck and you are letting them fluster on their own, and you are leaving them without the ability to leverage their own position.

The way that that money looks that is being taken away: they do not really have much capacity to do anything. How are you helping them with the decision of autonomy when the budget cuts leave them without staff, leave them without student access?

HEIDI GANSERT:

Thank you. As far as the unemployment figure, it is down to about 13.2 percent, which is still very high, probably still the highest in the nation. It came down from 13.6 percent the prior month, and it was over 14 percent before that. As far as job growth, we have not had any job growth since I believe it was January of 2005, right around there. Although the numbers are not great, they are moving in a positive direction.

Concerning the Regents, the Regents are almost a separate branch, to tell you the truth, of government. They oversee the System of Higher Education, and what they have asked for years—and members who have been on Ways and Means for a number of years can confirm—is for more autonomy with tuition. Typically, tuition has gone through the General Fund and then back, in part, to the institution, so they want to be able to keep any increases in tuition. We said, “Sure, that is fine.” They wanted to be able to differentiate tuition. As a matter of fact, several of their colleges did that. The College of Engineering at UNR increased their tuition for higher-level classes by about 50 percent. The School of Nursing, Architecture, and Physical Therapy at UNLV all increased their tuition 200 percent. They actually doubled their tuition because they had such incredible demand for those programs. They did that during the interim. I think some of them were approved around September of 2010. The Regents get to actually approve their budgets and decide how they are going to spend their money.

Some of the other things we talked about were accountability. The Chancellor, when he comes down—there are some incredible things with accountability because our graduation rates have not been as high as we would all like them to be. They are really working on those, and we appreciate what they are doing. Thank you.

CHAIR OCEGUERA:

More, Ms. Neal?

ASSEMBLYWOMAN NEAL:

Thank you, Mr. Chair. I hear what you just said, and although the Regents have the prowess to deal with that issue, you specifically stated, “Okay, the students are not graduating that they need to be. We are doing remediation within colleges and universities.” But you still did not address the issue of the fact that when you give them that autonomy to increase these surcharges, it has a negative impact upon the students who can actually stay in school or apply to get into school. That is a real issue, and that goes back to the first point that I made to the wrong people, fiscal staff, which was you are putting forth a plan like trying to build a car and you do not have any nuts or bolts. You are putting forth a plan that completely strips the capacity and the ability to function within an economic development environment because where is your staff. Where are the employees coming from that are going to drive this bus? If they are not working, you have completely taken the full-time employees and made them part-time employees within this budget. They cannot even function. I am just trying to figure out how this overall plan is going to work for the state when you do not have the pieces.

HEIDI GANSERT:

Thank you. The cuts before you—if you look at the ARRA funds, it was about a 7 percent cut from the Special Session numbers for NSHE, and it is about 17 percent. There have been some discussions about what are the true cuts. The cuts are very difficult. We wish we did not have to make the cuts, but we do not have more funding at this time to be able to reinstate some of those. We recognize that they are difficult. We recognize there is going to be some tuition increases or some that have been proposed but not yet approved by the Regents. When the Regents asked us for the autonomy, they also were asking because they did want to be able to raise tuition and take more responsibility as far as the funding model for the System of Higher Education. These are very difficult times, and at this point, we do not have resources to add back to this budget. We are in agreement that it is a priority, but we also recognize that we do

not have any funds to add back. It is going to be difficult, and we trust the Regents will make good decisions for the System. Thank you.

CHAIR OCEGUERA:

Thank you. Mrs. Smith?

ASSEMBLYWOMAN SMITH:

Thank you, Mr. Chairman. I have a couple of things. I wanted to go back to the added revenue and just clarify. Mr. Clinger and I debated when a cut is a cut the other evening, so I guess now we can talk about when revenue is not revenue. I do not perceive revenue as using school debt reserves, using the Initiative Petition 1 (I.P. 1) room tax money that was designated for something else, and securitizing our insurance premium tax and creating debt in the future as revenue. I wanted to make sure that this body—because the discussion is fairly new to a lot of the members—know that is what we are talking about here when we are talking about added revenue is that we are talking about this form of the budget solution between the \$5.3 billion and the \$5.8 billion.

ANDREW CLINGER:

Mr. Chairman, through you to Assemblywoman Smith. Maybe a better term is “a combination of revenue and resources,” because we tried to use the existing resources that we had to live within our means to put a budget together. There is a mix of revenue items. For example, net proceeds and minerals. Extending the sunset on that, I would argue, that is a tax revenue that we added to the budget beyond what the Economic Forum gave us. Letting the school districts use the debt reserves for operating purposes, I agree, that is not revenue. I guess a term for that would be “resources.”

ASSEMBLYWOMAN SMITH:

I will give you that. I will give you “resources” instead of “revenue.” A different “r” word.

The other question I had—and I suppose more appropriately for Mrs. Gansert—is one of my big concerns in this process we are in of cutting the budgets to the degree we are and eliminating programs is the long-term effects and whether you analyzed how long it takes to recover from elimination of the number of programs we are talking about eliminating from these campuses and then how it impacts the investments that others have made. I look at those institutions on UNR’s campus, for example, the new molecular science building, that has had so much private investment—mostly private investment in that building—and how those investors feel when they see they have made an investment in this campus, and we are pulling out our investment. I am worried about the long-term effects and how that was considered in developing the budget.

HEIDI GANSERT:

In looking at the cuts, again, they were very difficult. But we also recognize that if we allow our economy to recover—the property tax, the 9-cent redirect will go up—and they will receive the benefit of that. We also recognize that these are not the only dollars that the university system has—and we have not talked about that at length—but we know there is other dollars they get that will help them support themselves.

We think there probably is some room to tighten their belts. We understand that they have had cuts over the last few years. When you look at the personnel adjustments, I think that accounts for about 35 percent of the total cut: matching them up to the state employees, which they were unable to do last time. And the Regents and the Chancellor worked to make sure that the new contracts moving forward had some room so that they did not have to actually give people notice, but they could adjust how much people were paid. Some of it can be taken care of internally. We believe that we are continuing to invest, but we also recognize that the Regents may choose to allow the students to invest more, and they have had some proposals as far as tuition increases. Thank you.

CHAIR OCEGUERA:

Mr. Bobzien?

ASSEMBLYMAN BOBZIEN:

Thank you, Mr. Chairman. To Mrs. Gansert, again, on the 9-cent diversion and certainly the notion of the economic impact that the institutions have. I can certainly tell you that in my district, the economic impact is going to be if folks are laid off and not buying goods and not paying taxes because they cannot—then there is this whole conversation on the side about the multiplier from that—but I guess specific to the notion of confining that to the continuation of the 9-cent diversion from Washoe and Clark but not looking at the other counties themselves. If I understand the Governor's position, it is the idea that, "Well, we are already continuing what was already done. Of course, that was supposed to be temporary, so here we are. We are going to roll it over." But particularly in the UNR case, this is a statewide institution. It is the land-grant institution, and just as there is an impact to Washoe County that may, in your view, justifies the 9 cents being diverted to support that campus, there is an impact across all of the other counties that are not brought into that discussion. Whether it is the College of Agriculture, whether it is continuing education, whether it is the research teams that go out from different programs across the campus to all corners of the state—I have been with them. I have seen what they do. This institution operates statewide, not to mention the fact that the students who benefit from this education that the state is supporting come from all these different counties. They do not just come from Washoe. They do not just come from Clark. Why are not we taking a look at a similar approach to those other counties?

HEIDI GANSERT:

When we put this budget together, again, we had to weigh a variety of things. Part of the budget was health and human services. In the Health and Human Services Department, we looked at who should provide certain services and maybe some services that the state was providing before that maybe the counties could. We continue the redirection from Clark and Washoe because that was what was approved by the Legislative Session in 2009, but at the same time and in another area of the budget, we were also pushing down services or asking them to provide service or reimburse the state for services to some of these rural counties. We did not know really how much they could afford. We recognize that economic development is not only important to the urban areas but also the rural areas and that those institutions are extremely important and vital. In no way would we ever support the closure of any of those—and I am not sure if I had mentioned that before because that was off the table, and then it sounds like it may have been put on the table again. We want to make sure that those institutions stay open. When the different presidents provided their information for Scenario 1 that was presented, none of them were "close." We think they are vital. We did look at them because we were weighing the cost to them in Health and Human Services that were new expenditures that they had not had in the past.

CHAIR OCEGUERA:

Mr. Bobzien?

ASSEMBLYMAN BOBZIEN:

With a follow-up, Mr. Chairman. Thank you. Again, not going to the health and human services because we are closing or we are work sessioning the higher education budget this evening, but as I understand it, already a lot of those were services that the two counties were already providing. Again, the way I see this and what is behind this proposal is that the constituents that I represent get to shoulder the burden for a statewide institution that impacts across the state. I think it is unfortunate that we are not looking at all of the options.

CHAIR OCEGUERA:

Okay, let us go to Mr. Ohrenschall.

ASSEMBLYMAN OHRENSCHALL:

Thank you very much, Mr. Chairman. There is a figure in the work session document that was a particular concern to me. There is a projection that under these cuts, by 2013 over 19,000 students who would have pursued their degrees would no longer be able to. My question to whichever witness would like to answer it is, does the Governor have any plan for what these Nevadans would do since they would not be able to pursue their degrees here at home?

HEIDI GANSERT:

Thank you. Mr. Chair to Mr. Ohrenschall. As far as the students go, what I have seen in the past—and this is just a personal observation—is as tuition has increased, the demand for enrollment has still gone up. As a matter of fact, I think it may be at record levels because in the recession, people go back to school. In some of the discussions that we had with the Chancellor and some of the staff, we talked about their partnering with other institutions as far as online education, and if there are other alternatives to make sure that if there are students out there that want to attend an institution of higher education or if there are individuals who are looking to finish degrees, that they have alternatives beyond what we are currently able to provide. We want to make sure that the supply is there. It is kind of a supply and demand question. I think the demand is out there, and I believe that the Regents will be facing that dilemma as far as tuition and whether they can partner with other institutions or expand online learning or how best to provide that. But we have seen, even with the budget cuts, that enrollment typically has gone up. Thank you.

ASSEMBLYMAN OHRENSCHALL:

May I have a follow-up, Mr. Chairman.

CHAIR OCEGUERA:

Follow up.

ASSEMBLYMAN OHRENSCHALL:

Thank you very much. I am looking at Table 3, and it looks like under these proposed cuts, our institutions of higher learning will lose hundreds of professors. To me, that represents a great brain drain here in our state. The Majority Leader earlier mentioned a study that has been performed that when you lose quality teachers, sometimes that hurts demand among students more than a price increase. That is another fear I have, that by losing the quality of our teacher—by having this brain drain—that will also hurt demand here in our state. Thank you.

CHAIR OCEGUERA:

Okay, thank you, Mr. Ohrenschall. Let us go to Mr. Hammond.

ASSEMBLYMAN HAMMOND:

Yes, I just wanted to ask—and this could be for either one of you. I remember hearing the State of the State Address by the Governor. He did mention several times that your staff looked at and compared some of the numbers, the tuition figures, with other universities here in the west. I know that you have covered that. If could you kind of explain your thought process to the tuition that you saw at the other universities and perhaps address what I would call a concerted effort by many of the western states to try and reign in their budget deficits in regards to higher education? I see that in almost every state that is close to us—from Utah, Arizona, California, Washington, Idaho, and possibly Oregon—many of those states are also trying to balance their budgets, and they are having significant reductions in higher education. I wanted to kind of get your thought on that. I know my colleagues have expressed this passion for the brain drain that may occur here if these budgets go through, and I understand their concern. I would hate to see us lose those professors. I do not know where they would go, because right now, it does not look like they are going to find a job almost anywhere. It would be very difficult. It is a very competitive job as it is. Very many PhDs (Doctors of Philosophy) are out there wandering around without finding a job in universities. Anyway, if you can address that for me, I would appreciate it.

HEIDI GANSERT:

Thank you. Through the Chair to Mr. Hammond. If you were to look at the WICHE Benchmarks 2010, which are online, you would find that Nevada is about 20 percent below the WICHE average. I think that was actually mentioned by Fiscal staff, too. Our tuition is relatively low to comparable institutions in the West. Nationally, if you were to look, there is a lot of pressure on university budgets except for natural-resource states. I think there are some states out there that still have some money, such as Texas and Wyoming, because they are natural-resource states.

he other thing that you can find—and I mentioned it earlier—is the trend is down as far as the public subsidy of higher education. Fees and tuition are covering more and more of the cost of an education. Even our neighboring state, California, has made some significant adjustments. The trend nationally is for less public dollars and more tuition and fees. If you were look, again, at our tuition, according to the WICHE Benchmarks 2010, we are about 20 percent below the average. That is before the tuition increases that have been proposed, and there have been some that not been approved but have been proposed to the Board of Regents. Thank you.

CHAIR OCEGUERA:

Mr. Grady?

ASSEMBLYMAN GRADY:

Thank you, Mr. Chairman. Just a little food for thought from my colleague from Sparks on the rural Washoe County issue: Maybe we ought to be looking at all the in-state tuition that folks that are living on the eastern side of the Sierras in California coming in here, getting in-state tuition, and paying no taxes, which, in the rurals, we do pay some taxes. I would guess if we looked at the figures of our reciprocal agreement with California, we are bringing in a lot more California students than we are sending out of Nevada to California schools.

CHAIR OCEGUERA:

Thank you, Mr. Grady. Mr. Hickey?

ASSEMBLYMAN HICKEY:

Thank you, Mr. Speaker. To that point: I sit on the Education Subcommittee, and we reviewed the WICHE figures. In fact, California was mentioned. It is a fact that California has recently dealt with their budget deficit by turning to more out-of-state and more foreign students because of the full or the higher tuitions that those students are required to pay. I would also remind us—because I think we constantly have to remember—that what is going on in Nevada is not in a vacuum. The president of the university system in California was recently quoted as saying, “As the core budget shrinks, so must the university.” I am sure that is an equally painful realization that that story the higher education system is facing, but nonetheless, it is reality. That is my comment. Maybe it is a question. I am not exactly sure that it is.

CHAIR OCEGUERA:

It sounded like a comment to me. Mr. Anderson?

ASSEMBLYMAN ANDERSON:

Thank you, Mr. Chairman. Good afternoon, Mrs. Gansert. I think there is a general consensus among economists that the decline of Nevada’s economy and our budget, for that matter, results because of our lack of economic diversity, specifically our downturn in our gaming industry brought on by a larger national recession, etc., etc. No other state needs economic diversification like we do. I think we all understand that. If this is our problem, and higher education, by your own admission, is linked to economic diversification and is inseparable, that means no other state needs economic diversification like we do. Of course, realizing that higher education is not something that you can just put money into one biennium and expect that it is going to be going full steam ahead the next biennium, you have got reputations that need to be developed over years. It is sort of like a redwood tree, right? You cannot put a seed in and expect that is going to be 100 feet tall two years from then. Getting to my question, how does this budget lead us to economic prosperity and a diversified economy in the future to make sure that this does not happen again?

HEIDI GANSERT:

Thank you. Through the Chair to Mr. Anderson. The one place in the budget where we added dollars was for economic development, and we have been very pleased to work with leadership in both houses on A.B. 449, which is a new model for economic development. Within that plan, we actually included a knowledge fund and we are looking towards that funding for now. We wanted to make sure that the System of Higher Education had input and that there was an alignment. We talk about a state plan within that bill. There is alignment as

far as workforce development and the System of Higher Education so that we can create greater diversity in this state. We do agree that we do need to diversify and that economic development is key to that. Thank you.

ASSEMBLYMAN ANDERSON:

A follow-up, Mr. Chair?

CHAIR OCEGUERA:

Mr. Anderson.

ASSEMBLYMAN ANDERSON:

I understand that we are working on that and working together on that, and I think that is great, but what company is going to come in here and take a risk if they see us doing this to ourselves biennium after biennium and destroying our state's reputation for higher education and losing faculty? There is going to be no faculty that cultivates those funds in the knowledge fund by the time we get done because none of these professors are going to take a risk on Nevada.

HEIDI GANSERT:

Thank you. We have a great level of interest from other companies, outside companies and companies within Nevada, in expanding here. We are confident that we are looking to turn the corner here. Again, that is why we created or diverted the property tax towards the System of Higher Education because we want them to benefit as the state recovers. It has been very difficult. There is no disagreement on that. Thank you.

CHAIR OCEGUERA:

Thank you, Mrs. Gansert. Mrs. Benitez-Thompson?

ASSEMBLYWOMAN BENITEZ-THOMPSON:

Thank you, Mr. Chair. Mine is both a question and a comment, and I thank you for your feedback. As a parent, I know that my number one job is to worry all the time about my kids: worry about what they are doing; worry about their future—and that actually comprises about 90 percent of my time; and I worry about their education enormously. I am wondering how we explain this budget to Nevada families and to parents out there who might not have a job, whose houses are underwater—and maybe they are staying in the community because they have family ties, but if their kids are not going to get a decent education in K-12—and if they have no hope of getting a good education in the university system, I am just wondering about how we make the case that Nevada is the right place to raise your children?

HEIDI GANSERT:

Thank you. We believe that we need to allow our economy to recover. When you talk about the K-12 system, the Governor has introduced many reforms to try to help improve our education, from ending social promotion to more accountabilities in the schools. The Chancellor will come down and talk about accountability in the university system. Things will be changing and the money will be tighter, but I believe in Nevada. We believe in Nevada. We can improve our educational system and that our higher education system will be able to provide its core mission, some of the core duties that it needs to provide ongoing even with these budget cuts.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

A follow-up, Chair? I guess I am still left with little confidence, and I think the parents in Nevada should have little confidence in this budget. By the time the economy turns around—and Nevada is going to be the last state to do that—my daughter and my son have been through a couple of years of school in first, second, third grade, and they are never going to get to make up all that education and all that time in the classroom that was lost with too many students. By the time the students who are in university right now, by the time the university turns around and we can hopefully reinvest in them one day, that educational time is lost. I think we are talking about opportunity cost of education here, and we are talking about those specific individuals never getting that time back. I think so far in Nevada, we have been digging a hole in our education budget, but we have been digging with a shovel. With this budget, we are digging with a backhoe.

CHAIR OCEGUERA:
Ms. Diaz?

ASSEMBLYWOMAN DIAZ:

Thank you, Mr. Chair. I just wanted to follow up on my colleague, Mr. Ohrenschall's, question. I do not think it was adequately answered. His concern—and I share this same concern as well. I'm on this side over here. In FY 2011-12, it is forecasted that 11,638 students will not be able to be served due to the impact and the severity of these budget cuts, and in FY 2012-13, it escalates to 19,025 students. His question and my question is, what are those students going to be doing if these universities and college systems and campuses cannot cater and cannot offer these courses because these sections have to be cancelled, because professors have to be let go, because there will be no room to service these kids to offer them an education? Both of us represent districts that are socioeconomically not able to afford increases in their tuition. His worry and my concern is that not only are we closing the doors in their faces in terms of access to education, but we are also kind of taunting, "If we do maybe have the space, you might not be able to afford." I know that it was very hard for myself to put myself through school. What are we going to do with these children that are not going to be able to access higher education?

HEIDI GANSERT:

Thank you. Through the Chair to Ms. Diaz. Again, as the budget has been cut in the past, the enrollments actually increased. These are projections. I know that there will be some cutbacks as far as what they can offer. In our discussions with the Chancellor and with his staff, we have talked about or we are hopeful that they will create some partnerships. As I mentioned earlier, too, 35 percent of the cut has to do with personnel adjustments and salary adjustments. Those are projections. We hope that the university system will be able to provide an education to anyone who wants access and that they can partner if they cannot directly provide it. These are difficult cuts, but we do believe that there should be access.

ASSEMBLYWOMAN DIAZ:
A follow-up if I may, Chair?

CHAIR OCEGUERA:
Certainly.

ASSEMBLYWOMAN DIAZ:

So if they go through with the closure of campuses, if they cannot have staff to offer the classes, how can you partner up? How can we offer courses? How can we put these people that have a need and a desire to go to school? How can we meet those needs? I am not really seeing that in tough times, enrollment is going to increase when we do not have the ability to offer that to them. I am not making the connection between enrollment increasing when we are facing tough decisions on our campus and probably will not be able to offer those courses for them.

HEIDI GANSERT:

Thank you. The Regents are going to have to make the decisions, but we believe that all the institutions should stay open. We believe there should be access. I know in the model that they are looking at as far as tuition increases is they are also looking at taking 15 percent off the top, and I believe they already passed a resolution or changed their bylaws to be able to do that, to create more financial aid. It is going to be difficult, but we have also observed during this decline, when budgets have been cut, that there has been increased enrollment. There are students who do want to go to college, and they find a way to do it. These are difficult choices, but we are very supportive of the institution and believe the Regents will be able to find a way to keep the institutions open. I think that was proposed in Scenario 1 originally. Thank you.

CHAIR OCEGUERA:
Okay. Mrs. Kirkpatrick?

ASSEMBLYWOMAN KIRKPATRICK:

Thank you, Mr. Chairman. Mrs. Gansert and Mr. Clinger, I get and I totally understand that other states are making all those changes. When we looked at the WICHE exchange, did we compare all the different things? I will give you an example. In Utah, at SUU (Southern Utah University), yes, their rates are more expensive—not by much, honestly; it is a little over \$600—but the students have the opportunity to have 28 kids in the classroom because of the way that they specialize and they are set up. In Arizona, the tuition is a little bit higher, but they have the ability to get all of their classes, and online is not as big. At both of those schools, they have been renting books for a very long time, which is something new that Nevada has barely started doing. But at the community college, say, in southern Nevada, you are paying the same amount for the amount of credits, but you are being forced to take an online class, which, I get technology and all, but I do not know that that is beneficial for the long run. When we compared everything, did we compare all the way across the board? I think that when you just compare tuitions, it is like going to Ross or going to Nordstroms: Can you get the same outfit there, or is it last year's season? I am just wondering if we compared it all the way across when we made those assumptions.

HEIDI GANSERT:

Thank you, Mr. Chair. Through you to Ms. Kirkpatrick. We did not look at the cost of attendance. A lot of people refer to the term “cost of attendance.” We looked at the tuition and fees, and relooking at this chart for the WICHE benchmarks, it looks like we are twelfth out of fifteenth, so towards the bottom. We are one of the least expensive institutions and about 20 percent below average, but we looked at the tuition and fees—which are represented in this; I can provide this to you—versus the cost of attendance.

ASSEMBLYWOMAN KIRKPATRICK:

If I could just follow up? I do not disagree that we are cheaper, but at the same time, I am concerned that at CSN, you have 60 kids in a class, and the quality of your education is a little bit different than when you are at SUU, where you are paying a little bit more for 28 kids in a class. I get raising tuition, and I know that some of our out-of-state kids pay about \$16,000 a year, which is a lot, and quite frankly, that helps subsidize Nevada kids. But at the same, what kind of an education are they getting for that and will they look to these schools that have the smaller classrooms?

CHAIR OCEGUERA:

Mrs. Pierce?

ASSEMBLYWOMAN PIERCE:

Thank you, Mr. Chairman. Mrs. Gansert, a moment ago you referenced a couple of states which apparently do not have budget deficits, and you referred to them as “natural-resource states.” I think you mentioned Texas and Wyoming. Mrs. Gansert, just between you and me, I have heard a rumor that there are gold mines somewhere in Nevada.

CHAIR OCEGUERA:

Okay. Mrs. Mastroluca?

ASSEMBLYWOMAN MASTROLUCA:

Thanks for letting me follow that, Mr. Chair. Mrs. Gansert, one of the comments made earlier--and you referenced it after the Fiscal staff--talked about that our tuition rates are low compared to the other WICHE states. The Governor's budget, I believe, is a proposal of a 13 percent increase in tuition. I am just wondering, how many other states have had a jump to a 13 percent increase in one year and then a 13 percent increase the year after that? I understand that maybe we need to look at rates if we are not competing or if we are not at the same level as everyone else, but to go to 13 percent in one year? Let us look at the calendar: We are talking about 13 percent in the next eight weeks. That is a pretty significant jump.

HEIDI GANSERT:

Thank you. To the Chair to Mrs. Mastroluca. The Governor's budget does not contemplate tuition increases. That is actually up to the Regents. Basically, we provide the basic funding, and then they decide whether there is going to be tuition increases or not. If you were to look at the data throughout the country, there is a lot of tuition increases right now, especially in our neighbor, in California. You can actually attend Nevada as an out-of-state student for less than you can attend a UC (University of California) school. Our tuition is low, but the trend nationally is, again, as I mentioned earlier, that there would be more tuition and fees versus state subsidies for education.

ASSEMBLYWOMAN MASTROLUCA:

May I follow up?

CHAIR OCEGUERA:

Certainly.

ASSEMBLYWOMAN MASTROLUCA:

And I apologize, I did recognize that that was the Regents' choice. But I would still challenge you: Can you name another state that has had a 13 percent tuition increase?

HEIDI GANSERT:

I can get that data to you. I have actually read about it, and there are states that have contemplated tuition increases even greater, but I do not have it on me.

ASSEMBLYWOMAN MASTROLUCA:

Thank you.

CHAIR OCEGUERA:

Mr. Hansen?

ASSEMBLYMAN HANSEN:

Thanks, Mr. Chairman. We had testimony in the Education Committee by Chancellor Klaich that approximately 40 percent of the kids coming out of Nevada schools who go on to higher education have to take remedial classes. Do you have any idea what the cost is to that, and do you have any justification for the taxpayers why they would have to pay twice for the same education?

HEIDI GANSERT:

Mr. Chair, if I can, I would like to defer that to the university system. I do not have those numbers. Thank you.

CHAIR OCEGUERA:

All right. Any other questions? Mr. Ellison?

ASSEMBLYMAN ELLISON:

Thank you, Mr. Speaker. I did not know if I misunderstood, but you said there was new revenue. What I consider revenue is if you are taking from one area and you move to another. I do not care if you call them new or old or whatever. There is still revenue that went into the university system. Can you tell me what those revenues were that you were talking about?

ANDREW CLINGER:

Mr. Chairman, through you to Mr. Ellison. The revenue that the Governor included in The Executive Budget to go directly to the Nevada System of Higher Education was the 9- cent property tax in Clark County and Washoe County. In the current biennium, those funds went directly into the state. What we are proposing in the Governor's budget is that those funds be dedicated just for higher education and that continue in future biennia. In addition to those redirections into the Nevada System of Higher Education, in total, the Governor's The Executive Budget includes over \$1 billion—and I will not use the word “revenue” but “resources”—to help balance the budget. If you look at The Executive Budget and you compare what the Governor

has proposed to the current budget, it is a \$1.4 billion decrease, and that is after adding \$1 billion in new resources.

ASSEMBLYMAN ELLISON:

A follow-up, Mr. Chairman?

CHAIR OCEGUERA:

Yes.

ASSEMBLYMAN ELLISON:

During one of the Governor's speeches, he also said that they were going to look at some other newer ideas like tuitions that would be kept inside the university system. Is that kind of stuff still being considered?

HEIDI GANSERT:

Thank you. When we talked to the university system, there were a number of things that could be considered autonomy that they requested. One was that when they raise tuition, they keep it at the institution. They asked for flexibility amongst budget accounts. They asked to be able to increase their tuition and in different ways, so if you have a higher-cost program like a nursing program, they could differentiate it and make it greater than, say, a liberal arts program. Senate Bill 434, which we proposed, actually grants them all that authority that they asked us.

ASSEMBLYMAN ELLISON:

Thank you.

CHAIR OCEGUERA:

All right. I am going to take two final questions, and then we are going to move on. Let us go to Mrs. Carlton.

ASSEMBLYWOMAN CARLTON:

Thank you, Mr. Chairman. To Mr. Hansen's comment about having to pay twice, being a mother who paid tuition for two daughters who went to CSN and to UNLV—one who did have to work a little bit on some of the classes she was not as good at as she thought she was—it is not free to the taxpayers. We pay tuition on those classes, so it is not like the taxpayers are being double-dinged on that.

CHAIR OCEGUERA:

Thank you, Mrs. Carlton. Mrs. Dondero Loop?

ASSEMBLYWOMAN DONDERO LOOP:

Thank you, Mr. Chairman. I just have, actually, sort of a comment. I just know that the relationship between economic stability and education has been proven over and over and over again. I have put three children through college, and I know that your kids, I think, are just getting ready to start that process. Some of us choose to have our kids stay in state, and some of us need to have our kids stay in state because we cannot afford dorms and things like that, so they stay at home. But I can tell you that schools in general, in my opinion, when the economy is down, become a place that people go; K-12 kids find stability there. College students—many people go back to school. I think when the economy is down and you are down in that hole, you do not hand people a shovel. You hand them a ladder. The ladder in this case would be to allow people who need to further their education to provide themselves jobs. Thank you.

HEIDI GANSERT:

We are in agreement, because we have seen that enrollment goes up when times get more difficult. People do go back to school. We have tried to mitigate the cuts and do the best that we can in this budget.

CHAIR OCEGUERA:

All right. Thank you, Mrs. Gansert and Mr. Clinger. We are going to cut it off there. We appreciate you being over here today. Let us move, then, to Mr. Satre.

Mr. Satre, welcome. I know you have been sitting here all day, so I will try to get you in and out.

PHIL SATRE, CHAIRMAN OF THE BOARD, NV ENERGY, INC.:

I want to thank the Chairman. I want to thank Majority Leader Conklin, Minority Leader Goicoechea, and all of the members of this Assembly. My name is Phil Satre, and I am here today to ask for your support of the Nevada System of Higher Education and to consider alternatives to The Executive Budget proposed by the Governor.

I have lived and worked in northern and southern Nevada for the better part of the last 36 years. During that period, it has been clear to me that both UNR and UNLV have been on a consistent upward trajectory. The current budget reductions now proposed will have a long-term and, in my view, possibly permanent negative impact on higher education in this state and set back many years of progress that the System of Higher Education has made.

So why do I care? One of the reasons that I care is that I am chairing the Chancellor's Business Roundtable, a group formed by the Chancellor last fall of business people from both ends of the state. I guess you can say it is my job. But I have other jobs. I currently serve as the chairman of the board of two Nevada-based New York Stock Exchanged public companies. One is NV Energy, and the other is International Game Technology (IGT). I also serve as a director of Nordstrom, Inc., and of course, Nordstrom has substantial operations in Las Vegas where we compete with Ross with our Nordstrom Rack store. Prior to my role at these companies that I just referenced, I spent 25 years at Harrah's, now Caesars Entertainment, and for most of those years, I was the chairman, the president, or the chief executive officer (CEO)—or all of those, depending upon the time frame—until I retired in January of 2005. The companies that I am involved with and have been involved with have a substantial stake in Nevada's future. We have, in the aggregate, over 7,000 employees in this state, and our employees send their children to Nevada schools both K-12 and postsecondary. These businesses hire many of our employees from Nevada's high schools, from Nevada's community colleges, and from Nevada's universities. Without question, these businesses all have a significant stake in the state's future and, in particular, the Nevada System for Higher Education. Let me give you a few examples of how those stakes are represented.

I was CEO of Harrah's when we made, along with Bill Harrah's widow, Verna, the naming gift of \$5 million for the William F. Harrah College of Hotel Administration at UNLV in 1989. It was a breakthrough gift for UNLV. I am very proud that Bill Harrah's name is on that hotel school, now one of the nation's best hotel schools. I am also proud that so many of the graduates that populate our state's largest industry graduated from that school.

Turning to IGT, IGT and former chairman Chuck Mathewson provided \$10 million for the naming gift that enabled the construction of the building that I think is magnificent and state-of-the-art, the Mathewson-IGT Knowledge Center on the campus of the University of Nevada, Reno. More recently, NV Energy has made gifts of over \$1 million to UNR and to UNLV for renewable energy programs, including gifts to the UNR College of Engineering, to support faculty positions, to research renewable energy, and provided funds for workforce development efforts. We have also made gifts to Truckee Meadows Community College, the Desert Research Institute, and Great Basin Community College. All of the initiatives funded by NV Energy gifts are critical to the future economic development in the State of Nevada.

Finally, like so many of the businesses that prospered here, or the individuals that have prospered here, my wife and I have also felt an obligation to support these universities personally and have contributed over \$1 million for scholarships and grants to NSHE schools, because we have been inspired, inspired by the leadership of these institutions, inspired by their missions, and inspired by the students who want to go to these institutions. When gifts of this magnitude are made either by individuals or by corporations or by foundations or others, I believe there is an implicit expectation of continued state support of those institutions. Without that implicit promise of sustainable support, I think it would be difficult, if not impossible, to continue private support.

The companies I have mentioned have been in Nevada for decades; in the case of NV Energy, for over 100 years. We are all here for the long term, and we are all committed to Nevada. We are proud that we have been part of building this university system in partnership with this state.

We are proud that we have its graduates in our executive suites, among our managers and supervisors, and on our front lines, and that our children attend these colleges and universities. We want to help build, as we have for over 20 years, a university system that will serve Nevada's future.

We are realists. We have been through this financial crisis with the state, with the individuals in this room, and with other businesses. When the financial crisis took root in 2008 and 2009, our revenues and our profits dropped, in some cases precipitously. We had to make painful decisions, decisions to curtail programs, to curtail employee compensation and benefits, to cut back on capital spending, and to eliminate jobs—unfortunately, lots of jobs. Our businesses had to change to meet the challenges of the recession. But we knew that we could not make cuts that were so deep that we disabled our competitiveness and thwarted our ability to rebuild our businesses and renew our businesses when the economy recovers. Had we and other businesses in the private sector in this state gone too far in cutting jobs, in cutting back on capital improvements, and in cutting back on programs, I think Nevada's economic recovery would be in even greater jeopardy today.

But I believe that is just what the full impact of the reductions in this The Executive Budget will do to the Nevada System of Higher Education, placing the quality of higher education at too great a risk for our future. It will not make our state stronger. It will not make us ready to recover. It will make us weaker, and it will extend the period required to recover from the economic downturn in this state.

To use a metaphor from my days at Harrah's, all of you in this room have been dealt a hand when it comes to the fiscal year (FY) 2011-12 and FY 2012-13 budgets. I am sure for all of you, for Governor Sandoval, and for your colleagues in the Senate, it feels like your hands are tied, particularly with the obligation to present a balanced budget. However, rather than let that be a foregone conclusion—that we cannot afford a vibrant economy, a vibrant educational system, and a better Nevada—I ask that you recognize that all of you have been elected by your constituents to use your intellects and your resourcefulness to decide what Nevada's future will be.

In business, we no doubt had more latitude to invest on the promise of future revenues, but that does not mean you cannot recognize judgment and creativity. Although I was not a part of the process or the decision-making, as a businessman, I would endorse the position taken by the Las Vegas Chamber of Commerce, a group of people representing businesses large and small, who said, "Additional tax revenue may be necessary, particularly when linked to significant and meaningful reform that will fix systemic problems in our state." I think the Nevada System of Higher Education is prepared to meet that challenge of significant and meaningful reform. I think it will happen in other parts of our state.

I know that point-of-view is shared by some other members of the Chancellor's Business Roundtable that were able to present this morning at the Senate, and we are going to provide you with their testimony. They could not be there this afternoon, but I want to mention them because they were present this morning: Kirk Clausen from Wells Fargo Bank, a company that has made significant contributions to the educational system; Glenn Christenson, who is the head of the Nevada Development Authority in southern Nevada, the economic development authority for that particular part of our state, and also the chairman of the College of Southern Nevada Foundation; and Michael Saltman, who, along with his company, The Vista Group, has been very involved with UNLV. Mr. Chairman, that concludes my remarks.

CHAIR OCEGUERA:

Thank you, Mr. Satre. Let us see if there are some questions. Mr. Hickey?

ASSEMBLYMAN HICKEY:

Thank you, Mr. Chairman, and thank you, Mr. Satre, for all that you have done for this state, including our university system. You mentioned the reforms that were outlined and tied to the suggestion that revenues may need to be found. Would you care, as a business person, to comment in a little more detail about the extent of those reforms and where they are needed and what they would look like to you?

PHIL SATRE:

In term of the—are you—excuse me, Mr. Chairman, I know I am supposed to say, “Mr. Satre, responding to Mr. Hickey’s responses,” and I apologize for not doing that for the record.

Could I ask you to clarify, Mr. Hickey, whether you are referencing reforms in general? Or reforms for the Nevada System of Higher Education?

ASSEMBLYMAN HICKEY:

I believe the reforms—through you, Mr. Chairman. I believe the reforms the Chamber was referencing had to do with the local governments and their collective bargaining positions, some reforms to the pension system and the state, and including reforms to education that the Blue Ribbon panel [Blue Ribbon Education Reform Task Force] and others have outlined.

PHIL SATRE:

Mr. Hickey, Mr. Satre responding to you for the record. My understanding is that it was a reference to just what you characterized, fixing what the Chamber referred to as the Public Employees’ Retirement System to reduce what they felt was about \$10 billion of unfunded liability, discontinuing state retiree health insurance subsidies through the Public Employees’ Benefits Plan, reforming collective bargaining, transforming K-12 education, and then their reference to higher education was “retooling” higher education. I am happy to address that to some extent, but I know that the dialogue that we have had with the Chancellor about “retooling” are things that he is going to cover in his remarks later. Many of them have to do with taking steps to be more efficient on the campuses, taking steps to revise the funding formula for the campuses, taking steps to, I think, look at seriously—as you have discussed today—our fee structure and how competitive that is with other WICHE states.

CHAIR OCEGUERA:

Thank you. Let us go to Mrs. Benitez-Thompson.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

Thank you, Mr. Chair. Mr. Satre, thank you for your comments. I am a social worker by profession. I am not a business person, so I appreciate your insight. I came across an article I thought that you might comment on, because my thought is that our education system, especially our universities, for the state are the equivalent to research and development functions within companies. Booz & Company. did a study—and this was from 2008, just as the recession was starting to take hold—and I wanted you to react to their findings. They said that: “More than two-thirds of the companies included in this year’s Global Initiative 1000 maintained or increased research and development (R&D) spending in 2008, and even though a third of the companies reported a financial loss for the year, we found no correlation between financial losses and reductions in R&D spending. Furthermore, our analysis revealed that innovation investment is increasingly viewed as essential to corporate strategy: more than 90 percent of executives we surveyed said innovation is critical as they prepare for the upturn . . . “ If that held true for Nevada, would it not make sense that the last thing we would want to do is severely cut our funding to our state’s R&D arm, which are universities and education?

PHIL SATRE:

Mr. Chairman, Mr. Satre responding to Mrs. Benitez-Thompson. I would respond this way. From really the experience that we had at one of the companies that I am involved with, and that is International Game Technology, we have a very big research and development function. It is around \$200 million a year. That is a lot of money to spend on R&D. If we had cut that two years ago or three years ago at the beginning of this recession and pulled that all the way back, we would be dead in the water right now. If we are going to compete with other companies around the world—which is how we compete with companies from the U.S. (United States), companies from Japan, companies from Australia and elsewhere—we have to continue to invest in research and development. We have to continue to hire the best and the brightest minds that we can to work in our studios and to work in our research and development effort. Part of the reason why I think the company supports the Mathewson-IGT Knowledge Center is that IGT depends upon our university system here in Nevada for a good portion of our talent that we need

to do that. If the university systems pull back on that talent, we will go elsewhere, and we cannot see how they can afford to do that.

CHAIR OCEGUERA:

Thank you. Mrs. Dondero Loop?

ASSEMBLYWOMAN DONDERO LOOP:

Thank you, Mr. Chairman. Mr. Satre, I would just like a clarification because I think what we are hearing from you is that universities attract economic development and that you are saying that the businesses want to have a funded education system, specifically higher education. Is that correct?

PHIL SATRE:

I guess I was not very clear. That is correct.

ASSEMBLYWOMAN DONDERO LOOP:

Thank you. You were very clear. I just wanted to hear it again. It was good news to my ears.

CHAIR OCEGUERA:

All right. I am not seeing any further questions. Thank you.

PHIL SATRE:

Thank you, Mr. Chairman. I appreciate the opportunity to address the Committee as a Whole.

CHAIR OCEGUERA:

Thank you, Mr. Satre. We appreciate you being here. All right, let us move on now to the Chancellor, Mr. Klaich.

DAN KLAICH, CHANCELLOR, NEVADA SYSTEM OF HIGHER EDUCATION:

Mr. Chairman, I guess, for the afternoon. Majority Leader Conklin and Minority Leader Goicoechea. Ladies and gentlemen of the Assembly. Thank you very much for entertaining us this afternoon and giving us the opportunity to discuss the budget of the Nevada System of Higher Education and to respond to your questions. I would like to, before I start that discussion, thank the Speaker in this chamber for cancelling your session yesterday afternoon and allowing so many of you to attend the memorial service for Dr. Milton Glick. I can assure you it meant a great deal to Mrs. Glick and Dr. Glick's family to have so many of you from this body there. Thank you for that courtesy and for the fitting tribute you paid to Dr. Glick's service to the state.

I would like to start my comments by acknowledging what you all know, that Nevada is in the midst of possibly the worst economic crisis that we have ever faced. We all know we must balance our budget, and we all know that there will be significant budget reductions and spending cuts required and painful sacrifice that is appropriate to be shared by all Nevadans. Having said that, our challenge is to navigate these difficult waters in a way that will preserve core services, including education, and serve our state well in recovery. I am here today to talk to you about how those of us in higher education propose to do that with your help.

Like most Nevadans in both public and private sectors, public higher education arrives here today after more than three years of budget reductions. Over that time, while enrollments and fees have increased and salaries have been frozen and reduced by furloughs, the System's General Fund support has been cut by almost 20 percent. Throughout that time, our presidents, working closely with their faculty and students and under the supervision of the Board of Regents, have implemented budget reduction plans aimed at protecting faculty and classes for students. Cuts have been made in capital, equipment, maintenance, support services, administration, to protect these critical classroom functions. And in the process of protecting faculty to the best of our ability, we have worked hard to protect research. Ironically, one of the results of these plans aimed at preserving access and quality to the student educational experience is that it has left many Nevadans thinking that there has been no impact at all on our colleges and universities. But in fact, with State General Fund appropriations now down almost 20 percent and statewide enrollments up, we have eliminated almost 9 percent of our state-funded positions. Like many Nevadans, we have been forced to do more with less. With the

loss of star faculty and matching funds required for research grants, our research and development has fallen by 11 percent in the last two years.

Let me just make a comment apropos of some of the questions I heard and comment with respect to the Desert Research Institute (DRI) figures that Dr. Wells [Stephen Wells, President, DRI] indicated to me about star faculty leaving; DRI has lost 23 of its best faculty over this budget reduction simply because they are great and they have the ability to move around. There was a comment about there not being any jobs. It is a tough time in this market, I understand, but the superstars are mobile. In the case of DRI, those folks have left now with \$15 million of their own research grants and probably two to one multipliers on the students and graduates that they support—just one example. I mention these not to stand in front of you and complain but to emphasize that we are not reviewing the cuts we are here to talk about today on a clean slate but rather from the vantage point of 3.5 years of painful reductions that all Nevadans have seen.

Against this backdrop of continuing budget reductions, the Board of Regents and I have prepared a strategic plan for aligning the goals of the system with the goals of the state. We have given you all copies of those plans probably more times than you want to see, and they are contained in the materials that I am sure are on your system. I am not going to bore you today nor take the time at this late hour to go through that plan in its entirety, but I would like to tell you about some of the hallmarks of it and why we think it is important to your deliberations today. We are committed to more graduates and less time, to more sponsored research, to market-based fees as you have seen before, to creating differential fees for select programs with the authority to direct the spending of those fees where they are generated. We would like to see the creation of a stabilization fund for the inevitable day when this cycle returns. We have in place a continuous process for review of efficiency and effectiveness to assure that every dollar of taxpayer money that you entrust to us will be spent once and wisely. We would like to establish structures that align the goals of state higher education and private business to assist the economic development and diversification effort, and we have assisted in A.B. 449, the economic development bill, that is a bipartisan effort moving through your house right now. We will insist on more intense partnerships with our partners in public education K-12. Every element of this plan must and will be built on recognized and well-communicated metrics for reporting to the Governor, to this Legislature, to the Board of Regents, and the citizens of Nevada. We are committed to holding ourselves accountable to well-defined and rigorous metrics.

Our plan is not business-as-usual. Our plan is a significant commitment to reform in higher education in academics, in finance, and in administration. Students in the state will see a very different system of higher education than how we operated.

First, I would like to repeat what you have already heard: we ask you, during the upcoming interim, to commit to a study of our funding formula. Bring the Governor, the Legislature, higher education together. We must recognize that we have different missions for different institutions in this system, and we must fund them appropriately and differently. We must let the data indicate if there are inequities or disparities without reason in our funding and correct them. Funding based solely on enrollment without regard to performance in critical areas, such as student completion, should be a thing of the past in Nevada. Reform and funding must go hand-in-hand. Every policy on funding and budgeting should be analyzed to support a more entrepreneurial structure that recognizes the fact that higher education must, over time in Nevada like elsewhere in the United States, become more self-sustaining and not suffer the loss of State General Funds when it does by attracting more out-of-state students.

In this context of reform and change to which we have committed our future, we come here to discuss with you whether or not the budget before you advances that reform in the interest of higher education and, by extension, the interest of the state.

I believe that it does not. In the materials that you have before you, we have provided budget templates, as Mr. Haartz indicated before, for every institution in the system. I apologize; my remarks here I will be repeating some of the comments and questions that have already been directed to either Mr. Haartz or Mrs. Gansert, but I would like to repeat for emphasis. Those plans, in response to The Executive Budget, reduce support from its current General Fund levels of \$162 million by the end of this biennium. Let me tell you briefly what this budget reduction means to our institutions and to your constituents who want to go to college. The proposed

budget reductions will dramatically impact higher education and, in particular, as many of your questions have highlighted, access. We believe that it is important that you understand that the cuts to the levels proposed in The Executive Budget will result in an entirely new model for higher education in Nevada, one that we believe is not in the best interest of this state either in the short-term or the long-term. In the short-term, it will lead to greater unemployment—we will lay people off—and will withdraw critical dollars from the state economy, dollars which are multiplied when they move into the state economy, worsening and prolonging Nevada's economic depression, not assisting in its recovery. In the long run, this model will reduce access and opportunity to thousands of Nevadans either by limiting enrollment or pricing higher education out of their reach and thereby limiting the educated workforce that we need to move our economy forward to recruit and retain businesses here in Nevada.

One of the cornerstones of our reform plan that I talked to you about a minute before is our commitment to Complete College America consortium. That consortium is dedicated to producing more graduates with degrees and certificates of value here in Nevada and across the country. It is a consortium that is committed to what I refer to as the “case method,” copy and steal everything, where we look around the country at the best practices that we can find in higher education and bring them here to Nevada rather than reinventing the wheel. With this budget, our continued participation in the consortium and our goal to produce more graduates will be in jeopardy along with the potential for a number of grants to assist us in this effort.

From your constituents, you all know that in enrollment in the system has effectively been capped for years as a result of reduced available classes that have filled up and fee increases. The cuts that we are facing today will multiply our enrollment challenges. Our colleges and universities report that faculty and staff cuts will cap enrollments across the state at an unprecedented level. Students—and these are students including those clearly qualified to enter our institutions, so we are not talking about students who are not qualified and do not want to go to college—will be turned away in far greater numbers than ever before. This will be not only true at our universities but at our state college and our community college, critically impacting the access mission of those institutions that has traditionally been what I call part of their DNA. We will develop strategies to deal with this change at our colleges that may include admissions testing, the requirements of diplomas while trying to be sensitive to the needs of our diverse student population, but the underlying reality is we will be turning Nevadans away. We simply cannot serve everyone at the level of cuts with any promise of quality.

We must be particularly mindful in this effort—and your questions have already indicated that you are mindful—of low income and first-generation students who are disproportionately students of color. With this budget, however, we can no longer pretend that any student who is qualified will be accepted into one of our institutions and will have access to classes, support services, financial aid, and, ultimately, a degree. Priority registration in our institutions, together with the aid and the opportunity to complete a degree or a certificate within a reasonable period of time, will be given to full-time students.

We will also have to seriously evaluate the transfer mission of our community colleges in light of this new reality. We can no longer guarantee that every student who qualifies for a transfer from our community colleges will have a seat in our universities or our state college. If we promise students a reasonably smooth path to a degree, we must avoid upper-division bottlenecks that could result from unlimited transfers. In addition to these limits on student access, we will offer classes at fewer locations; in particular, our rural locations will suffer as our colleges will focus their limited resources on serving the greatest number of students in the areas where they are. We will do our best with technology to continue to provide offerings, but live classes will diminish significantly.

Mr. Haartz talked about the numbers, but let me reinforce. We anticipate a drop in enrollment in excess of 15 percent system-wide this biennium based on program elimination, faculty layoffs, site closures, fewer number of courses offered, increased fees, and inadequate tutoring and support services. Until resources improve, that reduction will be a cap on enrollment. We anticipate that more than 20,000—and your figures were about 19,000, give or take—more than 8,000 full-time equivalent students who wish to take advantage of higher education in this state will be turned away. In response to the question on this side, those are

students who will either leave the state to attend and may never return or will simply never go to college.

Research and workforce grants in the state will, in all likelihood, continue to decline as resources for matching funds dry up and as our best and most entrepreneurial faculty—as I indicated with respect to the DRI example, the same example could be told that UNR and UNLV are cherry-picked by other institutions across the nation. We have consistently advised that this selective destruction of our best faculty has already begun and should be expected to accelerate. The impact will not only limit economic expansion that innovative research can foster but will negatively impact our leveraging capacity by reducing the revenues that our research institutions will generate to help themselves produce their own budgetary support. We pledge our best efforts, nonetheless, to work with private businesses in the state to work with the state's economic development infrastructure, but we want to be clear that fully supporting new business initiatives while retrenching across the board to the levels recommended is simply not possible.

VICE CHAIR SMITH:

Mr. Klaich? Do you prefer to get through your report before taking questions, or would you like questions along the way?

DAN KLAICH:

I would prefer to finish. I have got maybe three minutes.

VICE CHAIR SMITH:

Very good, thank you.

DAN KLAICH:

You know that many of the difficult decisions that we are being forced to make will bring out constituent voices. You have heard them already, I am sure. We have heard them already. They will object to center program institutional closures, consolidations. I am sure you are hearing those voices. Every action we are taking is taken with the strong awareness that we are losing or reducing a program valuable to Nevada. We have no more good or easy choices to make.

Throughout this process, I have promised to be honest with you. I have told you that I will not say anything that we are not prepared to do, and I will not put anything on the table that we are not prepared to follow through on. I have outlined what the presidents are planning to do and what they will do with the cuts that we see before us. Diminishing and cutting higher education is bad for Nevada, and I hope that we can work together to avoid or significantly mitigate these impacts. However, with the funds that appear to be available today, we simply believe that these steps outlined above are essential.

Two final points I would like to make, Madam Chair. I understand that this is a hearing to talk about the Nevada System of Higher Education budget and not taxes, but I would like to make a brief comment regarding the potential for new funding since you already brought that point up today yourselves. The Board of Regents at its last meeting passed a unanimous resolution calling for additional revenue into this budget, and somehow, it seems to me that the discussion of whether or not there should be additional taxes in Nevada has gotten wound up with sunsets on existing taxes. While I have outlined dramatic, long-term, negative impacts of these budget cuts on higher education—and I am sure you have heard the same and very persuasive arguments from my partners in K-12 and from health and human services—we are talking about a budget that is built on giving a tax cut in the next biennium to the largest businesses in this state by allowing existing tax rates to sunset. To make matters even worse, the businesses now paying those taxes to Nevada will be denied federal deductions for those taxes paid, so we will be shipping a portion of them off to Washington, D.C., never to see them again. In short, while we have huge budget cuts to critical Nevada services, we will be giving large tax breaks to Nevada's biggest companies and sending a portion of those dollars to the feds. I just do not see how this is good policy or it helps ordinary Nevadans secure the critical services, including education, that they want and need. I do believe that there are revenue solutions out there, and I hope that you consider all possibilities while you seek to balance this budget.

In closing, to let you know what I think we should do, I would like to present a four-point plan for funding higher education this biennium, which I think fairly embodies the shared sacrifice that we have all talked so much about. Implementation of this four-point plan can assist in mitigating the worst of the impacts that I outlined above with respect to these budget reductions, and it will require your action and support.

Firstly, we ask that the dollars allocated to the System for this biennium be appropriated equally in each year of the biennium. Averaging or smoothing those appropriations in this fashion will reduce the target reduction for FY 2012-13 from \$395 million, as you have heard from staff, to \$430 million, a net positive change of over 7 percent in our budget without costing one dime to the taxpayers of the State of Nevada.

Secondly, we will ask students and their families to pay a greater share of the cost of higher education. We have heard a lot about the level of fees and tuition in Nevada, and most of that discussion has focused on the fact that fees are low in comparison to neighboring institutions. Keep in mind that that is the culmination of a long-standing policy not only of the Board of Regents but this Legislature, which is embodied in statute, and also keep in mind that while we are a low-fee state, we are a very low-financial-aid state. Decoupling fees and letting them float while keeping financial aid low is going to, again, hurt the neediest of Nevadans. Nonetheless, we ask students and their families to pay a greater share. Most of the institutional plans submitted to the Board of Regents for meeting the recommended budgets show increases in student fees of 13 percent in each year of the biennium with a carve-out of 15 percent of those amounts for need-based financial aid.

Thirdly, we commit in our entire public education system, including all teaching institutions, to implement permanent operating reductions in an amount at least equal to the contributions that we are asking students to make.

Finally, we ask that the State of Nevada infuse additional General Fund support in our budget in an amount proportionate to the two amounts discussed above. Included in this plan, as you have heard from staff, is also a reduction across the board of salaries that is recommended by the budget.

Taken together, I believe that this plan represents a reasonable sharing of the burden of the current economic crisis among students and their families, faculty, our colleges and universities, and the State of Nevada. If this plan is implemented, we will protect higher education to the greatest extent that can be expected in these times. We will promise continued academic and financial reform that will produce a greater efficiency in all our operations, resetting the financial and social compact among the state, the Legislature, and the students of Nevada.

I close by saying that we came today with an earnest request that you hear us, that you believe us, and that you partner with us to save our children and our grandchildren's opportunity for college, for a brighter future, for those very same opportunities that all of us sitting here have enjoyed and profit from. Thank you very much, Madam Chair.

VICE CHAIRWOMAN SMITH:

Thank you, Mr. Klaich. I have a question from Mr. Conklin.

ASSEMBLYMAN CONKLIN:

Thank you, Madam Chair. Mr. Klaich, I appreciate your staying with us to the late hour. I know it has been a long day for you since your first meeting started at 8 a.m. (But I assure you, so did ours.)

DAN KLAICH:

I understand.

ASSEMBLYMAN CONKLIN:

We appreciate having you here. One of my colleagues left on my desk an interesting chart of the NSHE budget and state-supported portion of that budget over the last decade (Exhibit F). A couple of things jumped out at me on this. And just for full disclosure, I am also a product of the NSHE system, getting my master's degree in economics at UNLV, so certainly I am a big supporter of our education system. One of the things that jumped out at me on this chart is, you can look year over year, there are bumps in the road, clearly, but over the last decade, the

amount of support that the state portion of the university system support has declined. It has gone from 70.3 percent down to 61.6 percent. While that in and of itself might be a good thing or a bad thing—and I am not sure I want to get into that—what is interesting is that that is coupled with two things. The actual amount of dollars is going up; I think we know that. But the price of an education is going up, too. Everyone is spending more. There is more technology. Everything is more expensive. When I got my first master's degree, the average cost of my books was probably \$70; the last time I got it, it seemed like it was \$150. Everything is going up exponentially relative to education, but the amount of money that you get from outside the state support is growing even faster.

The question is this. At the end of the road this year, we are going to make a 25 percent cut in that state support, and what I noticed about this is every time we made a jump in how much we gave the university system, there was a subsequent jump and more so in how much other funding you get. It begs the question, is there money that you get from the mere fact that we make investments, and how much of that do you expect to lose? You spoke of it earlier; we heard about it from other folks. Your brightest faculty members, you may pay them \$250,000 a year or \$150,000 or it does not matter what you pay them, but they bring with them, so to speak, an endowment, which is much greater than what it costs you to have them here. I almost wonder if we are expecting a much bigger decline in the amount of money that you have relative to that loss of money that is not accounted on any spreadsheet we have that is associated with the loss of revenue that you are going to sustain as a result of losing critical people and other matching funds, whether it is public or private or anything else.

DAN KLAICH:

Mr. Chair to Mr. Conklin. I think your question goes to a whole bunch of very critical points, and I will try and be succinct as possible given the hour. To the direct dollar point, which I do not think was your main point, I think that studies indicate that for every dollar \$1 that you, the taxpayers of Nevada, invest in the Nevada System of Higher Education, the multiplier return to the state is in excess of \$5. For every job that is created, 1.6 jobs are created. By definition, those would go away. I think the reputational value and the reputational risk that we are involved in right here—particularly at the research institutions, where a bit more than the colleges—we compete in a national market. I do not think that Nevada wants the national reputation of a state that does not value higher education. That will make it more difficult for us to recruit star faculty, retain star faculty, and, just as importantly, to recruit and retain the best students here in Nevada that we want to keep here in Nevada.

You mention longitudinal data, and I believe it is data that Mr. Hansen prepared and that he was very kind to share with us in advance. I appreciate that courtesy, Mr. Hansen. I have a difficulty, though, with longitudinal data. It can tell a story, but I would suggest that it could probably tell just about any story you want to tell. I am not sure the extent to which it is very relevant for a couple of reasons. We will provide you with inflation-adjusted, per-capita spending on students in higher education in Nevada over the last couple of decades, and I think you will find that it has not changed; it might possibly have declined slightly. But longitudinal data does not really help us a lot when we are where we are. We are here today facing a \$162 million cut to our budget, and to say what has happened over the last 10 years or 20 years sets aside the fact that there is a long-term compact that is implicit in whatever has occurred to that time, and we cannot just pull one piece out and say that the compact is intact. I hope I have touched on the major points that you asked, Mr. Conklin. If not, I am sure you will follow up.

ASSEMBLYMAN CONKLIN:

I am going to ask again. I agree with you on the longitudinal data. The issue is this, though: clearly, there is a growth in the amount of money you are getting from other sources.

DAN KLAICH:

Correct.

ASSEMBLYMAN CONKLIN:

I want to know, is that growth tied to the investment that we make in NSHE? Will there be some corresponding losses as a result of our lack of investment?

DAN KLAICH:

Let me do the best I can. With respect to research grants, I think the answer to your question is going to be, “Yes.” For example, you provided us certain matching funds, most of which has had to have been reverted in prior rounds of budget cuts. More and more under current administration guidelines, any grants that we are given require matching funds, and as those matching funds disappear or dry up, we simply lose the ability to compete for federal research grants and contracts. I would say the answer is “yes” on that point. Self-supporting budgets, we actually have grown those budgets over time, and I cannot tell you that those are directly related or not to levels of state funding. Certainly, if we had to pull money out of those to backfill for state funds, we would lose our ability to further enhance those support services on campus that the state simply cannot provide. Those would be two examples where I think the answer to your question would be, “Yes.”

CHAIR OCEGUERA:

Mr. Hambrick?

ASSEMBLYMAN HAMBRICK:

Thank you, Mr. Chairman. Chancellor, I know being in the well can be daunting sometimes, but we seem to be going down the well with questions dealing with finance. I am going to make more of a request rather than a question. In order for this body to get a complete picture—and you just mentioned some other sources—I am wondering if we could get, in the next several days, a listing of all the endowments and other funding that you have available so we can compare it not only to the dollar amount that the Governor is trying to either give or not give to you, but in order to see what the university system has unto itself so we can balance these things off. I am not sure if many of us have ever seen that entire spreadsheet.

DAN KLAICH:

I appreciate that question, Mr. Hambrick. We have provided that summary information to your staff, and we will work with them to be sure that it gets out to all the members. If it is not in sufficient detail, we will provide additional detail.

ASSEMBLYMAN HAMBRICK:

Thank you, Chancellor. Thank you, Mr. Chairman.

CHAIR OCEGUERA:

Let us go to Mr. Hickey.

ASSEMBLYMAN HICKEY:

Thank you, Mr. Chairman. Thank you, Mr. Klaich. In the interest of disclosure, because I am going to be talking about a community college, I do teach at Western Nevada College. I have been happy to hear you throughout this process, as difficult as it is, to welcome the flexibility and autonomy that are included in a new way of budgeting for you. Flexibility obviously gives you the ability to do what you think is best for your institutions, and the autonomy comes from being able to have more money and manage it much as private institutions might, at least to some degree. Being able to keep some of the tuition or fee increases and manage it yourselves is an example of having more autonomy and less strings. But to my point of strings, one of the things that we have done is bounce you around a little bit with regards to your own planning with respect to these budget cuts. Am I not correct that the university presidents came forward with a plan that did not necessarily include closures or mergers or breakups and consolidation, but this body has asked you to consider that? My question is, what is your personal preference? Even given the severity of the cuts, do the Regents really favor the suggestion from some in this larger body that we ought to be closing places given the cuts?

DAN KLAICH:

Mr. Hickey, although you may not have intended, I think that is a very easy question. I do not favor closing any institution. Clearly, all the data would demonstrate that we need more graduates in Nevada. We need more graduates with certificates of value moving into our

workforce, more associate degrees, more baccalaureate degrees, and more master's degrees. The question is really, what can we afford? That, of course, is the very difficult question that you are facing. I think with the plan I have put in front of you, if we can find a way to all make our relative and respective contributions, we can avoid those worst-case decisions.

ASSEMBLYMAN HICKEY:

Just a brief follow-up if I may, Mr. Chairman? Is it not the case that the presidents came forward with a plan, given the severity of the original budgets, that would reduce costs, and they were not the ones calling for closures? They have a plan that would deal with these cuts and all the accompanying difficulties.

DAN KLAICH:

I am sorry. I did not understand your question. Like you, Mr. Hickey, we are planning on multiple fronts. I understand that you are trying to plan while things continually move, and the presidents brought forth plans based on cuts to the full level of the Governor recommended reductions. At the same time, the Board directed the Chancellor's staff to bring forward additional recommendations on what possible savings could be generated by closures or mergers or consolidations so that all of those could be looked at at the same time.

CHAIR OCEGUERA:

Mr. Brooks?

ASSEMBLYMAN BROOKS:

Thank you, Mr. Chair. I thank you for your presentation. I just wanted to kind of talk a little bit about some of the things that were mentioned here. In this particular plan that I know that is being looked over based off the Governor's recommendations, is it not a possibility or a reality that something is going to have to be shut down? To try and cut across the board may not be the answer. I just want to clarify that if the Governor's recommendations—what we are following—the reality of it is we may have to shut down some institutions.

DAN KLAICH:

Thank you very much, Mr. Chair. Dan Klaich to Mr. Brooks. I think the answer to your answer has to be, "Yes." It is not, "Is something going to close?" It is, "What is going to close?" You can look at a rural site in Nevada where folks are not able to otherwise get higher education. That is a closure. You could look at combining programs or fully eliminating programs at our universities, and that is a closure. You could look at turning away students at our community colleges, and that is certainly closing the door. I understand the testimony that you heard from representatives of the administration. I will partner with anybody who comes down the road and I will do everything to work, but with these cuts, we cannot maintain enrollments at the levels that demand indicates. Yes, there will be closures. No question.

ASSEMBLYMAN DALY:

Thank you, Mr. Speaker. My question is fairly straightforward and simple, and I suspect I may know the answer already, but I, like many of my colleagues, ran a platform to try to improve education. I spoke the other night and I said, "I think we have a duty to first do no harm." To coin a phrase from another one of my colleagues, if the budget, the Governor-recommended budget as proposed goes forward, will it do anything to improve education and the Nevada System of Higher Education in this state? I think a simple yes or no answer would suffice and speak volumes as to the discussion here tonight. Thank you.

DAN KLAICH:

Not in the short run, Mr. Daly.

CHAIR OCEGUERA:

Thank you. Mr. Kirner?

ASSEMBLYMAN KIRNER:

Thank you, Mr. Chair. Chancellor, I am going through some things in my head here. You had mentioned, and I would not disagree with you, that we will need more graduates going

forward, particularly if we want to attract quality businesses to the state. I have heard, and so I would ask you to correct me, that we graduate from the university system—I am not worried about graduation rates at the community colleges but at the university level—about 50 percent, give or take, I think it is after six years. Then I heard on top of that that only half of those—so that would be 25 percent of our students who start—six years later have a job. Am I clear enough in my question? I guess what I want to know is, are those kind of numbers accurate? I guess where I am headed with this thing is, is access the real issue? Or is the issue how do we get these young people—and I say “young people,” but I do know that the average age is probably a little bit older—are we getting these people through school?

DAN KLAICH:

Mr. Chair to Mr. Kirner. I am not going to sit here to you and say to you that our graduation rates are acceptable. I will tell you that over the past five years, our graduation numbers have increased significantly not simply as a result of enrollment growth. Our year-to-year persistent levels are going up. We are doing better and we are committed to better graduation rates, but I am not going to tell you that they are acceptable. I have clearly indicated to the presidents of each of our institutions that their graduation rates are unacceptable and that their performance is going to be graded in part on improving those. That is exactly one of the reasons for our participation in the Complete College America consortium, and we have set specific goals with respect to additional degree attainment in each of our institutions.

With respect to the portion of your question regarding employment after graduation, I do not have that data from Division Department of Employment, Training and Rehabilitation (DETR), but if we can get it, we will provide it to your staff. I am sorry, I just do not have that data.

CHAIR OCEGUERA:

Mr. Ohrenschall?

ASSEMBLYMAN OHRENSCHALL:

Thank you very much, Mr. Chairman. Like you and the Majority Leader, I am also a product of our Nevada System of Higher Education. I think two of the proudest days of my life were when I graduated from UNLV and when I graduated with my law degree. I am troubled by the projection that 19,000 students might not have that opportunity. I have two questions for the Chancellor. First of all, of those 19,000 students, do you have any guess as to how many might have the resources to go out of state to pursue their education? My second question is sort of a follow-up from the Majority Leader's question. I know that private fundraising is important to all of our institutions in NSHE. Is it your experience that when a state dramatically slashes its support for its public institutions, does private support fall as well when they see that the government is turning its back on the institutions? Thank you.

DAN KLAICH:

Thank you very much. Mr. Chairman to Mr. Ohrenschall. I will not try to improve on what I think was the excellent testimony of Mr. Satre with respect to the second half of your question. I think that he indicated very clearly that in private giving, including corporate giving, that there is an implied promise of sustain, and putting that at risk by reducing state funding is extremely serious. I think in addition to Mr. Satre's testimony, we simply cannot expect private donors to backfill as state dollars leave. That is not what private donors do. I am convinced that there are not a lot of just real altruists out there that just have money that they want to give us. They want to do things with their money. They want to find programs and add a measure of excellence. I think the answer to the second half of your question is, “Yes.”

With respect to the first half of your question, I guess you put your finger on what I think is the most difficult part of the testimony that I have given here today, and that is closing the doors. I did not work through college, and I am not going to sit here and tell any of you that I had to do one, two, or three jobs to get through college. The reason for that is that my dad, who grew up in Mr. Goicoechea's district and worked in the copper mines in McGill, got away, got a college education at a public institution, and broke the cycle of poverty in our family. I am fearful that for those 19,000 students that we turn away, we will not be able to break that cycle of poverty. It kills me to say that, but my choice is to come to you today, saying that we will continue to

take everyone that comes to our door and continually water down the quality of education that they get or extend the time to their degree, which we know decreases the likelihood that they will ever get that degree. That's the Sophie's Choice we are here talking to you about today, Mr. Ohrenschall. I choose quality.

ASSEMBLYMAN OHRENSCHALL:

Thank you, Chancellor. Thank you, Mr. Chairman. I, too, I look at these proposed cuts, and I believe that they do a tremendous disservice to our constituents.

CHAIR OCEGUERA:

Mr. Hansen?

ASSEMBLYMAN HANSEN:

Thank you, Mr. Chairman. Chancellor Klaich, excellent presentation as always. On the budget graph that I gave you and passed out to my colleagues, just for the record, that is from the Legislative Counsel Bureau, not me. It does dispute the point that as our subsidy levels from the government go down, the private sector also goes down. For example, for the [fiscal] year 2010-2011, ours dropped down to \$493 million, yet the total budget for higher education spending in Nevada went up to \$802 million, a difference of over \$300 million. If you jump back to, say, 2005-2006, we supplied \$603 million, and your total budget was only \$795 million. In fact, you guys have that huge ability to raise money outside of what we are providing. If you look at your UNR budget, too, for 2009-2010, 2010-2011, your budget last year actually went up even though we have been getting the impression that it has been going substantially down. It, in fact, went up quite a bit, even though our portion went down. Your ability to raise money outside of what we provide is apparently substantial, and certainly, these numbers conflict with what you have suggested. In fact, as we have gone down, yours have gone up from outside sources.

DAN KLAICH:

Mr. Chairman to Mr. Hansen. In a good part, I do not disagree with a number of the things you have said. We do have the ability—and I think it is clear that it differentiates the Nevada System of Higher Education from some other agencies—to get additional funding sources, and we have relied on those additional funding sources, particularly as state funds have declined. We have significantly increased fees over the past four years. Fee increases have averaged in the nature of 50 percent lower or higher depending on the institution on and the level. Yes, we have raised fees. Our self-supporting income in some areas—for example, dorms—has increased. We have that ability. I agree. Again, what we are talking about is we do not have that unlimited ability, particularly with cuts of this magnitude in this short period of time.

ASSEMBLYMAN HANSEN:

A follow-up, Mr. Chair?

CHAIR OCEGUERA:

Certainly.

ASSEMBLYMAN HANSEN:

An earlier question I asked to Heidi and Andrew was, right now, you testified, as I recall, in education that about 40 percent of kids from Nevada high schools that go on to college end up needing remedial courses. Obviously, the taxpayers already paid once for that. How much is the costs to have taxpayers pick up the tab on that for that remediation?

DAN KLAICH:

I am told by staff—as they had a little bit of time to scramble, Mr. Hansen, before I got down here—that the cost of providing that remediation at our community colleges is about \$2 million per year for recent high school graduates. There is a significant additional cost as you have identified.

ASSEMBLYMAN HANSEN:

That, you said, is just for community colleges? Or is that for all of the Nevada System of Higher Education?

DAN KLAICH:

I think we discontinued about four years ago funding remedial education at the universities. The state does not fund any developmental courses at the universities anymore.

ASSEMBLYMAN HANSEN:

Very good. Thank you.

ASSEMBLYMAN CONKLIN:

Mr. Chairman?

CHAIR OCEGUERA:

Mr. Conklin?

ASSEMBLYMAN CONKLIN:

I request a point of order. We should not be referring to people's first names, Committee or otherwise. Mister or misses Mrs. is fine, but we know sometimes things get personal. We need to keep our etiquette.

ASSEMBLYMAN HANSEN:

Mr. Chairman, I apologize for that.

CHAIR OCEGUERA:

Point of order. All right. We are going to do three more, and then we are going to let Mr. Klaich up. Let us go to Mr. Ellison.

ASSEMBLYMAN ELLISON:

Thank you, Mr. Chairman. Thank you. I have enjoyed your presentation. There was a lot of good information that came out of there. In the rural areas right now, it has got the highest graduation rates out there right now. You could not ask for better. When they are getting out of there, they have got high paying jobs guaranteed. You cannot say that with most places, is that correct? So why would others take something to look at something that is working, putting money back into the system with a high graduation rate and guaranteed positions at high-paying jobs? That was one of my questions.

The other thing that I wanted to ask you is, we just got a couple of emails, and we are looking all over the country right now. They are raising tuition all across the nation right now. It is not just Nevada, and it is not a Nevada problem. It is the country's problem. Maybe you can address that, too? Thank you, again. I enjoyed your presentation.

DAN KLAICH:

Mr. Chairman, through you to Mr. Ellison. First of all, thanks for shining the light on Great Basin College. We appreciate it. It is a wonderful institution, and it does a great job of moving students through. As you indicated, for our community colleges, it has a tight community and the best graduation rate of the community colleges in our state and better than the national average, I might also add.

You are blessed with a pretty decent economy out in northeast Nevada, some of the students coming out of those classes do have jobs right away. That is not the case throughout Nevada, and of course, we are serving diverse communities where many students have to come back to retool. We are trying to balance those. As Mrs. Gansert said, the Governor is also involved in a balancing act.

With respect to raising tuition, I believe I tried to be straight with you. We think that if you look at the long-term horizon, the likelihood is that public higher education is going to have to move to a more self-sustaining model, and that includes higher tuition and fees. That is a national phenomenon, and you are correct in pointing that out to me.

CHAIR OCEGUERA:

Mr. Livermore?

ASSEMBLYMAN LIVERMORE:

Mr. Chancellor, thank you for being here today. I want to pose this question to you. About six weeks ago, the Board of Regents voted to take off the table the closure of any campus. From this building came a request several weeks later to revisit that position. If the presidents, who know their facilities and know their operations, are able to continue with the funding levels recommended in the Governor's budget here, then why continue with closure, mergers, or other reductions discussions? Why not give them the flexibility to not only take care of their campus within our community but look at the community itself and reach out and find a community portion?

CHAIR OCEGUERA:

Chancellor, I will take that one. That question has been asked and answered, actually, I think. You will all get the opportunity tonight to say how you feel about that one way or the other in the decision points that we have. You will have the opportunity to say which one you think we should suggest to the higher education system.

Mrs. Benitez-Thompson?

ASSEMBLYWOMAN BENITEZ-THOMPSON:

Thank you, Mr. Chair. I just want to make sure that we really are crystallizing, for the record, for hopefully the thousands of people who are listening and watching on the legislative website for people who might have missed the debate, without argument and without doubt, with this budget, qualified students who want to attend and enroll into our higher education system will not be able to get in. Without doubt, our best and brightest professors will be leaving the state because they are going to be recruited by other university systems who are going to get them better resources, better institutions to study at, and with those professors go their research projects and their grants and monies for those research projects out the door. I just want to make sure that the public is understanding this because when I think about it, I think Nevada can do better. I think we can do better. I do not think that this is our answer. I do not want there to be any confusion out there when this is said and done about what this budget will do to education in the State of Nevada.

DAN KLAICH:

I got to tell you, I really appreciate that question for a number of reasons. The answer to your first question, will qualified students be turned away? Yes. The answer to your second question, some of our best and brightest faculty, their grants, and their grad students—will we lose them? I will tell you, for sure, they are at risk, and historically, I can tell you we have already lost many at all of our institutions. I would like to say, "Yes, we are going to lose them," but I cannot foresee the future. I can tell you we have already lost some, and the best are at risk. I guess the last point you made that I really feel so very strongly about and why I have tried to be so obnoxiously graphic today is that I do not want to wake up on July 1 or August 1 or some other date and have a parent call me or a student call me and say, "Why did you not tell me?" I want to ring that bell here and in the Board of Regents and everywhere else that yes, they will be turned away. They will not get classes. I think Nevadans deserve to know that, and that is part of the reason I framed my testimony in the way I did today, Mrs. Benitez-Thompson.

CHAIR OCEGUERA:

Okay. I said we were going to have three more, and now I have two more members with their lights on. The question before the body is should those people be let to talk. Let us let the Chancellor up.

We do have the university presidents that are in the audience. Are there any members that may have a question of the university presidents? If you turn your light on if there is a specific question that you think you need a university president to answer, they have sat here all day. You do not have to, but if there is a specific question? Okay, perfect.

I have a number of people on my sign-in sheet for the Committee of the Whole but not a whole lot saying they want to speak—a whole lot of question marks. Is there anyone from the general public that would like to make public comment?

Good evening, ladies. Either one can go first.

LAEL PIKEL, STUDENT, UNIVERSITY OF NEVADA, RENO:

Good evening. My name is Lael Pikel, and I am a student of UNR's School of Social Work. I am also a native Nevadan born and raised here right over there in Washoe Valley. I am here today to say that as a student, I am willing to accept an increase in the cost of tuition if the revenue generated from that increase will stay within the university system and if businesses are willing to share in the sacrifice through an increase in taxes. Further, I recognize that higher education is a powerful, incredibly valuable, and commonly understated means of combating poverty and achieving social and economic developmental goals. Education and economic growth are inextricably linked, and I believe that it is imperative to invest in education in order to invest in the future of our state. As a student who is willing to accept tuition increases and a native Nevadan, I am asking you to consider diversifying revenue through tax increases. Thank you.

MARY CABALES, STUDENT, UNIVERSITY OF NEVADA, RENO:

Good afternoon. My name is Mary Cabales. I am a social work student at the University of Nevada, Reno. I am also the vice president of the Undergraduate Students Social Work Association. I intern for the Washoe County Department of Social Services' Child Protective Services, and I am also a local resident of Sparks, Nevada. My parents have valued education very highly. They stressed the importance of attending school to obtain a fulfilling career. Education will definitely prepare people for successful jobs. That is just common sense. Governor Sandoval's proposed budget will clearly affect the future of our state. Yes, we are facing a budget crisis that leads to dramatic cuts to our education system, but if it is at all possible to not cut at the maximum level, then the value of our education and the success of our state will take over.

As a social work student and future advocate for the vulnerable population of our community, I would like to express my deepest feelings on how important and beneficial social work is for the entire state, both here in the north and the south. Social services are in dire need now because of the economic situation, the lack of funding, and the continuing increase in our unemployment rates. Both programs here at UNR and UNLV have the highest potential to create social workers for our state and its people. I would like for you guys to consider our plea to save education and give Nevada a brighter future that it deserves. Thank you.

CHAIR OCEGUERA:

Thank you, ladies. We appreciate you staying here. Are there questions? All right, I do not see any questions. Thank you very much.

Public testimony? Any other public testimony? There are a couple more people coming down from the gallery.

For the record, too, I see Regent Knecht is sitting in the back. He is going to submit his testimony for the record. I know he testified on the other side. I appreciate you sitting here and listening, but his testimony will be on the record as soon as we get it.

All right, go ahead.

LISA GIANOLI, BUDGET MANAGER, FINANCE DEPARTMENT, REPRESENTING WASHOE COUNTY:

Mr. Chairman and members of the Assembly. We just wanted to get on the record and explain the whole history of this tax diversion that is included in the funding of the higher education budget. I kind of was going to just take you back to 2007. The capital facilities money was diverted from Washoe and Clark counties at the level of 3 cents in 2007 because there was a need for infrastructure in the highway system throughout the state. That diversion started, actually, with just Clark being focused on, and then Washoe was brought into it near the end of the session. That tax was to be brought across to the State Highway Fund over a five-year period in 20 percent increments. We went along with that. Then, of course, in the 2009 Session, we went through the entire 5 cents being diverted and along with 4 cents in operating to get through the biennium with the understanding that would be sunset. Here we are today with the potential of that money being diverted permanently from the county. I think the understanding of how much of an impact that is to Washoe County is significant. It is a tremendous amount of money. It is cutting into essential services that we are mandated by law

to provide, and I just feel that needs to be put on the record as a part of this discussion. Thank you.

CHAIR OCEGUERA:

Go ahead.

CONSTANCE BROOKS, SENIOR MANAGEMENT ANALYST, CLARK COUNTY:

Thank you, Mr. Chair, members of the Assembly Committee of the Whole. Given the late hour, my remarks will be very brief. We felt it important to get on the record what the monetary impact would be for Clark County and, in particular, for the 900,000 residents that we have in unincorporated Clark County. Over the biennium, the 9-cent diversion of property tax revenue would be approximately \$117 million. Of that 9 cents, 4 cents is dedicated toward services for the indigent in the Social Services Department as well as within Child Welfare. In particular, with social services, as you can imagine, there is a significant increase in the demand for services as a result of the economic crisis that we are all facing. While we understand and value shared sacrifice, we would like for you to fully understand what we have faced as a result of the previous 9-cent diversion and what we will face in the coming months and years. With that, I am available for any questions. Thank you.

CHAIR OCEGUERA:

Questions from the body? All right, you are getting off easy. I do not see any questions.

Any further public comment? All right, I am not seeing any further public comment.

I guess there are several questions before the body from the decision points in the presentation that you received on the work session. The first question, I believe, before the body is, does the Committee wish to decrease the state's support for higher education by 27.3 percent, or \$320 million, as proposed in the Governor's recommended BBudget? A green button would be, "Yes, you do." A red button would be, "No, you do not."

[There were 16 yays and 26 nays]

All right, perfect. Thank you. The second question before the body, then, would be: The Governor's budget is recommending to redirect \$121.3 million in property tax revenue from only Clark and Washoe counties for the 2011-2013 biennium to support UNLV and UNR. These redirected property taxes would replace or supplant higher education funding from the General Fund. Do you support the Governor's recommendation to redirect these funds? A green would be, "Yes." A red would be, "No."

[There were 16 yays, 25 nays, and one not voting]

All right. The third question before the body: If there has to be cuts—and the NSHE has had two proposals. They have said they are considering two ways to deal with the proposed higher education budget cuts. The first, as we heard, would be to reduce the expenditures and operating expenditures across all institutions in instructional, student services, and academic support. The second scenario would be to consider closure and/or consolidation of some of the institutions in order to preserve core academic programs where they are most needed. Obviously, the Board of Regents makes these decisions, but does the Committee wish to express their support for the Board of Regents for Scenario 1 or Scenario 2? Scenario 1 being cuts across the board; that would be the green light. Scenario 2 being consolidation and/or closures being the red light.

[There were 17 votes for Scenario 1 and 25 votes for Scenario 2.]

The fourth question would be: To address these cuts, the Board of Regents is considering an increase in students' fees and tuitions. The range is a low of 10 percent and a high of 15 percent. As just stated before, the Board of Regents makes these decisions, but does the Committee wish to express support for an increase in fees and tuitions? A green light would be an increase in fees, and a red light would be not increasing fees.

ASSEMBLYMAN CONKLIN:

Mr. Chairman, just for clarification: a green light is an increase in fees but not a specific amount?

CHAIR OCEGUERA:

The range that was presented before us today was between 10 percent and 15 percent.

[There were 18 votes for increasing fees and 24 votes for not increasing fees.] green (increase in fees), 24 red (not increasing fees)

Okay. The last question before us tonight: Does the Committee support the Governor's recommendation to reduce personnel costs by cutting salaries and/or laying off part-time employees to address part of the overall budget reduction at NSHE? A green light would be Governor Recommended. A red light would be something other.

[There were 16 votes for following the Governor's recommendation and 26 votes for something other than the Governor's recommendation]

Okay, that gives us an idea. Mr. Conklin?

Exhibit A is the Agenda. Exhibit B is the Attendance Roster.

Exhibit C

**ASSEMBLY COMMITTEE OF THE WHOLE
WORK SESSION ON GOVERNOR'S BUDGET PROPOSAL FOR
HIGHER EDUCATION**

Agency: Nevada System of Higher Education Date: April 22, 2011

Budget Pages: NSHE 1–113, Volume

Biennium Funding Comparison

The table below compares the total funding approved by the 2009 Legislature to the total funding recommended in The Executive Budget for the 2011-13 biennium for the Nevada System of Higher education's (NSHE) 26 state-supported operating budgets. The primary funding sources are State General Fund appropriations and student registration fees and non-resident tuition. Additionally, the 2009 Legislature budgeted \$184.8 million in one-time federal American Recovery and Reinvestment Act (ARRA) Education Stabilization funding to offset reduced General Fund appropriations. The ARRA funding was distributed among the seven teaching institutions. For the 2011-13 biennium, The Executive Budget eliminates the ARRA funding.

Funding Source	2009-11 Leg. Approved (Millions)	2011-13 Governor Rec. (Millions)	2011-13 Dollar Change (Millions)	Percent Change
State General Fund ^a	\$1,000.1	\$740.7	(\$259.5)	-25.9%
Student Fees/Tuition Revenue ^b	\$391.8	\$444.7	\$52.9	13.5%
Federal Funds	\$5.1	\$5.7	\$0.6	11.8%
Federal ARRA Funds ^c	\$184.8	\$0.0	(\$184.8)	-100.0%
Property Tax Revenues ^d	\$0.0	\$121.3	\$121.3	New
Other Sources	\$2.0	\$5.3	\$3.3	165.0%

Interagency Recharge Transfers ^c	\$30.4	\$0.0	(\$30.4)	-100.0%
Subtotal	\$1,614.2	\$1,317.7	(\$296.5)	-18.4%
Less Interagency Transfers	\$30.4	\$0.0	(\$30.4)	-100.0%
Net Total	\$1,583.8	\$1,317.7	(\$266.1)	-16.8%

Notes:

- a. 2009-11 legislatively approved General Fund total does not include 26th Special Session (2010) reduction of 6.9% totaling \$46.02 million (\$11.51 million in FY 2010 and \$34.51 million in FY 2011, excluding WICHE). If included, 2009-11 General Fund appropriation level would be \$954.1 million and the 2011-13 biennium General Fund difference would be - \$213.5 million or -22.4%.
- b. 2009-11 Student Fees/Tuition total excludes \$26.42 million in student Registration Fee Surcharges (\$7.15 million in FY 2010 and \$19.27 million in FY 2011) approved by the Board of Regents after the 2009 Legislature adjourned. If included, Fees and Tuition revenue level would be \$418.2 million and the 2011-13 biennium difference would be \$26.4 million or 6.3%.
- c. American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Education Funds.
- d. Existing property tax revenues from Clark and Washoe Counties pursuant to A.B. 595 of the 2007 Session and A.B. 543 of the 2009 Session reallocated from the State General Fund and Highway Fund.
- e. \$30.4 million in UNR and UNLV recharge revenues shown as interagency transfers in the 2009 Appropriations Report. For the 2011-13 biennium, the Governor's recommended budget incorporates NSHE's proposal to no longer use recharge process for operations and maintenance and to not reflect recharge transfers as revenues.

27.3 Percent Decrease in Governmental Support Recommended

As shown in the table on the following page, The Executive Budget recommends a decrease of 27.3 percent or \$323.0 million in Governmental Support to \$862.0 million for the 2011-13 biennium. Governmental Support represents General Fund appropriations, federal ARRA and property tax receipts. As noted, federal ARRA funds are not available in the upcoming biennium.

Biennium-to-Biennium Comparison of Approved and Recommended Governmental Support				
Governmental Support Revenue Type	2009-11 Leg. Approved Governmental Support (Millions)	2011-13 Governor Rec. Governmental Support (Millions)	2011-13 Dollar Change Governmental Support (Millions)	Percent Change
General Fund Appropriation	\$1,000.1	\$740.7	(\$259.5)	-25.9%
ARRA State Fiscal Stabilization Fund (SFSF)- Education	\$184.8	\$0.0	(\$184.8)	-100.0%
Property Tax	\$0.0	\$121.3	\$121.3	New
TOTALS	\$1,184.9	\$862.0	(\$323.0)	-27.3%

The Executive Budget recommends \$121.3 million in property tax revenues for the 2011-13 biennium in the University of Nevada, Reno (UNR) and the University of Nevada, Las Vegas (UNLV) main instructional budgets. However, as shown below, unlike the ARRA funds which were additive to the budget, the addition of property tax revenues eliminates General Fund appropriation on a dollar-for-dollar basis. As a result, the addition of property tax

revenues provides no net gain to the NSHE budgets in the 2011-13 biennium.

Institution	FY 2012 General Fund (Gov. Rec.)	FY 2012 Property Tax (Gov. Rec.)	FY 2013 General Fund (Gov. Rec.)	FY 2013 Property Tax (Gov. Rec.)
UNR	\$(11,379,450)	\$11,379,450	\$(11,475,637)	\$11,475,637
UNLV	\$(49,066,646)	\$49,066,646	\$(49,346,811)	\$ 49,346,811
TOTALS	\$ (60,446,096)	\$60,446,096	\$(60,822,448)	\$ 60,822,448

26th Special Session Adjusted Funding Comparison

The 26th Special Session (2010) of the Legislature approved two actions pertaining to the Governmental Support funding received by the NSHE for the 2009-11 biennium. First, the \$92.4 million in federal ARRA funds budgeted for FY 2011 were transferred to FY 2010 and a corresponding amount of General Fund appropriations were transferred back to FY 2011. Secondly, a 6.9 percent reduction was applied to each year, which for FY 2011, reduced Governmental Support funding by \$34.5 million to \$557.9 million. The following table shows the 2011-13 funding levels contained in The Executive Budget compared to the NSHE's 26th Special Session adjusted FY 2011 budget.

When compared to the 26th Special Session adjusted FY 2011 funding level, The Executive Budget recommends Governmental Support reductions of \$91.5 million or 16.4 percent in FY 2012 and \$162.5 million or 29.1 percent in FY 2013.

Nevada System of Higher Education (NSHE) 2011-13 Biennium Governor Recommended Total Governmental Support Compared to FY 2011 26th Special Session Adjusted General Fund Support					
NSHE State Supported Operating Budgets	FY 2011 General Fund (Leg. Approved Adjusted for 26th Spec Sess.)	FY 2012 Governmental Support (Gen. Fund + Prop. Taxes) (Gov. Rec.)	% Change FY 2012 / FY 2011	FY 2013 Governmental Support (Gen. Fund + Prop. Taxes) (Gov. Rec.)	% Change FY 2013 / FY 2011
UNR	\$ 117,925,883	\$ 95,632,792	-18.9%	\$ 81,409,408	-31.0%
UNLV	\$ 145,967,488	\$ 125,413,961	-14.1%	\$ 106,525,137	-27.0%
NSC	\$ 13,021,396	\$ 9,040,401	-30.6%	\$ 7,602,701	-41.6%
GBC	\$ 16,510,575	\$ 13,941,066	-15.6%	\$ 11,793,317	-28.6%
CSN	\$ 91,430,100	\$ 75,944,918	-16.9%	\$ 64,667,849	-29.3%
TMCC	\$ 35,748,021	\$ 29,890,760	-16.4%	\$ 25,418,350	-28.9%
WNC	\$ 18,472,126	\$ 14,941,033	-19.1%	\$ 12,621,694	-31.7%
Instructional Accts Subtotal	\$ 439,075,589	\$ 364,804,931	-16.9%	\$ 310,038,456	-29.4%
DRI	\$ 8,239,230	\$ 7,349,634	-10.8%	\$ 6,216,806	-24.5%
Medical School	\$ 30,018,348	\$ 26,308,025	-12.4%	\$ 21,869,839	-27.1%
Law School	\$ 7,762,242	\$ 6,524,974	-15.9%	\$ 5,500,387	-29.1%
Dental School	\$ 8,179,238	\$ 6,384,372	-21.9%	\$ 5,281,478	-35.4%
Other Institutions Subtotal	\$ 54,199,058	\$ 46,567,005	-14.1%	\$ 38,868,510	-28.3%
Special Projects	\$ 2,234,034	\$ 1,937,241	-13.3%	\$ 1,625,089	-27.3%
UNR IC Athletics	\$ 5,328,304	\$ 4,534,454	-14.9%	\$ 3,817,347	-28.4%
UNR Statewide	\$ 5,229,267	\$ 4,245,788	-18.8%	\$ 3,556,866	-32.0%
System Administration	\$ 4,877,471	\$ 4,389,715	-10.0%	\$ 3,729,794	-23.5%
UNLV IC Athletics	\$ 7,465,366	\$ 6,457,744	-13.5%	\$ 5,424,714	-27.3%
UNLV Statewide	\$ 1,233,971	\$ 1,054,642	-14.5%	\$ 892,178	-27.7%
Ag Experiment Station	\$ 5,565,671	\$ 4,384,526	-21.2%	\$ 3,653,870	-34.3%
Cooperative Extension	\$ 7,678,549	\$ 6,220,844	-19.0%	\$ 5,264,522	-31.4%
System Computing	\$ 18,715,545	\$ 16,459,778	-12.1%	\$ 14,048,281	-24.9%
Nat. Direct Student Loan	\$ 41,132	\$ 35,653	-13.3%	\$ 29,853	-27.4%
University Press	\$ 614,656	\$ 537,892	-12.5%	\$ 456,855	-25.7%
Business Center North	\$ 2,139,664	\$ 1,805,133	-15.6%	\$ 1,529,380	-28.5%
Business Center South	\$ 1,839,433	\$ 1,566,041	-14.9%	\$ 1,332,134	-27.6%
State Public Health Lab	\$ 1,702,580	\$ 1,434,393	-15.8%	\$ 1,216,092	-28.6%
Non-Formula Accts Subtotal	\$ 64,665,643	\$ 55,063,844	-14.8%	\$ 46,576,975	-28.0%
TOTAL FUNDING	\$ 557,940,290	\$ 466,435,780	-16.4%	\$ 395,483,941	-29.1%

Preliminary Budget Reduction Strategies

As requested by the K-12/Higher Education Joint Subcommittee, the NSHE provided updated preliminary budget reduction plans based upon two scenarios. Scenario #1 utilized operating expenditure reductions, while Scenario #2 utilized institution closures and consolidations as the primary strategies to achieve the budget reductions recommended in The Executive Budget.

Scenario #1 – Reductions in Operating Expenditures: Beginning on page 37 of the NSHE's response binder, which is available in the NELIS system for this meeting, budget reduction templates and narrative information is provided on the preliminary plans to reduce expenditures in the instructional, student services, academic support, institutional support and operations and maintenance (O&M) areas. As discussed later in this document, the budget reduction scenarios incorporate potential revenues that would be generated through a student registration fee surcharge of 13.0 percent in FY 2012 and an additional 13.0 percent in FY 2013. Surcharges have not been approved by the Board of Regents.

As shown in the table below, with the exception of UNR's budgets, two UNLV budgets, System Administration and University Press, the reduction amounts in Scenario #1 equal the reductions contained in The Executive Budget. The University of Nevada, Reno is proposing two different approaches to implement the budget reductions. First, UNR is proposing to disproportionately reduce General Fund appropriations for some budgets while limiting the reduction in other budgets. Secondly, in aggregate, UNR is proposing to take two years to fully implement the budget reductions. As shown in the "UNR Total" row, in FY 2012 UNR's cumulative budget reductions are \$1.26 million less than recommended in The Executive Budget. However, UNR proposes additional reductions of \$1.26 million in FY 2013 to meet the full biennium reduction. The proposed reductions are:

2011-13 Biennium Budget Reductions for NSHE State Supported Operating Budgets: Reduction Scenario #1									
NSHE Budget Account	FY 2011 26 th Special Session Adjusted Budgets (100% GF)	FY 2012 Gov. Support (GF & Prop Tax) (Gov Rec)	FY 2012 Change From FY 2011 (26 th SS)	FY 2012 SCENARIO #1 Reduction (Proposed)	FY 2012 NET Difference	FY 2013 Gov Support (GF & Prop. Tax) (Gov Rec)	FY 2013 Change From FY 2011 (26 th SS)	FY 2013 SCENARIO #1 Reduction (Proposed)	FY 2013 NET Difference
UNR	117,925,883	95,632,792	(22,293,091)	(18,440,407)	3,852,684	81,409,408	(36,516,475)	(39,851,074)	(3,334,599)
MED	30,018,348	26,308,025	(3,710,323)	(1,789,925)	1,920,398	21,869,839	(8,148,509)	(1,748,620)	6,399,889
UNR Athletics	5,328,304	4,534,454	(793,850)	(646,329)	147,521	3,817,347	(1,510,957)	(1,553,971)	(43,014)
UNR Statewide	5,229,267	4,245,788	(983,479)	(1,292,887)	(309,408)	3,556,866	(1,672,401)	(2,333,998)	(861,597)
Ag. Exp. Station	5,565,671	4,384,526	(1,181,145)	(1,280,536)	(99,391)	3,653,870	(1,911,801)	(2,542,598)	(630,797)
Coop. Ext.	7,678,549	6,220,844	(1,457,705)	(5,764,550)	(4,306,845)	5,264,522	(2,414,027)	(5,641,278)	(3,227,251)
BCN	2,139,664	1,805,133	(334,531)	(337,386)	(2,855)	1,529,380	(610,284)	(679,961)	(69,677)
SPH Lab	1,702,580	1,434,393	(268,187)	(207,531)	60,656	1,216,092	(486,488)	(182,202)	304,286
UNR TOTAL	175,588,266	144,565,955	(31,022,311)	(29,759,551)	1,262,760	122,317,324	(53,270,942)	(54,533,702)	(1,262,760)
UNLV	145,967,488	125,413,961	(20,553,527)	(20,161,140)	392,387	106,525,137	(39,442,351)	(39,212,428)	229,923
UNLV Athletics	7,465,366	6,457,744	(1,007,622)	(1,007,622)	0	5,424,714	(2,040,652)	(2,040,652)	0
UNLV Statewide	1,233,971	1,054,642	(179,329)	(571,716)	(392,387)	892,178	(341,793)	(571,716)	(229,923)
LAW	7,762,242	6,524,974	(1,237,268)	(1,237,268)	0	5,500,387	(2,261,855)	(2,261,855)	0
DENTAL	8,179,238	6,384,372	(1,794,866)	(1,794,866)	0	5,281,478	(2,897,760)	(2,897,760)	0
BCS	1,839,433	1,566,041	(273,392)	(273,392)	0	1,332,134	(507,299)	(507,299)	0
UNLV TOTAL	172,447,738	147,401,734	(25,046,004)	(25,046,004)	0	124,956,028	(47,491,710)	(47,491,710)	0
NSC	13,021,396	9,040,401	(3,980,995)	(3,980,995)	0	7,602,701	(5,418,695)	(5,418,695)	0
GBC	16,510,575	13,941,066	(2,569,509)	(2,569,509)	0	11,793,317	(4,717,258)	(4,717,258)	0
CSN	91,430,100	75,944,918	(15,485,182)	(15,485,182)	0	64,667,849	(26,762,251)	(26,762,251)	0
TMCC	35,748,021	29,890,760	(5,857,261)	(5,857,261)	0	25,418,350	(10,329,671)	(10,329,671)	0
WNC	18,472,126	14,941,033	(3,531,093)	(3,531,093)	0	12,621,694	(5,850,432)	(5,850,432)	0
DRI	8,239,230	7,349,634	(889,596)	(889,596)	0	6,216,806	(2,022,424)	(2,022,424)	0
Other Institutions TOTAL	183,421,448	151,107,812	(32,313,636)	(32,313,636)	0	128,320,717	(55,100,731)	(55,100,731)	0
System Admin	4,877,471	4,389,715	(487,756)	(380,123)	107,633	3,729,794	(1,147,677)	(1,059,616)	88,061
Special Proj.	2,234,034	1,937,241	(296,793)	(296,793)	0	1,625,089	(608,945)	(608,945)	0
SCC	18,715,545	16,459,778	(2,255,767)	(2,255,762)	5	14,048,281	(4,667,264)	(4,667,259)	5
Univ. Press	614,656	537,892	(76,764)	(184,397)	(107,633)	456,855	(157,801)	(245,862)	(88,061)
NDSL-Perkins	41,132	35,653	(5,479)	(5,479)	0	29,853	(11,279)	(11,279)	0
TOTAL	26,482,838	23,360,279	(3,122,559)	(3,122,554)	5	19,889,872	(6,592,966)	(6,592,961)	5
NSHE TOTAL	557,940,290	466,435,780	(91,504,510)	(90,241,745)	1,262,765	395,483,941	(162,456,349)	(163,719,104)	(1,262,755)

Note: The Budget Reduction template for System Computing Center (SCC) is understated by \$5.00 in each year.

Scenario #2 – Closure and/or Consolidation of Institutions: Beginning on page 113 of the NSHE's response binder, information on the projected cost savings generated through staffing (FTE) reductions as a result of three consolidations (GBC and WNC into TMCC; NSC into CSN and UNLV; and, DRI into UNR and UNLV) is provided. The initial information provided indicates that the consolidations, in aggregate, generate projected biennium savings of \$12.41 million. Not included in the Scenario #2 reduction total, but included in the Scenario #1 budget reduction templates as operating expenditure reductions for CSN and WNC, is the closure of 15 satellite campus locations. Those projected savings total an additional \$2.57 million over the biennium.

Budget Reduction Impact Summary Tables

The following tables summarize the projected impacts identified by the NSHE on academic infrastructure (Table 1), student access and capacity (Table 2) and NSHE staffing (Table 3) based upon the Governmental Support funding levels contained in The Executive Budget.

TABLE 1 – Academic Infrastructure Impacts: As shown in Table 1, under Scenario #1, the Governmental Support funding reductions contained in The Executive Budget are projected to require, by FY 2013, the elimination of 38 academic colleges, schools, departments, or centers; 23 programs; 46 academic degrees; and, at least 2,373 course sections. No academic impact is identified as a result of the consolidations identified under Scenario #2. Attachment A provides examples of the preliminary academic infrastructure reductions identified by the NSHE institutions.

TABLE 1 Projected Impact of the 2011-13 Biennium Recommended Governmental Support Funding Level on NSHE Academic Infrastructure, Degrees and Courses: Budget Reduction Scenario #1								
NSHE Institution	FY 2012 Academic Colleges, Schools, Departments or Centers Closed	FY 2012 Academic Programs Eliminated or Suspended	FY 2012 Academic Degrees Eliminated	FY 2012 Course Sections Eliminated	FY 2013 Academic Colleges, Schools, Departments or Centers Closed	FY 2013 Academic Programs Eliminated or Suspended	FY 2013 Academic Degrees Eliminated	FY 2013 Course Sections Eliminated
UNR	11	8	8	not specified	11	8	8	not specified
UNLV	12	8	36	600	12	8	36	600
NSC	-	-	-	130	-	-	-	130
GBC	-	5	-	120	-	5	-	180
CSN	1	1	1	1,028	8	1	1	1,028
TMCC	-	1	1	435	-	1	1	435
WNC	5	-	-	not specified	7	-	-	not specified
TOTALS	29	23	46	2,313	38	23	46	2,373

Note: Course section decreases reflect Fall and Spring semesters only. Course section eliminations identified by UNLV in March 22, 2011, budget hearing testimony.

TABLE 2 – Student Access and Capacity Impacts: As shown in Table 2, under Scenario #1, the NSHE's overall capacity to serve student full-time equivalents (SFTE) is projected to decrease by 4,737 SFTE, or 6.9 percent, in FY 2012, and 7,891 SFTE, or 11.4 percent, in FY 2013. When SFTEs are converted to unduplicated, unique students (head count), the projected total number of students able to be served decreases by 11,638 in FY 2012 and 19,025 in FY 2013.

While capacity is projected to decrease at all seven teaching institutions, capacity is projected to decrease the greatest, in percentage terms, at WNC (40.4 percent) and NSC (13.5 percent) when the reductions are fully implemented in FY 2013. In terms of the total number of SFTE, the decreases are projected to be greatest at CSN (2,478) and UNLV (2,104). As shown, UNR's reduction plan does not impact student capacity in FY 2012 as a result of using non-state revenues to fund the FY 2012 instructional reductions and "bridge" (postpone) to FY 2013 the reductions which would otherwise occur in FY 2012.

According to the NSHE, since only consolidations are considered under Scenario #2, no additional impact to the institutions' ability to directly serve students is anticipated.

TABLE 2 Projected Impact of Scenario #1 Reductions on NSHE Student Enrollment (SFTE) Capacity Based Upon the 2011-13 Biennium Recommended Governmental Support Funding Level					
NSHE Institution	FY 2011 Preliminary Total Enrollments (SFTEs)	FY 2012 Projected Impact to Capacity (SFTEs)	% Change FY 2012 / FY 2011	FY 2013 Projected Impact to Capacity (SFTEs)	% Change FY 2013 / FY 2011
UNR	13,219	0	0.0%	(1,253)	-9.5%
UNLV	19,636	(1,967)	-10.0%	(2,104)	-10.7%
NSC	1,924	(220)	-11.4%	(260)	-13.5%
GBC	1,952	(113)	-5.8%	(207)	-10.6%
CSN	22,190	(1,498)	-6.7%	(2,478)	-11.2%
TMCC	7,176	(406)	-5.7%	(406)	-5.7%
WNC	2,926	(533)	-18.2%	(1,183)	-40.4%
SFTE Impact		(4,737)		(7,891)	
TOTALS	69,023	64,286		61,132	
Percentage Change		-6.9%		-11.4%	
Student Head Count Impact		(11,639)		(19,025)	

Note: SFTEs rounded to the nearest whole number.

Related to the issue of the projected decrease in student access, the Joint Subcommittee requested that in addition to the above academic capacity information, the NSHE provide for each institution the number of unduplicated new and continuing students who were known to have been unable to register for a course for FY 2009, FY 2010, FY 2011 and the projections for FY 2012 and FY 2013. This information is under Tab Q5 and begins on page 158 of the NSHE's response binder.

TABLE 3 – Staffing Impacts: In Table 3, (following page) the projected impacts to NSHE staffing levels, by institution and by functional areas (instruction, academic support, student services, etc.) are shown for each scenario. Under Scenario #1, the number of FTEs in the state-supported operating budgets projected to be reduced is approximately 714 FTE in FY 2012 and 1,089 FTE in FY 2013. The largest eliminations of staff are projected to occur at UNLV, UNR and CSN, respectively. Full-time equivalent eliminations in the instruction functional area would account for 54 percent and 50 percent of the total reductions in FY 2012 and FY 2013, respectively.

Due to the large number of part-time positions utilized by the NSHE, the projected number of positions to be eliminated in FY 2012 is 1,050 and in FY 2013 is 1,497.

Under Scenario #2, the consolidations are projected to result in a net reduction of 103.5 FTEs being eliminated in FY 2013 in functional areas other than instruction.

TABLE 3 Projected Impact of the 2011-13 Biennium Recommended Governmental Support Funding Level on NSHE Staffing (FTE) Levels by Functional Area							
SCENARIO #1				SCENARIO #2			
NSHE Institution	FY 2011 Approved Positions (FTE)	FY 2012 Projected Position Eliminations (FTE)	FY 2013 Projected Position Eliminations (FTE)	NSHE Institution	FY 2011 Approved Positions (FTE)	FY 2012 Projected NET Position Eliminations (FTE)	FY 2013 Projected NET Position Eliminations (FTE)
UNR Cumulative	1,797.32	(129.41)	(290.46)	UNR Cumulative	1,797.32	0.00	0.00
UNLV Cumulative	2,233.37	(289.70)	(341.60)	UNLV Cumulative	2,233.37	0.00	0.00
NSC	145.25	(27.50)	(31.50)	NSC	145.25	0.00	(37.25)
GBC	246.42	(19.00)	(35.75)	GBC	246.42	0.00	(16.74)
CSN	1,658.14	(105.65)	(169.76)	CSN	1,658.14	0.00	0.00
TMCC	569.58	(71.00)	(71.00)	TMCC	569.58	0.00	0.00
WNC	300.21	(49.63)	(89.82)	WNC	300.21	0.00	(16.00)
DRI	58.83	(4.33)	(16.83)	DRI	58.83	0.00	(33.50)
Other Budgets	153.70	(17.46)	(42.10)	Other Budgets	153.70	0.00	0.00
FTE Impact		(713.68)	(1,088.82)	FTE Impact		0.00	(103.49)
FTE TOTALS	7,162.82	6,449.14	6,074.00	FTE TOTALS	7,162.82	7,162.82	7,059.33
Position Impact		(1,050.00)	(1,497.00)				
Functional Areas				Functional Areas			
Instruction	3,730.03	(385.80)	(543.84)	Instruction	3,730.03	0.00	0.00
Research	128.54	(6.81)	(33.91)	Research	128.54	0.00	(10.00)
Public Svc	114.81	(52.62)	(54.26)	Public Svc	114.81	0.00	0.00
Academic Supt	707.66	(74.45)	(111.21)	Academic Supt	707.66	0.00	(21.99)
Student Svcs	599.66	(63.55)	(91.64)	Student Svcs	599.66	0.00	(13.65)
Institutional Supt	931.99	(78.90)	(139.90)	Institutional Supt	931.99	0.00	(53.85)
O&M	949.83	(51.55)	(114.06)	O&M	949.83	0.00	(4.00)
FTE Impact		(713.68)	(1,088.82)	FTE Impact		0.00	(103.49)
TOTALS	7,162.82	6,449.14	6,074.00	TOTALS	7,162.82	7,162.82	7,059.33
Percentage Change		-10.0%	-15.2%	Percentage Change		0.0%	-1.4%

Note: FY 2011 FTEs shown as approved by the Board of Regents

Funding and Time Constraints to Implementing Budget Reductions

To implement the operating reductions required by the recommended General Fund appropriation funding levels contained in The Executive Budget, the NSHE has identified several operational challenges. Absent a declaration of financial exigency, the NSHE has a contractual obligation to provide professional employees with a 12-month notification of employment termination. Additionally, institution accreditation requirements generally require students be provided a reasonable amount of time to graduate or change academic programs before the program is eliminated or suspended. Several NSHE institutions have identified the need for “bridge” or “transition” funding in FY 2012 and/or FY 2013 in order to implement the General Fund appropriation reductions given the requirements noted above. As identified, bridge funding does not represent General Fund and appears to be non-state, one-time funds or reallocated student fees collected for capital and general improvement purposes. The following amounts are identified:

One-Time Bridge and Transition Funding Identified under Scenario #1 Reductions as Needed to Implement 2011-13 Biennium Budget Reductions		
NSHE Institution	FY 2012 Bridge Funding	FY 2013 Bridge Funding
UNR (all budgets)	\$ 12,378,752	\$ -
UNLV	\$ 5,713,896	\$ 7,650,351
NSC	\$ -	\$ -
CSN	\$ 920,743	\$ 3,076,328
WNC	\$ 322,556	\$ -
GBC	\$ -	\$ -
TMCC	\$ -	\$ -
Univ. Press	\$ 90,000	\$ -
TOTAL	\$ 19,425,947	\$ 10,726,679

Fee Surcharges to Offset Operating Reductions

Included in the institutions' Scenario #1 budget reduction templates are projected revenues representing a 13.0 percent registration fee increase (surcharge) in FY 2012, and an additional 13.0 percent in FY 2013 beyond the amounts previously approved by the Board of Regents and contained in The Executive Budget. However, the Board of Regents has taken no specific action or given specific direction regarding a surcharge. If approved by the Board of Regents, the additional registration fee revenues are projected to raise approximately \$19.32 million in FY 2012 and \$39.75 million in FY 2013 net of both a 15.0 percent set-aside for financial aid and projected enrollment losses. Table 4 below shows the current per credit hour registration fees and the impact of the surcharges proposed by the institutions.

TABLE 4 2011-13 Biennium Approved NSHE Per Credit Hour Registration Fee Contained in The Executive Budget and the Impact of a 13.0% Surcharge in FY 2012 and an Additional 13% in FY 2013 on NSHE Per Credit Hour Registration Fees					
NSHE Institution Level	2011-13 Biennium BoR Approved Per Credit Hour Fee (Gov. Rec.)	FY 2012 13% Per Credit Hour Surcharge	FY 2012 Total Per Credit Hour Charge (as Presented)	FY 2013 +13% (26% Cumulative) Per Credit Hour Surcharge	FY 2013 Total Per Credit Hour Charge (as presented)
University					
Undergraduate	\$156.75	\$20.38	\$177.13	\$43.40	\$200.15
Graduate	\$239.50	\$31.14	\$270.64	\$66.32	\$305.82
State College	\$113.25	\$14.72	\$127.97	\$31.36	\$144.61
Community College					
Upper Division	\$113.25	\$14.72	\$127.97	\$31.36	\$144.61
Lower Division	\$69.25	\$9.00	\$78.25	\$19.18	\$88.43

Table 5 shows the projected additional fee revenue for each teaching institution as reflected in the budget reduction templates.

TABLE 5 Projected Student Registration Fee Revenues Resulting From Surcharges of 13% in FY 2012 and +13% in FY 2013 as Incorporated in NSHE Budget Reduction Scenario #1					
NSHE Institution	FY 2012 +13% Projected Surcharge Revenues	FY 2012 Financial Aid Set-Aside (15% of 13%)	FY 2012 Identified Fee Losses (enrollment driven)	FY 2012 Other Identified Registration Fee Revenues	FY 2012 Projected NET Operating Fee Revenues
UNR	\$ 7,782,838	\$ (1,167,426)	\$ (350,000)	\$ -	\$ 6,265,412
UNLV	\$ 9,647,059	\$ (1,447,059)	\$ (2,500,000)	\$ -	\$ 5,700,000
NSC	\$ 800,750	\$ (120,113)	\$ (475,662)	\$ 544,348	\$ 749,323
GBC	\$ 529,947	\$ (79,492)	\$ (75,000)	\$ -	\$ 375,455
CSN	\$ 5,914,240	\$ (887,136)	\$ (799,555)	\$ 378,779	\$ 4,606,328
TMCC	\$ 1,791,735	\$ (268,760)	\$ (367,993)	\$ 100,000	\$ 1,254,982
WNC	\$ 783,218	\$ (117,483)	\$ (301,023)	\$ -	\$ 364,712
TOTALS	\$ 27,249,787	\$ (4,087,469)	\$ (4,869,233)	\$ 1,023,127	\$ 19,316,212
FY 2013					
NSHE Institution	FY 2013 +13% Projected Surcharge Revenues	FY 2013 Financial Aid Set-Aside (15% of 13%)	FY 2013 Identified Fee Losses (enrollment driven)	FY 2013 Other Identified Registration Fee Revenues	FY 2013 Projected NET Operating Fee Revenues
UNR	\$ 16,577,445	\$ (2,486,617)	\$ (695,076)	\$ -	\$ 13,395,752
UNLV	\$ 19,294,118	\$ (2,894,118)	\$ (4,750,000)	\$ -	\$ 11,650,000
NSC	\$ 1,705,598	\$ (217,464)	\$ (562,146)	\$ 544,348	\$ 1,470,336
GBC	\$ 1,128,787	\$ (169,318)	\$ (160,000)	\$ -	\$ 799,469
CSN	\$ 12,597,332	\$ (1,889,600)	\$ (2,182,959)	\$ 378,779	\$ 8,903,552
TMCC	\$ 3,816,395	\$ (572,459)	\$ (826,654)	\$ 200,000	\$ 2,617,282
WNC	\$ 1,668,225	\$ (250,234)	\$ (507,625)	\$ -	\$ 910,366
TOTALS	\$ 56,787,900	\$ (8,479,810)	\$ (9,684,460)	\$ 1,123,127	\$ 39,746,757

Exhibit D

Daniel J. Klaich
Chancellor
Nevada System of Higher Education

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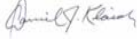
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MEMORANDUM

DATE: April 5, 2011

TO: NSHE Board of Regents
James Dean Leavitt, Chair
Jason Geddes, Vice Chair

Joint Senate and Assembly Subcommittee on Higher Education
Senator Steven Horsford, Co-Chair
Assemblywoman Debbie Smith, Co-Chair

FROM: Daniel J. Klaich, Chancellor


CC: Hon. Brian Sandoval, Governor
NSHE Presidents

RE: NSHE Budget Reduction Plans

At the regularly scheduled meeting of the Board of Regents on March 11, and at the budget hearing of the Joint Subcommittee on March 22, both the Board and the Subcommittee, among other questions, requested budget reduction plans showing the full extent of cuts recommended by the Governor on a common template. The standardized budget reduction plans from each institution are attached along with the responses to your other questions. I have also attached to this memorandum a blank template together with a brief overview of the basis on which the template was constructed. I hope that this blank template will guide and assist you in your review of the campus budgets. In addition to filling out the template and because of the unique nature of each of the institutions, we did ask the campuses to attach additional information in narrative form which they believe was necessary or helpful to explain their respective budget reduction plan. We hope that this information will respond to two of your concerns regarding the draft plans, namely specificity and completeness.

Both the presidents and I have indicated on a consistent basis that the proposed budget reductions will dramatically impact higher education and, in particular, access. We believe that it is important that you understand that budget cuts to the level proposed in the executive budget will result in an entirely new business model for higher education in Nevada. We want to be

clear in this transmittal that we do not believe that the recommendations, driven by the magnitude of the cuts, are in the short-term or long-term best interest of the State of Nevada. In the short term it will lead to greater unemployment and withdraw critical dollars from the State economy. The Presidents and I believe these factors and other intangibles associated with downsizing higher education will worsen and prolong Nevada's economic depression - not assist in its recovery. In the long run, as you will see, the plan will reduce access and opportunity to thousands of Nevadans either by limiting enrollment or pricing higher education out of reach. Again, both of these results will have negative long-term effects on our economy and the quality of life we all seek to secure.

One of the cornerstones of the NSHE's plan for higher education has been its commitment, along with that of the Governor, to the Complete College America consortium. That group is dedicated to producing a greater number of graduates and certificate completers in Nevada and across the country. While it is difficult to predict the future of this critical effort before our budget is finalized, should the level of cuts recommended in the executive budget come to be, it is clear that our continued participation in the consortium and its laudable and important goals will have to be re-evaluated. Our consideration for millions of dollars directed at areas of critical reforms will be impacted should we be unable to commit resources to this consortium.

We must be honest that enrollment in the System has been capped for years as classes have filled and fees have increased. It is time to be even more forthright about our ability to serve the Nevadans who want to avail themselves of higher education and the promise of a better life that comes with it. With budget reductions at the level displayed in these plans NSHE institutions will cap enrollment across the System. Enrollment caps are very difficult to implement particularly for the first time. I will work with our Presidents, faculty and students to bring recommendations to the Board that are fundamentally fair. We must be particularly mindful of low income and first generation students who are disproportionately students of color.

With this budget, we can no longer pretend that any student who is qualified to be accepted by our institutions will have access to classes, support services, financial aid, or a degree. In order to protect the integrity of our educational enterprise, we will guarantee only the following: Students who are admitted or enrolled at our institutions who attend full-time, maintain at least a 2.0 GPA, follow a course of study that will lead to a degree or certificate within the prescribed required credits will be guaranteed early registration, priority for need-based financial aid, and the opportunity to complete a degree or certificate within a reasonable time.

We can no longer guarantee admission to our universities or to the state college to any Nevada student who meets the minimum qualifications. In this biennium, with this budget, students will be turned away due to limited resources. We will use the resources given to NSHE by the state to educate the students we can with excellence, but we will no longer pretend that we either can or should try to accommodate every qualified student.

We can no longer guarantee enrollment at our community colleges for all who come to our door. The access mission of our community colleges will no longer be a priority for the state. Degree or certificate seeking students will be given first preference, followed by vocational technical program enrollees in areas critical to the workforce needs of the state. We will develop strategies to deal with this change that will include admissions testing and the requirement of a high school diploma, while still being sensitive to the diverse needs of our student population.

We must seriously evaluate the transfer mission of our community colleges in light of the above two statements. We can no longer guarantee that every student who qualifies to transfer from our community colleges to the universities or to the state college will be able to do so. If we promise our students a reasonably smooth path to degree, we must avoid upper division bottlenecks that could result from unlimited transfers. This is another significant change in our policy and may have a very negative impact on students, particularly those who cannot afford to begin their studies full time at one of our universities. Again, we are forced to prioritize our limited resources to focus on those full-time, degree seeking students. Implementation of this change will require discussion among faculty and students before making final recommendations to the Board.

We will offer classes at fewer locations. In particular our rural locations will suffer as the NSHE focuses limited resources on serving the greatest number of students. We will do our best with technology to continue to provide some offerings, but “live” classes will diminish significantly.

This business model will require that we fully evaluate policies as they impact the many part-time students in our System who, because of their personal and family circumstances, cannot attend full-time. Naturally, we will do our best to accommodate these worthy students, many working and supporting families as they improve their skills, but they will be impacted as restricted resources require tighter enrollment management and planning.

We anticipate a drop in enrollment in excess 15% over the biennium, based on program elimination, site closures, fewer numbers of classes offered, increased fees, and inadequate tutoring and support services. Until resources improve this drop will be a cap on future enrollment. We anticipate that more than 20,000 qualified students (more than 8300 FTE's) who wish to take advantage of higher education will be turned away, students who will likely leave to attend postsecondary institutions in other states and who will be unlikely to return to Nevada.

We cannot guarantee adequate financial aid for students based on need, but will work hard to provide such aid for as many students as possible. Again, priority will be given to full-time, degree-seeking and certificate-seeking students.

Research and workforce grants in the state will in all likelihood decline as resources for matching funds dry up and as our best and most entrepreneurial faculty are “cherry picked” by other institutions across the nation. As we have consistently advised policymakers, this selective destruction of our best faculty – being picked off by institutions and states where the future seems more stable and supportive - has already begun and should be expected to accelerate. The impact will not only limit the expansion that innovative research can foster, but will negatively impact our leveraging capability by reducing the revenues that our research institutions can generate to help themselves produce budget support. The loss of tenured faculty from UNLV and UNR will also decrease access to upper division course work and graduate programs. We pledge our best efforts to work with private businesses and the State economic development infrastructure, but we want to be clear that supporting new business initiatives while retrenching across the board is an oxymoron. We will work closely with all interested parties to align our programs wherever possible to provide such support.

We know that many of the difficult decisions we are forced to make will bring out constituent voices who object to center, program and institutional closures and consolidations. Every such action is taken with a strong awareness that we are losing a program valuable to Nevada that may

never return. There are no good choices here. While we will continue to do our best to protect our core missions, let me be clear that our institutions are at risk and now under siege, slowly being dismantled.

Throughout this process, I have promised to be honest with you. I have told you that we will not say something or put something before you that we are not prepared to do. This memorandum tells you clearly what we are required to do given the funding levels being discussed. The Presidents and I know that the picture and plan for higher education laid out in this memorandum is bad for Nevada and hope that we can work together to avoid or at a minimum mitigate these impacts. However, with the funds that appear to be available, we believe that these steps are essential if we are to maintain quality in the education we offer Nevadans.

Exhibit E



Nevada System of Higher Education

Budget Hearing Follow-up Responses to LCB Memo Dated March 22, 2011



System Administration • University of Nevada, Reno • University of Nevada, Las Vegas •
College of Southern Nevada • Great Basin College • Truckee Meadows Community College •
Western Nevada College • Desert Research Institute • Nevada State College

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the LCB Research Library

Committee of the Whole
Date: 4/22/2011
Exhibit C
Submitted by: NSHE
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MEMORANDUM

DATE: March 27, 2011

TO: Daniel Klaich, Chancellor
Nevada System of Higher Education

FROM: Alex Haartz, Program Analyst
Fiscal Analysis Division

SUBJECT: **March 22, 2011, Budget Hearing Follow-up**

Chancellor Klaich, thank you for your testimony at the March 22, 2011, budget hearing. As you will recall, during the hearing, the Subcommittee identified specific issues, including 2011-13 biennium budget reduction plans, for which additional information was requested. I would appreciate your assistance in obtaining responses to the following questions.

1. NSHE System Efficiency Improvements: During the hearing, the Board of Regents' Efficiency and Effectiveness Initiative was cited along with the System's request that any General Fund appropriation-supported cost savings generated through efficiencies be retained by the institutions for purposes of funding instructional costs. This office would appreciate receiving a copy of the analysis to be presented to the Board of Regents in order to better understand the magnitude of potential General Fund appropriation savings and how those savings might offset reductions to the instructional and student services functional areas.
2. Budget Reduction Scenarios: Utilizing a standardized template, the Subcommittee requested that the NSHE provide two budget reduction scenarios for each institution (and budget account). Narrative information explaining the information contained in the templates as well as the benefits and drawbacks of each scenario was also requested. The first scenario should expand upon the preliminary budget reduction plans already developed. To minimize the impacts to academic/instructional areas, the second scenario should utilize the closure and/or consolidation of NSHE institutions as the primary strategy to achieve the recommended General Fund appropriation reductions.

In order to understand the full impact of the Governor's recommended budget reductions, the Subcommittee requested the scenarios meet the following criteria:

- The General Fund appropriation reductions identified by each institution should total to the General Fund reductions recommended by the Governor;

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- If new registration fee surcharge revenues are proposed to offset General Fund reductions, the template should clearly account for the new revenues. The associated percentage increase should also be clearly stated. Likewise, if additional student fee revenues are projected as a result of enrollment projection changes when compared to the enrollment revenues included in The Executive Budget, these additional revenues should also be clearly identified;
- If existing academic departments, programs and degrees are proposed to be eliminated to meet the budgeted reductions, each should be clearly identified. For each proposed academic or instructional reduction, clearly identify the projected number of student FTEs impacted as well as the projected number of professional and classified FTE impacted. The number of part-time instructional staff and graduate assistants impacted also should be identified;
- If existing administrative and support infrastructure and functions are proposed to be eliminated to meet the budgeted reductions, each should be clearly identified. Identify the number of professional and classified FTE impacted;
- If satellite locations are proposed for closure, identify the associated number of staff FTEs and student FTEs projected to be impacted.

In addition to the two scenarios, the Subcommittee indicated that if NSHE identified a third scenario, information on that scenario should also be provided.

3. Reform Plan for Administrative, Operational and Academic/Curricular Areas: The Subcommittee requested that the NSHE provide a plan to reform the administrative, operational and academic/curricular areas of the NSHE institutions. To the extent appropriate, reform strategies should be incorporated into the scenarios.
4. Alignment of NSHE Workforce Development Efforts with State Economic Development Goals: The Subcommittee requested that information be provided on the workforce development activities NSHE institutions are currently undertaking and how those efforts align with the economic development goals being discussed by the Governor and the 2011 Legislature.
5. Projected Impacts to Student Access: The testimony provided by the NSHE institution Presidents indicated that the General Fund appropriation funding levels contained in The Executive Budget would result in reduced access overall and reduced availability of classes in particular. To better understand the projected impact of the Governor's recommended budget on prospective and current students in the 2011-13 biennium, the Subcommittee requested that the NSHE provide information which quantifies current access limits encountered by students and the access limits or impacts projected to occur at the funding levels recommended by the Governor.

To the extent that data is available for FY 2009, FY 2010 and FY 2011, for each teaching institution, please provide the total number of unduplicated students for two broad categories of students: new students who were unable to register for a particular course; and enrolled, continuing students who were unable to register as a result of the particular course or course sections already reaching the maximum number of registrants. Additionally, if available, please provide the total number of instances in which unsuccessful

course registrations occurred for FY 2009, FY 2010 and FY 2011. For each institution, please portray the information in the table format shown below with accompanying narrative or notes which explain the information. Finally, if possible, please quantify the projected impacts that the Governor's recommended budget reductions will have on graduation rates and the average length of time to graduation.

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INSTITUTION					
Access Impact	FY 2009 Actual (Total)	FY 2010 Actual (Total)	FY 2011 Actual (Total)	FY 2012 Projected (Total)	FY 2013 Projected (Total)
Unduplicated Number of New Students Unable to Register for a Course.					
Unduplicated Number of Existing/Continuing Students Unable to Register for a Course.					
Total Number of Instances in Which a Failed Course Registration Occurred.				n/a	n/a

6. Per Student FTE Funding: The Subcommittee requested the General Fund appropriation funding level per student FTE for each NSHE institution. For each NSHE instructional budget account (excluding the professional schools), please provide this information for FY 2010 (actual), FY 2011 (projected) and as recommended in The Executive Budget for FY 2012 and FY 2013. Additionally, please provide this same information based upon the total funding contained in the budget. Finally, for the same time period and for each institution, please provide the total instruction functional area expenditures by student FTE. For UNR and UNLV, the Subcommittee requested that the information be separated for undergraduate and graduate student FTE.
7. Reorganization and Funding of Intercollegiate Athletics, Statewide Programs and Business Centers: The Subcommittee requested that the NSHE prepare scenarios for UNR and UNLV through which the existing budget accounts for intercollegiate athletics, statewide programs and the business centers would be eliminated and the recommended funding incorporated into each university's main instructional budget. The requested scenarios should identify any proposed change to the expenditure levels recommended in The Executive Budget for each of the aforementioned areas.
8. UNR Preliminary Budget Reduction Plan: The Subcommittee heard testimony that UNR's preliminary budget reduction plan included reducing General Fund appropriations to the Cooperative Extension by amounts greater than recommended by the Governor's budget to mitigate the General Fund appropriation reductions budgeted for the School of Medicine. The Subcommittee requested additional information to understand the implications of UNR's preliminary plan. For both the Cooperative Extension and the Medical School, please provide information that explains the projected impacts of the budget reductions at the levels recommended by the Governor as compared to the reduction levels contained in UNR's preliminary plan.
9. Interim Funding Formula Study: As requested by the Subcommittee, please provide information on the estimated cost of an interim study of the funding formula and a copy of the suggested draft bill language to implement such a study.
10. Private Sector Funding Received by Great Basin College (GBC): During the discussion of Great Basin College's preliminary budget reduction plan, the mining industry's support of GBC's career and technical education programs was mentioned. The Subcommittee requested information on the types of funding and amounts being provided to GBC in support of those programs.

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11. NSHE Health Sciences System Funding: The Subcommittee requested information on the organizational structure and an accounting of the funding and expenditures of the Health Sciences System (HSS). Please also provide an overview of the HSS's accomplishments to date as well as any future objectives.

Thank you in advance for your assistance. I would appreciate receipt of the requested information no later than Tuesday, April 5, 2011. Please also provide a copy of your responses to Cathy Gregg at the Budget Division.

cc: Andrew Clinger, Director, Department of Administration
Cathy Gregg, Budget Analyst, Budget Division
Mark Stevens, Vice Chancellor of Finance, NSHE
Larry Eardley, Assistant Vice Chancellor of Finance, NSHE
Vic Redding, Budget Officer, NSHE
Rick Combs, Assembly Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
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March 4, 2011

TO: Board of Regents

FROM: Vice Chancellor Bart Patterson

CC: Chancellor Klaich
NSHE Presidents
NSHE Business Officers
NSHE Faculty Senate Chairs

RE: Efficiency and Effectiveness Preliminary Recommendations

The purpose of this Report is to provide the Board with the status of the Efficiency and Effectiveness Review, to ask the Board to take action on certain recommendations identified in the conclusion of the Report and to obtain the Board's input on issues and priorities as we go forward. Along with the recommendations, I have added a list of concerns that the Board should consider before taking action.

Review

Data requests were submitted to all institutions in the fall of 2010, followed by on-site visits with key institution and business center officials and employees in the areas under review. In addition, outside discussions were held with the Nevada Department of Personnel and the Nevada Purchasing Division. Research was conducted into similar reviews and initiatives in other states. Outside consultants have been retained on a limited basis to vet information and recommendations, including Guy Hobbs of Hobbs Ong, Brian Gordon and Jeremy Aguero of Applied Analysis¹, and Tom Akers of Akers & Associates². In addition, Gary Ghiggeri, former Nevada Senate fiscal analyst, was hired on a part-time basis to provide critical assistance with this initiative.

This review comes at a time of great uncertainty for higher education, with the Governor recommending significant reductions in state appropriations to higher education.³ In

¹ The Hobbs Ong/Applied Analysis initial report is referenced as Attachment 9.

² The Akers & Associates initial report is referenced as Attachment 5.

³ The Business Center North operating budget for FY 2010-11 is \$2,139,664. The Governor's Budget proposes a 28.5% reduction over the biennium in the Business Center North budget compared with FY 2010-11, which amounts to a funding reduction of \$944,815. The Business Center South operating budget

addition, all of these business operation areas have already experienced significant budget reductions since 2007. It is difficult to fathom how NSHE and its institutions, including the business centers and operations, can continue to do business in the same manner given the level of previous reductions and the proposed additional reductions.

Based on the comments and recommendations of the Regents, the Chancellor's Office will more fully evaluate the top recommendations and seek to establish projected savings from the initiatives.

At the outset, it is important to note that the departments under review are working hard with less staff. This review assumes that further reductions in staffing cannot be absorbed without operational changes.

Ongoing Efforts

The institutions and business centers have undertaken various efficiency and effectiveness measures in the last few years. Many of those initiatives were recently reported to the Legislature and are included as Attachment 1 and are also found on the NSHE website, pages 13-54 at <http://www.nevada.edu/er/NSHE030311.pdf>.

Overall Structure of Business Operations

Originally UNR, UNLV and the then Community College Division maintained their own business operations. In 1977, the legislature, as part of the appropriations act, directed the Board of Regents to establish one or two business centers and authorized transfers of positions and funds from all institutions and operations in order to accomplish the new structure. In response, the Board eliminated the Community College Division and established a two business center model based at UNLV and UNR.

The structure has challenges. The business centers were created to provide multi-institution services, but the employees report within the administrative structure of the two universities. This creates difficulty if there are disputes involving other institution customers, and creates at least the perception that favoritism/priority may be given to university customers. Other institutions are not involved in decisions about staffing and support of the Business Centers. For example, UNR reduced Business Center North staffing by about 23% FTE between FY 08 and FY 11 without any apparent input from impacted institutions. In addition, the multi business center model makes it challenging to implement multi-institution/system-wide initiatives, such as strategic purchasing, or to maintain consistency in application of classified employment rules, such as classification functions.

for FY 2010-11 is \$1,839,443. The Governor's Budget proposes an overall 27.6% reduction over the biennium in the Business Center South budget compared with FY 2010-11, which amounts to a funding reduction of \$780,691. CSN is not separately budgeted as a business center, but the Governor's proposed budget represents a 29.3% reduction from FY 2010-11.

While the business center model has largely continued in the north with BCN serving UNR, TMCC, WNC, GBC, DRI and the System Office, the business center concept has disintegrated in the south. CSN began establishing its own classified employee and purchasing functions in approximately 1996, so the only formal responsibilities that BCS maintains in these areas is for NSC, which is a relatively small part of the overall number of transactions performed by BCS. BCS continues to handle payroll functions for all southern Nevada institutions, and also maintains the primary administration of benefit programs for the southern Nevada higher education institutions.⁴

There is no easy resolution of these issues. The Chancellor's Office is not currently structured to undertake large scale business operations, and the creation of such a structure could potentially increase administrative costs. The System could likely undertake additional administrative oversight responsibility without much, if any, additional staffing in Payroll and limited functional areas of Human Resources and Purchasing. Alternatives could include some form of dual reporting of business centers to the Chancellor's Office, or phasing changes in operation of certain business operations. As another alternative to structural changes, NSHE could create more formalized policies pertaining to staffing of business centers, including addressing issues and disputes involving non-university customers, and system-wide initiatives, such as strategic purchasing.

In addition to the issue of structure, NSHE will also have to address related issues. For example, the business center functions are largely state supported, but provide services to non-state funded programs and employees as well. While both BCN and BCS report assessing a certain portion of costs to non state funded programs, strong consideration should be given to more directly costing and assessing a portion of business operation costs to non state funded operations to recover costs incurred for services provided to those non-state funded operations. Consideration will also need to be given to the use of such funds.

An additional complication related to efficiency and effectiveness relates to allocation of "savings." Although no specific cost savings assessments have been performed pertaining to any potential recommendations, any final plan should address the issue of an appropriate allocation of savings, with potential retention of some portion of "savings" to build the effectiveness of the business operations.

Payroll

The NSHE payroll function is administered through two payroll offices: one at Business Center North and one at Business Center South. The Business Center North payroll office has seven employees including one professional employee and six classified employees; of the seven employees, six are funded with General Fund dollars at BCN and one is funded with non-general fund dollars at UNR. There have been no reductions or increases to the personnel assigned to the payroll function since 2007. Business Center

⁴ BCS and BCN also perform other functions for NSHE/other institutions such as risk management and workers compensation. Those areas are not included in this Report.

North issued 154,560 payroll checks in fiscal year 2010 which is a decrease of 1,954 payroll checks from the number issued in 2007 (156,514). The current total annual budget for BCN payroll office as of 7/1/10 is \$482,862 in state funds and \$60,514 in non-state funds.

The Business Center South payroll office has six employees (the department is budgeted for seven employees but has never been fully staffed) including one professional employee and five classified employees; of the seven budgeted positions, three are funded through the BCS general fund budget, 2.5 FTE are funded with UNLV general fund dollars, and 1.5 FTE are funded with non general fund dollars. Similar to BCN, there have been no reductions or increase in personnel assigned to the payroll function since 2007. Business Center South issued 163,742 payroll checks (includes direct deposit) in fiscal year 2010 which is a decrease of 1,503 for the number issued in fiscal year 2007 (165,245). The current total budget for BCS payroll office for FY 2011 is \$445,860 with \$171,890 from UNLV General Fund, \$195,884 from BCS General Fund and \$78,086 from UNLV Institutional (Other Funds).

The personnel identified as part of the payroll function do not include the oversight provided to these operations by the Controller's Office at each institution.

Payroll Personnel - FY 2011

	BCN/UNR General Fund	BCN/UNR Other Fund	BCS/UNLV General Fund	BCS/UNLV Other Fund	CSN General Fund *	CSN Other Fund *	Total General Fund	Total Other Fund	Total FTE's
Professional	1.00	-	1.00	-			2.00	-	6.00
Classified	5.00	1.00	4.50	1.50			9.50	2.50	11.00
Total	6.00	1.00	5.50	1.50	-	-	11.50	2.50	14.00
Total Funds	All 7.00		7.00		-		14.00		

* CSN estimates related to staff that perform payroll related functions is included in the Human Resources schedule so that there is consistency in reporting as other institutions included these types of compensation functions in the human resources area. The chart also does not include institution personnel that may have some payroll related responsibilities at other institutions. The chart reflects seven budgeted positions for BCS, but the department has never been fully staffed and functions with six employees.

In addition to the business center staff, institution personnel are involved in the payroll function in terms of preparing and transmitting data that comprises the payroll. The payroll units review and audit the data for accuracy. Most of this data is created and updated through use of the HRMS software system. The HRMS software is limited in functionality. Significant payroll functions are paper based. For example, original signatures are required on many payroll documents, such as any "exception pay," and payroll may require such documents to be physically delivered. There is inconsistency between the offices on whether scanned documents are acceptable. Some institutions reported differences in the way payroll is administered between the offices, including the difficulty of administering one check where an employee is jointly employed by a southern and northern institution.

Although employees are encouraged to implement automatic deposit, and there is a self serve feature for employees to obtain monthly remittance advices and W-2's on-line, a significant number of employees still insist upon delivery or mailing of these documents. Legal restrictions may present challenges in mandating electronic receipt of these documents.

Payroll Recommendations

1. Centralize Payroll Operations

NSHE is continuing to investigate consolidation of payroll operations. No clear advantages were presented of the benefit of maintaining two separate payroll offices. Checks may be printed locally if an institution has the necessary equipment or batched for overnight shipping to the institution. The advantages of a single payroll operation likely include consistency of processing and reporting, and possible reduction or repurposing of personnel. Further study is required as to what, if any, additional costs for equipment and facilities may be required to achieve a consolidated office.

As an alternative, the System may consider whether it could process payroll through a third party provider, recognizing that an external provider may not provide the same audit function and level of service currently performed by the payroll offices. In addition, there would be challenges in processing "on demand" checks.

2. Emphasize shift to electronic transactions

- a. Eliminate delivery of remittance advices and replace with mandatory self-serve option.
- b. Take further steps to encourage or require direct deposit.⁵
- c. Encourage use of self-serve for W-2's.
- d. Where feasible, develop electronic means to process transactions.

Mandatory direct deposit will require a change in state law, see NRS 608.120, and a change in federal law, unless agreements are obtained to pay by direct deposit at the time of hire. However, encouraging direct deposit by, among other things, only making checks available on-site at a central campus location may reduce the number of paper payroll checks issued.⁶ Failure to provide a paper copy of W-2's upon request may be contrary to federal law, but again, employees can be encouraged to obtain their W-2's through the self serve portal. Enhancements to

⁵ As part of the Iowa Efficiency Report in 2009, the report estimated that the cost of issuing paper checks for those employees that did not sign up for direct deposit was \$139 per employee, not including the cost of courier service to overnight the checks to the employees' location.

⁶ UNLV/BCS indicates that its change to a central site location to pick up checks (instead of hand delivery) resulted in an increase in the use of direct deposit with over 75% of payroll processed by direct deposit in FY 2010 compared to about 55% in FY 2007.

the self serve portal design and content may be one way of encouraging these changes. Alternatives for payment such as debit cards for student and casual labor may be more attractive options for these categories of workers, although such programs may likewise face the same statutory/legal barriers as discussed in connection with direct deposit of checks.

3. Reduce the audit function performed by payroll

NSHE could require the institutions to be responsible for the accuracy of inputting HRMS and other payroll data, thereby minimizing the payroll review. This could create additional risks of improper payment or withholdings.

Other more specific ideas for consideration in the Payroll area are found in Attachment 2.

Human Resources

Each of the institutions, UNSOM and the System Office have Human Resources Departments. In addition, in the area of classified employee matters, NSHE has three written delegation agreements with the Nevada Department of Personnel to perform classified employment functions, including Business Center North, Business Center South and CSN.

Human resource departments perform a variety of functions, including, among other duties, recruitment, hiring, training, compensation, benefits, grievances, discipline and other aspects of employee relations. The specific classified employee matters that have been delegated include recruitment, testing, training, classification, compensation, and record keeping.

In the case of professional personnel, most of the applicable employment policies are those established by the Board of Regents in the NSHE Code, Board Handbook and the NSHE Procedure & Guidelines Manual. Other policies may also be found in the each institution's bylaws and business procedures. There is some degree of discretion involved in interpreting the various laws and policies.

For classified employment, the employment rules and regulations are governed by state law and regulation, and are largely administered and interpreted by the Nevada Department of Personnel. There is little room for interpretation of these rules and regulations without consulting the Department of Personnel.

Human resource functions are often viewed as core institutional departments. In addition, certain human resource functions have significant "in person" requirements, particularly in the areas of recruitment, counseling and handling grievances/discipline. Consequently, it would be difficult to effectively centralize many of these human resource functions.

At the same time, much of the processing of human resource transactions is paper driven, with an extensive system of signature approvals for many transactions. NSHE uses the

HRMS software system for most employment related transactions. The HRMS system lacks a number of transaction and reporting tools, such as electronic workflow and signature capability, that could lead to greater efficiencies and less reliance on paper based transactions. NSHE will be limited in more efficiently processing transactions without changing to a more robust software system. In addition, many benefits transactions require interaction with the Public Employee Benefits Program and the Public Employee Retirement System. For example, PEBP continues to require submission of original forms for enrollment and any change in enrollment. Increases in efficiencies and reduction in paper driven processes in these areas will require cooperation of these state agencies.

Some initiatives have already been implemented by many institutions on a piecemeal basis to address the software system limitations. All institutions have some form of software to utilize for on-line recruiting. Some institutions have implemented or are reviewing implementation of electronic new hire "on-boarding" of employees. In addition, the System Office is pursuing a contract that will be available to all institutions for an electronic leave system as a temporary solution.

NSHE currently has three delegation agreements (BCN, BCS and CSN) with State Personnel by which various classified employee responsibilities are undertaken on behalf of the State, and NSC has requested a delegation agreement. Of these delegations, BCN provides a variety of classified employment and benefit functions for UNR, GBC, WNC, TMCC and the System Office. In the south, BCS provides some classified employment functions for NSC, in addition to UNLV. BCS also provides some benefit functions for NSC and CSN, in addition to UNLV.

The Business Center North/UNR Human Resources Office has 29.10 employees of which 7.70 FTE are professional employees and 21.40 FTE are classified employees. This is a reduction in staff from 2007 of 10.75 employees of which 6.75 FTE were professional employees (4.55 General Fund and 2.20 non-general fund) and 4.0 FTE were classified employees (2.0 General Fund and 2.0 non-general fund). This does not include nine human resources employees (2 professional and seven classified) for the School of Medicine. The current total annual budget as of 7/1/2010 for BCN/UNR human resources office (excluding the School of Medicine) is \$1,152,000 in UNR General Fund; \$829,000 in BCN General Fund; \$261,000 in non state funds to support BCN human resources; and \$233,000 in non state funds to support UNR human resources.

The Business Center South/UNLV Human Resources Office has 20 employees of which 11.0 FTE are professional employees and 9.0 are classified employees. This is a reduction in staff from 2007 of 5.0 employees of which 2.0 FTE were professional employees (General Fund) and 3.0 FTE were classified employees. The current total budget for BCS/UNLV human resources office for FY 2011 is \$1,012,767 in UNLV General Fund, and \$801,395 in the BCS General Fund.

The CSN Human Resources Office has 17.0 employees of which 7.0 FTE are professional employees and 10.00 FTE are classified employees. This is a reduction in

staff from 2007 of 3.0 employees of which 2.0 were professional employees and 1.0 was a classified employee. The current total budget for CSN human resources office for FY 2011 is \$1,475,000.

See summary table below for business center operations.⁷ As there are so many interrelated functions, a comparison chart of the human resources personnel at all NSHE institutions is referenced as Attachment 3. The Comparison Chart is based on Fall 2010 employee headcount data collected by the System Office and the Human Resource personnel identified are intended to reflect budgeted positions.

Human Resources Personnel – FY 2011									
	BCN/UNR General Fund	BCN/UNR Other Fund	BCS/UNLV General Fund	BCS/UNLV Other Fund	CSN General Fund	CSN Other Fund	Total General Fund	Total Other Fund	Total FTE's
Professional	4.95	2.75	11.00	-	7.00	-	22.95	2.75	25.70
Classified	17.61	3.79	9.00	-	10.00	-	36.61	3.79	40.40
Total	22.56	6.54	20.00	-	17.00	-	59.56	6.54	66.10
Total All Funds	29.10		20.00		17.00		66.10		

Human Resources Personnel - Position Reductions 2007-2011

	BCN/UNR General Fund	BCN/UNR Other Fund	BCS/UNLV General Fund	BCS/UNLV Other Fund	CSN General Fund	CSN Other Fund	Total General Fund	Total Other Fund	Total FTE's
Professional	4.55	2.20	2.00	-	2.00	-	8.55	2.20	10.75
Classified	2.00	2.00	2.00	1.00	1.00	-	5.00	3.00	8.00
Total	6.55	4.20	4.00	1.00	3.00	-	13.55	5.20	18.75
Total All Funds	10.75		5.00		3.00		18.75		

Human Resources Recommendations

1. Create a Unified Single Delegation Agreement

To increase consistency and create a more unified approach to interacting with State Personnel, NSHE is developing a single delegation agreement with the State for classified employment matters. The delegation agreement will be under the overall auspices of the Chancellor's Office, with sub-delegation of duties to institutions and business centers.

⁷ The BCN/UNR personnel numbers do not include nine human resources staff for the School of Medicine. In addition, these charts are merely the number of positions identified in a central human resources office and caution should be exercised in comparing only the number of human resources personnel. Any assessment of staffing needs would require a detailed comparison of functions performed within each human resources unit. For example, at some institutions, academic departments may perform certain human resources functions, while at other institutions these functions may be more centralized, thereby requiring more staff.

2. Consider Consolidation of Limited Human Resource Functions

Further consideration should be given to whether certain employment functions can be approached more efficiently and effectively through centralized administration. The functions for further review include the following areas:

- a. Testing. Administer classified tests and scoring on at least a geographic basis with locations in the south and north.
- b. Training. Develop and administer certain required classified and professional electronic training modules, and centrally create other training modules for use by the institutions.
- c. Classification. Centralization of the classification function for classified employees should be further considered, which could improve consistency and create a stronger case for NSHE specific classifications.
- d. Benefits. Benefit administration could be considered for centralization, in order to improve consistency and interact in a more unified way with PEBP, PERS and supplemental benefit vendors at a leadership level. NSHE should consider developing a position to provide leadership in this area, or assign responsibilities to existing employees. At the very least, certain types of benefit information should be centrally posted by NSHE for all employees with links to available on-line resources (PERS, PEBP, etc.). At the same time, consideration should be given as to whether business centers should continue to be involved in all benefit forms/transactions submitted to PEBP and supplemental benefit vendors.
- e. Recruitment. While most recruitment functions appear best served at the institution level, certain aspects of classified recruitment could be more effectively performed at the NSHE/business center/institution level if NSHE received authority from the State to have more flexibility over the recruitment process.
- f. Employee relations. Discipline functions are typically more effectively administered at the institution level. If NSHE received authority to develop its own classified employment discipline system, NSHE would have to examine carefully the most effective organizational structure for addressing these functions. Some thought should be given to creating trained pools of investigators and hearing officers in each geographic area to assist in the handling of disciplinary matters for all institutions.
- g. Compensation. Further consideration should be given as to whether institution staff, after approval to hire by the appropriate business center, should be authorized to complete creation of an employment record for a classified employee without mandatory review by business centers.

3. Reduce Redundancy Between Business Center Human Resource Functions and Institution HR Personnel

There remains some level of confusion (at least at the institution level) between the responsibilities of the business center and those of the institution human

resource personnel. In many situations, institution human resource personnel may work up the entirety of a classified employment transaction, such as a recruitment, new hire, classification or adjustment to pay, and then the entirety of the transaction may be reviewed again by the business center. Serious consideration should be given to whether many classified employment transactions should simply be administered at the institution level, with audit of a limited number of transactions. At the very least, there should be a clear understanding as to what matters are handled by institution personnel and which matters are handled by business center personnel.

4. Improve Efficiency in Transactions

A number of ideas should be pursued to reduce the number of personnel dedicated to processing transactions.

- a. **Eliminate Annual Contracts.** Classified employees do not have contracts as employment is governed by state law and regulation. Student employees likewise do not have contracts. Classified employee and student employment compensation is established through a Payroll Action Form (PAF), which is merely an accounting/budget document with position and compensation. Employment of full-time and adjunct professional employees is largely governed by the NSHE Code and/or Board policy. Moreover, there is little significance to fiscal year contracts. Strong consideration should be given to eliminating professional contracts, or having professional employees sign one contract upon hire, with all renewals or changes (e.g. title, duties, and compensation) handled by letter (electronic) renewal. Further consideration should be given as to whether adjunct faculty employment can be processed without any contract at all. If the requirement of annual and adjunct contracts was eliminated, there would be a significant reduction in employee time devoted to processing employment contracts.
- b. **Review signature/approval requirements.** Human resource documents should be reviewed as to whether signature is required, and the levels of approval that are required. Consideration should be given to eliminating signature requirements and reducing the levels of approval where appropriate.
- c. **Leave and Time/Attendance Software.** The leave approval and accounting process is time consuming. DRI, TMCC and UNLV have developed electronic leave programs that extend to some employee/departments. The System Office and UNLV are planning to pilot an inexpensive leave and time and attendance module that may serve as a bridge until an integrated software program is implemented that will interface with payroll.

Other more specific ideas for consideration in the Human Resources area are identified in Attachment 4.

Purchasing

NSHE purchasing is a function of the exercise of contract authority, which has been delegated to the Chancellor by the Board of Regents. The Chancellor has, in turn, delegated a level of contracting authority to the presidents. The Board has adopted certain broad purchasing policies, but the most detailed requirements are found in the NSHE Procedures and Guidelines under the authority of the Chancellor. In addition, institutions and business centers may have adopted more specific purchasing policies and procedures.

NSHE purchasing is largely decentralized. Many individuals/departments have authority to make purchases with use of a purchasing card (typically up to \$2000 per transaction) and subject to any monthly account expenditure limits. In addition, departments/units largely make their own purchasing decisions under \$50,000, which is the threshold at which a formal bid process is required unless a competitive exception is granted. For amounts over \$25,000, two informal quotations are required. For amounts above \$10,000 and below \$25,000, one informal quotation is required.⁸

The use of purchasing cards is critical to efficient purchasing, but such use also creates challenges for effective implementation of other objectives, such as strategic purchasing, supply chain inclusion and local purchasing programs.⁹ In addition, there is a challenge in integrating p-card purchasing into strategic purchasing objectives because purchasing card programs are administered by the controller's office, not the purchasing department, at every institution except UNLV. CSN is still in the process of implementing a purchasing card program.

There are three purchasing centers within NSHE: BCN, BCS and CSN. The purchasing centers interact with departments/institutions in several primary ways. For all transactions in which a purchasing card is not used, each department/institution generates a purchase requisition which the business center processes and then issues a purchase order.¹⁰ The purchasing center does not handle the payables/billing function, which function typically remains in the controller's office. For purchases over \$50,000 (or construction projects over \$100,000), the purchasing center is responsible for administering the formal bid procurement process, or reviewing any requests for competitive exception. In some areas, the purchasing center may have adopted a large scale contract that requires (or at least encourages) departments to make purchases under that contract. For example, UNLV has a contract with OfficeMax for office supplies, and the departments may save money if

⁸ There are some differences in the bid thresholds at the institutions depending on the type of contract. Construction projects of \$100,000 or more require a formal bid; projects between \$25,000 and \$100,000 require three informal quotations.

⁹ An audit by the State of Nevada's internal auditors of the State Purchasing Division estimated "freed-up" administrative time of \$380,000 if all state agencies fully utilized a purchasing card. This estimate was based on the State of Michigan's estimate of a cost of \$7 more per transaction for non p-card transactions.

¹⁰ For smaller purchases that are not purchased through p-card, the transaction may be processed as a payment request without the need for a formal purchase order.

they routinely make office purchases under that contract.¹¹ Likewise, BCN/UNR has contracts with companies for office supplies, lab supplies, computer equipment, phone services and the like that provide for savings. In addition, each of the business centers frequently joinder onto other state and local government contracts, as well as national or regional consortium agreements. The Business Center North purchasing department has ten employees including one professional position and nine classified positions; of the ten positions, 7.56 are funded with general fund dollars at BCN and 2.44 positions are funded with "soft" dollars (1.44 at UNR and 1.0 at BCN). Compared to FY 2007, this is a reduction of two general fund supported FTE. Business Center North processed 5,294 purchase orders with a dollar volume of \$123,894,713¹² (average of \$23,403 per purchase order) and awarded 70 bids with a dollar volume of \$14,932,157 (average of \$213,317 per bid awarded) in FY 2010. The current annual budget for the BCN/UNR Purchasing Department as of 7/1/2010 is \$728,212 in state funds, \$145,000 in UNR/DRI funds (\$29,409 from DRI) and \$71,000 in non state funds.

The Business Center South purchasing department has sixteen employees including seven professional positions and nine classified positions; of the sixteen positions, 12.53 are funded with general fund dollars and 3.47 are funded with "soft" dollars (UNLV). Compared to FY 2007, this is a reduction of four general fund supported FTE (2.0 FTE each at BCS and UNLV). Business Center South processed 3,943 purchase orders with a dollar value of \$54,381,714 (average of \$13,792 per purchase order), and awarded 36 bids/rfps with a dollar volume of \$40,539,546 (average of \$1,126,098 per bid/rfp). The current FY 2011 budget for the BCS/UNLV Purchasing Department is \$918,271 in UNLV General Fund, \$185,885 in the BCS General Fund and \$190,247 in non-state funds. In addition, UNLV also is responsible for administration of the P-Card at UNLV (at other institutions the Controller's Office has this responsibility). The dollar volume of P-Card transactions processed through the Purchasing Department was \$14,661,000 in FY 2010. UNLV's purchasing department is also responsible for the administration of a fully automated requisitioning application, MUNIS.

The CSN purchasing department has five employees including one professional position and four classified positions (all positions are supported with general fund dollars). Compared to FY 2007, this is a reduction of two general fund supported FTE. CSN processed 4,097 purchase orders in FY 2010 (average of \$9,843 per purchase order) and also awarded nine bids in FY 2010 (average of \$156,420 per bid). CSN is still in the process of implementing a purchasing card program. The current FY 2011 budget for the CSN Purchasing Department is \$423,000.¹³

A comparison chart of the purchasing centers is below.

¹¹ State Purchasing also develops statewide contracts for various commodities, such as office supplies. While NSHE may buy from such contracts, this is an example of the type of contract that may benefit from a multi-jurisdictional type of state contract during the bid phase.

¹² The annual dollar volume of purchase orders has limited utility as this number may vary significantly from year to year depending on the number of large construction contracts or multi-year contracts.

¹³ CSN's average dollar amount per purchase order is lower as Limited Purchase Orders are still used for some purchases as the purchasing card program is still being implemented.

Purchasing Personnel - FY 2011

	BCN/UNR General Fund	BCN/UNR Other Fund	BCS/UNLV General Fund	BCS/UNLV Other Fund	CSN General Fund	CSN Other Fund	Total General Fund	Total Other Fund	Total FTE's
Professional	1.00	-	6.00	1.00	1.00	-	8.00	1.00	9.00
Classified	6.56	2.44	6.53	2.47	4.00	-	17.09	4.91	22.00
Total	7.56	2.44	12.53	3.47	5.00	-	25.09	5.91	31.00
Total All Funds	10.00		16.00		5.00		31.00		

Purchasing Personnel - Position Reductions 2007-2011

	BCN/UNR General Fund	BCN/UNR Other Fund	BCS/UNLV General Fund	BCS/UNLV Other Fund	CSN General Fund	CSN Other Fund	Total General Fund	Total Other Fund	Total FTE's
Professional	(1.00)	-	(2.00)	-	(1.00)	-	(4.00)	-	(4.00)
Classified	(1.00)	-	(2.00)	-	(1.00)	-	(4.00)	-	(4.00)
Total	(2.00)	-	(4.00)	-	(2.00)	-	(8.00)	-	(8.00)
Total All Funds	(2.00)		(4.00)		(2.00)		(8.00)		

In addition to the purchasing centers, each institution typically has business office staff that assist with and review purchase requisitions prior to submission to the purchasing center for issuance of a purchasing order.

The interaction between business centers and the institutions they serve is generally good, but it appears that limited focus has been given to working with each institution to identify contracts that may reduce costs. There is no formal interaction among the NSHE purchasing centers (although interaction has greatly increased based in part on the supply chain inclusion program and this efficiency and effectiveness initiative), nor is there formal interaction with the State Purchasing Division on strategic purchasing/planning. The business centers do informally consult each other on existing contracts, and can also consider existing state and local governmental contracts to "buy off" those contracts if favorable pricing has been obtained. However, there are currently no system-wide purchasing contracts in place except in the area of software and supplemental benefits. Recently a system-wide software task force has developed, and library personnel are talking regularly about ways to more effectively purchase library resources that may be used system-wide. These are positive developments. In addition, purchasing units and institutions can consistently look to purchase from other applicable national, state and local contracts to reduce staff time devoted to new RFP's and preparation and negotiation of contracts.

Significant components of the procurement process are paper based, although BCS has been implementing pieces of an electronic procurement system through a Munis software system. For other business centers, they must rely on the Advantage software that is currently in use for NSHE financial accounts. The Advantage software is very limited in capability and reporting tools, and is not truly designed to function as purchasing software. BCS has implemented some portions of a software system that helps manage contracts called Munis, but there is no complete electronic procurement system in place anywhere in NSHE. This means that the registration of vendors, administration of bids and contracts, reviewing p-card statements, and processing purchase requisitions and

purchase orders are all largely paper based processes. There is no centralized electronic database of vendors, although UNLV is working on a solution. There is no electronic payables system in place, although UNLV is close to developing a solution that seeks to use the Munis software in combination with the Advantage software to initiate electronic payments.

Purchasing Recommendations

1. Consider consolidating bid procurement

Administration of bids is a specialized activity and in many cases requires a significant level of expertise for certain types of bids (e.g. construction bids, technology contracts). Further consideration should be given as to whether the system and its institutions may become more efficient and effective by centralizing bid procurements and development of other large scale contracts that would also benefit from system-wide strategic purchasing initiatives.

As an alternative, NSHE could develop policies designed to require collaboration between business centers and other state and local entities, initiate more system-wide planning and interaction for large scale purchasing, and adopt strategic purchasing initiatives applicable to each business center/institution to more closely manage departmental/unit spending.

2. Consider decentralizing issuance of purchase orders

It appears that most purchase requisitions have already gone through business office/controller review at the institution level, and the business center functions as essentially an audit to issue the purchase order. Consideration should be given as to whether purchase orders should continue to be the form of purchasing authorization, and if so, whether non business center institutions should be given the authority to issue their own purchase orders for transactions under the bid requirement level (currently \$50,000). Any such authority could come with an overlay that addresses strategic purchasing initiatives. In addition, consideration would have to be given about other responsibilities that would flow from such a policy change, such as terms of the contract, obtaining business license and insurance information, and the like.

3. Improve efficiency and effectiveness of transactions

NSHE critically needs a more robust financial system. UNLV is developing an interface to accomplish electronic payables through ACH transactions and UNR is working on an e-payables project to interface with the banking contract, but this is only a part of a complete financial system that would allow for e-procurement, consistency in data, ease in issuing financial reports, e-payables, and a host of other business related functions.

4. Look to external sources to improve efficiencies

A number of possible alternatives exist that could save money, including:

- a. Converting fixed price maintenance contracts to time and materials contracts, typically with the same vendor or an equivalent vendor, with responsibility for management of the program shifting to an outside vendor. The State has a contract with The Remi Group to offer 26% reduction in equipment maintenance costs based on such a program. NSHE is currently exploring where that contract may be effectively implemented.¹⁴
- b. Hire outside consultants to examine spending stream and identify savings.¹⁵
- c. Hire cost auditors on a contingency basis to identify overcharging on contracts.¹⁶
- d. Review and implement where feasible recommendations of outside consultants. The initial report of Akers & Associates pertaining to measures that may be considered is included as Attachment 5.

5. Emphasize strategic sourcing¹⁷

¹⁴ The State of Indiana and the University of New Mexico are examples of other entities that have entered into a similar contract with The Remi Group. Initial reviews of such programs are positive. In addition, The Remi Group has a contract with the federal government. BCN has already initiated the program and has identified initial savings, largely in lab equipment maintenance. UNLV is still investigating where the program may be effective.

¹⁵ The purpose of a spend analysis system is to extract, cleanse, classify, enrich and integrate different data from existing systems in order to pursue strategic procurement opportunities and targeted savings in key commodity and service areas. One of six "Drive to Excellence" initiatives launched by Minnesota's Governor Tim Pawlenty in April, 2005, included the Sourcing Initiative which called for a new organizational approach to gain leverage for all the state's purchases. Since then, the project has reduced costs of goods and services by over \$250 million. The State of Minnesota contracted with TruSource (TruSource has since been acquired by Procuri.) Again, absent a robust financial system, effective implementation of these types of measures within NSHE may be difficult. There would also likely be upfront costs for consultant services unless contingent fee options are available.

¹⁶ State Division of Purchasing contracted with Chartwell Advisory Group to audit office supply contracts as entered into by the State of Nevada (effective March 1, 2010 through February 28, 2012). The purpose was to audit payments made by the State to determine discrepancies in paid amounts versus the contracted amounts. This is a revenue contract which did not require the Board of Examiners approval and was exempt from competitive bidding since it was for professional services (NAC 333.150). The net recovered amount (after the 35% recovery fee assessed by Chartwell as of January 21, 2011) for 2 of the 3 vendors is \$227,140. The third vendor is currently still in review. The benefit realized from this type of contract is maximized to the extent NSHE has system-wide contracts for commodities such as office supplies.

¹⁷ It will be difficult to quantify projected savings from such initiatives. In several high profile (and expensive) efficiency and effectiveness reviews that have been conducted elsewhere (e.g. University of

- a. Increase strategic planning among business centers and with state/local purchasing agents to develop system-wide contracts on common purchases (e.g. office supplies, computers, furniture, telecommunications, lab supplies and equipment).
 - b. Draft and negotiate contracts that permit other institutions to later buy off the contracts at reduced price points for volume.
 - c. Pre-approve services consultants at negotiated rates.
 - d. Although BCN and BCS already post contracts and opportunities on web sites, NSHE should consider developing a web portal to advertise business contracts system-wide to increase end purchaser knowledge of suppliers under contract, and enhance local and MWDDBE spending.
 - e. Link to applicable State of Nevada contracts and contracts of other governmental purchasing entities.
 - f. Create incentives to purchasing off of system-wide contracts (or disincentives for purchasing off contract).
 - g. Consider ways in which P-Card use can be increased, but tailored to require or limit purchases to take advantage of negotiated contracts (e.g. office supplies). One way would be to increase individual transaction limits to \$5,000.
 - h. Consider policies that require more standardization in purchasing (e.g. computers, telecommunications, certain software, etc.).
 - i. Develop contract negotiators and procurement specialists in key areas as a system-wide resource.
 - j. Develop policies to address strategic purchasing policies to address aggregate spend issues (small purchases that do not individually meet bid thresholds but cumulatively constitute significant expenditures).
6. Invest portion of contract savings in strategic sourcing initiatives, recognizing that any such investment would have to look carefully at the return on investment given that it is likely that any expenditure reductions will primarily be utilized to support academic programs.

When funds are available, NSHE would be well served to dedicate more resources to contract management, negotiation and strategic sourcing, resources that may provide a significant return on investment.

Other more specific ideas for consideration in the Purchasing area are identified in Attachment 6.

California, University of North Carolina) estimates have projected, upon full implementation of such initiatives, ongoing savings of approximately 10% from total commodity and services spending (but excluding utilities, leases, travel and employee reimbursements). NSHE would likely need to hire outside expertise to evaluate our spending in order to develop confidence in savings projections. In addition, NSHE may be wise to be more conservative in its estimates, particularly given the lack of a robust e-procurement and financial system. In addition, institutions have already taken, in some form, many of these steps to reduce commodity and services contracts. For example, UNLV has identified several hundred thousand dollars in savings through various changes in purchasing contracts over the last biennium, which would mean that further savings in those particular areas is unlikely.

Administrative Structure

NSHE typically has very low administrative costs in terms of comparing the percentage of resources devoted to non-instructional areas. See Attachment 7. Further analysis of the levels of administration and supervisor/employee/student ratios could be examined in later phases of review.

Other Areas Identified to Improve Efficiencies

A number of areas were identified that could improve efficiencies in a variety of areas, including:

1. Electronic signatures. Develop and emphasize use of electronic signatures. Full adoption of these strategies may require legislative action.
2. Many documents are still hand-delivered. Prior to implementation of electronic processes, scanned documents should be acceptable to conduct most business operations.
3. Review administrative approval levels. All institutions should examine what approvals are required, whether signature is required, and clarification of the acceptability of faxed/scanned documents in lieu of original.
4. Internal Audit. The Board should consider working with internal audit to include materiality as factor in audit findings and should also consider cost/risk as a significant factor in making recommendations. The Board should consider whether audits should be more operational and less compliance driven.
5. Reporting. Evaluation of what reports are truly necessary, although creation of a centralized data warehouse may obviate the need for each institution to run its own reports.

Other more specific ideas for consideration are identified in Attachment 8. In addition, the outside consultants, Hobbs Ong and Applied Analysis, have also identified a number of additional areas for review and consideration in their initial review of the recommendations. See Attachment 9.

Specific Initiatives Requiring Legislative Action

1. In general, restructuring of business operations will require flexibility in the budget authorization bill to move funds and retain/allocate savings between institutions.
2. Mandatory direct deposit will require a change in state law. See NRS 608.120.
3. Statutory change to permit bid of architectural services.
4. Elimination of certain reports will require consultation with the legislature.
5. Exemptions of projects from Public Works Board management.
6. Clarification or elimination of any state approval of use of electronic signatures.
7. Changing performance bond requirements may require revising/amending NRS 339.025 for Public Works projects. It appears to be permissive at the discretion of the State Purchasing Administrator under NRS 333.360.

Request for Board Approval of the Following Immediate Recommendations

The Chancellor requests Board approval of the following initial steps:

1. Approval to further investigate consolidation of payroll operations, and if feasible, bring forward a specific proposal to the Board of Regents in June.
2. Approval to seek legislative authorization to reallocate budgeted funds between functions and institutions pertaining to the business operations under review.
3. Direction to develop policies to be presented to the Board to eliminate annual contracts effective FY 2012 for professional faculty, including adjunct faculty.
 - a. Option A – No contracts
 - b. Option B – One time contract upon initial hire
4. Direction to the Chancellor to develop strategic purchasing policies to optimize leverage of system's purchasing dollars.
5. Direction to the Chancellor to develop a single classified delegation agreement with the State.
6. Direction to the Chancellor to further study and bring forward to the Board a specific proposal to centralize bid procurement, decentralize purchase orders, and further enhance effective use of p-cards.
7. Direction to develop policies to encourage electronic transactions including electronic signature.
8. Direction to the Chancellor as to what, if any, legislative measures to pursue.
9. Direction to the Chancellor to further investigate and provide recommendations on changes to the structure of NSHE human resources operations.
10. Direction to continue investigation of efficiency measures based on the priorities indicated by the Board.

Concerns with Recommendations

While all institutions are supportive of some of the recommendations and many support all of the primary recommendations, significant concerns were expressed by some institutional personnel about any structural/reorganization changes. The primary concerns include the following:

1. Concern that the relatively small budgets at issue are not significant given the magnitude of proposed budget cuts and that System/Institutional personnel time could be better invested focusing on other areas;
2. Disagreement with certain criticisms of the current structure of business operations;
3. Lack of data to demonstrate cost savings and lack of specific proposals from which to develop cost data;
4. Lack of comparative data measuring NSHE business operations against other higher education or public agency business operations and recognizing that NSHE administrative staffing cost may already be below average;
5. Concern that System may have to add staffing to accomplish recommendations;

6. Concern whether any kind of dual reporting to System and an institution is workable;
7. Concern that most recommendations cannot be achieved without implementation of new finance and human resource ERP systems, concern about the timing of any such implementation in the immediate future, and concern over implementation costs (including campus costs); and
8. Skepticism about whether any savings can be realized from structural changes or strategic sourcing, and objection to directing any savings toward strategic sourcing/technology initiatives given the significant budget reductions proposed by the Governor.

List of Attachments

1. NSHE Efficiency Report to Legislature
2. Other Payroll Ideas
3. System-Wide HR Report
4. Other Human Resources Ideas
5. Akers Outside Consultant Initial Report
6. Other Purchasing Ideas
7. Chancellor's Administrative Costs Report
8. Other Ideas
9. Hobbs Ong/Applied Analysis Outside Consultant Initial Report

Other Payroll Ideas

1. Have SCS develop the time summary reports in excel format on Xnet (the reports are currently available in PDF format).
2. Allow NSHE institutions to transmit electronic files to Payroll via email to reduce delays and "transactions lost in transit" this would not only include hourly time transactions but also copies of documents for exception based transactions.
3. Allow NSHE institutions to upload payroll batch files for review by Payroll.
4. Institute an electronic Time and Attendance System with the capability to interface with HRMS either real time or via batch upload. Departments are already able to do this at some institutions.
5. Pay casual labor and students through debit cards.

NSHE Employee Report - Fall 2010										
	UNLV	UNR	NSC	CSN	GBC	TMCC	WNC	DRI	SYS ADMIN	Total
A contracts	1138 Full-time 32 Part-time	1109 56 0	221 0 0	58 0 0	119 0 0	62 3 14	180 133 49	3076		
B contracts (incl B+ contracts)	715 Full-time 10 Part-time	542 39 0	509 0 0	68 0 0	162 0 0	64 4 0	2099 14 0			
PostDoc Scholars	36 Full-time 0 Part-time	68 0 11	0 0 0	0 0 0	0 0 0	0 0 0	116 0 0			
Medical/Dental Residents	0	262	0	0	0	0	262			
Letters of Appointment with Benefits	0 Full-time 154 Part-time	91 5	13 5	68 0	0 0	0 4	173 168			
Letters of Appointment	0 Full-time 656 Part-time	8 611	0 75	0 1023	0 265	0 488	34 3548			
Classified	1008 Full-time 47 Part-time	1129 35 120	420 16	79 4	144 2	75 13	2948 202			
Temporary Classified/Casual Labor	0 Full-time 798 Part-time	12 529	0 16	4 143	0 4	0 5	1 166			
Technical (DRI only)	0 Full-time 0 Part-time	0 0	0 0	0 0	0 0	0 0	75 0			
Graduate/Research Assistants	927	976	0	0	0	0	1953			
Student workers	1234	1462	31	388	37	67	3364			
Notes										
Full-time employees include all those with FTE of .5 or above.										

The following tabs are based on the data reported by the NSHE institutions to the System Office in the fall of 2010

NSHE HR Report - Fall 2010	UNLV	UNR	NSC	CSN	GBC	TMCC	WNC	DRI	SYS ADMIN	Total
A-Contracts (FT)	1138	1109	56	221	58	119	62	180	133	3076
A-Contracts (PT)	32	0	0	0	0	0	3	14	0	49
B-Contracts (FT)	715	542	39	509	68	162	64	0	0	2099
B-Contracts (PT)	10	0	0	0	0	0	4	0	0	14
Post Docs (FT)	36	68	0	0	0	0	0	12	0	116
Post Docs (PT)	0	11	0	0	0	0	0	0	0	11
Medical/Dental Residents	0	262	0	0	0	0	0	0	0	262
LOB (FT)	0	91	13	68	0	0	1	0	0	173
LOB (PT)	154	5	5	0	0	0	4	0	0	168
LOA (FT)	0	8	0	0	0	25	0	1	0	34
LOA (PT)	656	611	75	1023	265	488	419	1	10	3548
Classified (FT)	1008	1129	35	420	79	144	75	0	58	2948
Classified (PT)	47	120	0	16	4	2	13	0	0	202
Temp/Casual Labor (FT)	0	12	0	0	4	4	0	0	0	17
Temp/Casual Labor (PT)	798	529	16	143	0	0	5	166	1	1661
Technical-DRI (FT)	0	0	0	0	0	0	0	75	0	75
Graduate/Research Assistants	927	976	0	0	0	0	0	50	0	1953
Student workers	1234	1462	31	388	37	67	132	0	13	3364
Total	6755	8935	270	2788	515	1011	782	499	215	19770
Notes										
Full-time employees include all those with FTE of .5 or above.										

Human Resources	UNLV	UNR	NSC	CSN	GBC	TMCC	WNC	DRI	NSHE-SA	Total
Total Employees Served by HR	6755 ^a	6935 ^b	270	2788	515	1011	782	499	215	19,770
Number of HR Positions	20 ^c	38 ^d	4	17	4	6	5	4	2	100

a. Does not include benefit eligible employees served at CSN and NSC, and does not include classified employees served at NSC

b. Includes UNSOM employees; does not include classified and benefit eligible employees at TMCC, GBC, WNC, DRI who may receive some BCN services

c. Of the 20 positions; 9 positions are funded by BCS

d. Of the 38 positions 9.96 positions are funded by BCN; and 9 are located in UNSOM HR;

BCN-HR	UNR	GBC	TMCC	WNC	DRI	SYS ADMIN	Total
Classified (FT)	1129	79	144	75	0	58	1485
Classified (PT)	120	4	2	13	0	0	139
Temp/Casual Labor (FT)	12	4	4	0	0	0	20
Temp/Casual Labor (PT)	529	0	0	5	0	1	535
Total Employees Served	1790	87	150	93	0	59	2179
% of employees served by campus	82%	4%	7%	4%	0	3%	100%

*BCN-HR primarily assists the campuses with the recruitment, records, and employee relations functions

BCB-HR	UNLV	NSC	Total
A-Contracts (FT)	1138	0	1138
A-Contracts (PT)	32	0	32
B-Contracts (FT)	715	0	715
B-Contracts (PT)	10	0	10
Post Docs	36	0	36
LOB (PT)	154	0	154
LOA (PT)	656	0	656
Classified (FT)	1008	35	1043
Classified (PT)	47	0	47
Temp/Casual Labor (FT)	0	0	0
Temp/Casual Labor (PT)	798	0	798
Technical-DRI (FT)	0	0	0
Graduate/Research Assistants	927	0	927
Student workers	1234	0	1234
	6755	35	6790
	89.5%	0.5%	100%

*BCS Assists CSN and NSC On Benefits, and NSC On Classified Recruitments

BCN Benefits	UNR	GBC	TMCC	WNC	DRI	SYS ADMIN	Total
A-Contracts (FT)	1109	58	119	62	180	133	1661
A-Contracts (PT)	0	0	0	3	14	0	17
B-Contracts (FT)	542	68	162	64	0	0	836
B-Contracts (PT)	0	0	0	4	0	0	4
Post Docs (FT)	69	0	0	0	12	0	80
Post Docs (PT)	11	0	0	0	0	0	11
Medical/Dental Residents	262	0	0	0	0	0	262
LOB (FT)	91	0	0	1	0	0	92
LOB (PT)	5	0	0	4	0	0	9
Classified (FT)	1129	79	144	75	0	58	1485
Technical-DRI (FT)	0	0	0	0	75	0	75
	3217	265	425	213	281	191	4592

BCS Benefits	UNLV	NSC	CSN	Total
A-Contracts (FT)	1138	56	221	1415
A-Contracts (PT)	32	0	0	32
B-Contracts (FT)	715	39	509	1263
B-Contracts (PT)	10	0	0	10
Post Docs	36	0	0	36
LOB (FT)	0	13	69	81
LOB (PT)	154	5	0	159
Classified (FT)	1008	35	420	1463
	3093	148	1218	4459

Other Human Resources Ideas

1. Online benefits enrollment.
2. Data Warehousing for all institutions – NSC and other smaller entities with NSHE do not have the resources to create and support this function.
3. NSHE licensing for CUPAHR (College and University Professional Association for Human Resources) Data on Demand – this may be more cost effective than individual institutions purchasing.
4. NSHE Purchasing contract for recruitment advertising – leverage system-wide needs for local and national advertising; e.g., Las Vegas Review Journal, The Chronicle of Higher Ed, and improve outreach under affirmative action/equal opportunity programs.
5. Scanning and imaging employee records. Reduce the need for paper retention of and transmittal of records.
6. System-wide training initiatives – Consolidate purchasing power to offer training on campus; e.g., Investigations training, managerial training, etc.
7. Provide smaller institutions and System Office with the option to centralize the EEO function to ensure investigations are completed in a consistent manner and to ensure the development of consistent affirmative action plans.
8. Centralize NRAT (Non-Resident Alien Tax) to provide one source of expert advice and common purchase of associated Winstar software. If this idea is pursued, we will have to address issues associated with the importance of on-site review of legal documentation and in-person counseling.
9. Equity/compensation of staff should be centralized to ensure consistency between institutions (cited examples of institutions recruiting away staff of other institutions for similar jobs at a higher compensation).
10. New employee orientation via the web.
11. Establish a position in the System office to work on PERS/PEBP issues; Benefit Director/Coordinator.
12. Develop better website links between employees and benefit vendors (RPA, Short term disability, Life).
13. Develop on-line training programs, such sexual harassment training.
14. Evaluations. Consider significant changes in employee evaluations to stream-line the way evaluations are conducted and to eliminate the requirement of annual professional evaluations, and/or change the format of evaluations to provide more effective and timely feedback.
15. Consider the value of continuing to establish salary schedules.
16. Standardize more business practices based on "best practices."
17. Develop category for non classified employees that work in soft funded positions.

Per review of existing NSHE procurement policies, procedures, and automated systems, the following "preliminary" recommendations are proposed:

Item No.	Recommendation	Benefit/Savings
1.	Re-register non-MUNIS vendors/suppliers	Eliminate duplicate maintenance of vendor tables through out the system.
2.	Allow other business units to use on-line registration system.	Capture consistent data.
3.	Review products/services for possible outsourcing opportunities.	Printing, travel, contract labor, and project management internal staff resources can be reduced or re-assigned.
4.	Set-up web-based contract listing by government entity.	Use joiner clause to save on bidding costs. May lead to volume discounts.
5.	Create preferred vendor catalog list on-line	Can reduce supplier sourcing costs and support negotiated prices in-advance.
6.	Implement supply chain inclusion sourcing on-line tools.	Can reduce overall diversity initiative expenses by using pre-developed state-wide tools.
7.	Develop centralized commodity coding system by using "key descriptor" field. Business units would not be able to modify.	Can assist with management reporting and sourcing/bidding.
8.	Review and evaluate the optimum number of suppliers to have under system-wide contracts.	Will reduce overall costs to maintained supplier relations by consolidating large spend items with

fewer vendors.

Item No.	Recommendation	Benefit/Savings
9.	Require larger suppliers to implement "supply chain inclusion" programs. This 2 nd Tier contracting can support our local small businesses.	Ensure that local small businesses are not locked out of the strategic purchasing initiatives implemented.
10.	Further review and analyze how streamlining the "formal" procurement function into one Purchasing Profit Center can reduce costs or improve operations. Each business would be charged for the services provided.	Can reduce the number of purchasing centers by one or two.
11.	Appoint an Advisory Group from the private sector. The business leaders would oversee the implementation process of the initiatives approved.	Ensure the strategy is implemented effectively.

Other Purchasing Ideas

1. Establish a central committee/group to determine which software should be utilized by NSHE. Also, establish a process where software that is developed at one institution is utilized to address similar work at other institutions. Have software used by institutions licensed and maintained centrally.
2. Use open source when feasible.
3. Streamline "sole-source" policies.
4. Increase the purchasing limits in the two main purchasing areas in order to help limit staff requirements.
 - a. Commodities/Non-Construction
 - i. Currently NSHE requires:
 1. \$25,000 to \$50,000 (2 informal written quotes)
 2. Over \$50,000 (formal sealed bids)
 - ii. Suggested changes to:
 1. \$25,000 to \$100,000 (3 informal written quotes)
 2. Over \$100,000 (formal sealed bids)
 - b. Construction Work
 - i. Currently NSHE requires:
 1. \$25,000 to \$100,000 (3 informal written quotes)
 2. Over \$100,000 (formal sealed bids)
 - ii. Suggested changes to:
 1. \$75,000 to \$150,000 (3 informal written quotes)
 2. Over \$150,000 (formal sealed bids). Note: This may require a change in NRS 338 regarding bid of public works.
5. Increase purchase amount requiring issuance of a purchase order from \$2,000 to \$5,000 (and correspondingly increase p-card transaction limit to \$5,000) , particularly if purchasing card programs can be expanded to process these smaller dollar transactions. This could create additional risk exposure for improper financial transactions.
6. Develop system-wide purchase of anti-virus software and centralized team to apply patches.
7. Develop a consulting pool available statewide.
8. Statutory change to permit bid of architectural services.
9. Review competitive exception policies.
10. Consider adding responsibilities to business center operations. If the business center operations continue in the current form, consideration should be given as to whether those operations should have added responsibilities. For example, the current system makes the purchasing center responsible to issue purchase orders, but the institution is responsible for handling payables. Consideration should be given to whether the business center should centrally handle more business office functions.
11. Standardize more business practices based on "best practices."
12. Seek "Most Favored Nations" clauses in contracts.

13. Legal departments of institutions should work together to standardize certain contract language such as athletic coach contracts, and develop more specific expertise such as in tax and research compliance.

There has been a lot of discussion lately regarding higher education staffing and administration across the country. Sometimes the discussion has been productive but most often it has been the victim of incomplete analysis or misleading statistical manipulation. Such is the case with the recent “report” prepared by the Goldwater Institute and referenced by the Nevada Policy Research Institute (NPRI) that I am sure you all recently received and which was used to accuse our two State Universities of administrative bloat. While the report NPRI cited did in fact deal with that exact subject, the actual hard data in the report did not condemn Nevada higher education as was intimated. It is noteworthy when an independent third party uses empirical data that shines a favorable light on the Nevada System of Higher Education, and it is particularly significant when that same third party does so while attempting to make a very critical case against staffing and administration levels in U.S. higher education.

You have undoubtedly heard me say, probably many times, that the Nevada System of Higher Education is a lean organization and wondered how we actually rank nationally. The data in the Goldwater report, which are directly from the US Department of Education, speak for themselves.

If you have not yet seen the report, it is at (<http://www.goldwaterinstitute.org/article/4941>). While there are many innuendos and false conclusions in the narrative, the substance of the report is located in the appendices. I would call your attention to one in particular, and reiterate that it is directly from the Goldwater study:

2007 Full Time Employees Per 100 Students (Table A5 pages 7 of 8 and 8 of 8)

Employees/ 100 Students	Total Employees	Admin. Employees	Instruction/ Research/ Service Employees	Clerical Employees	Other Employees
UNR	17.0	4.2	5.6	2.9	4.4
UNLV	11.7	3.8	3.4	1.7	2.8
National Average	24.3	9.4	7.0	3.4	4.4
UNR as a % of National Avg.	70%	45%	80%	85%	100%
UNLV as a % of National Avg.	48%	40%	49%	50%	64%

In every category Nevada’s Universities fall below – often well below – the national average for staffing to student ratios. The data for both universities, and UNLV in particular, undeniably show we are running our institutions with fewer employees. In fact, from that same table, UNR ranks the 28th leanest and UNLV the 19th leanest of the 198 institutions studied. But is this a necessarily good thing? Is it good to have fewer employees involved in instruction and research, for example? Is it good to have fewer employees in place to serve students in all the ways that contribute to higher success rates?

This conversation began with the issue of 'administrative bloat' and the Goldwater Institute's assertion that public subsidies to higher education, both state and federal, have enabled huge increases in administrative services that do not serve the students well. This is an impossible assertion to support in Nevada. Additionally, even though our Nevada numbers fall well below national averages in the administrative ratio above, I want to take exception to the report definitions which are constructed to report "administration" as high as possible. In the Goldwater study, 'Admin' includes such things as academic advisors, student counselors, and reference librarians. While I philosophically disagree that these are 'administration,' regardless of what you call them, they are, in today's world, essential to student success. We are significantly lagging in student support personnel. I am able to report that prior to recent budget cuts Nevada universities had, over the course of many years, slowly been closing this gap on necessary student support personnel crucial to student success although I am not optimistic that any progress will be made in this area in the near future. While the Goldwater and NPRI analysis condemned UNR and UNLV for incremental progress in this area, increasing the availability of these professionals to our students is not 'administrative bloat' – this is giving our students the resources they need to succeed.

Let me bring one final point to your attention. The data set that the Goldwater study uses is for fiscal year 2006-07. This was a special year for us in that it was the last fully funded year before the State of Nevada began budget cuts. Since then the NSHE and all State agencies have undergone a series of debilitating cuts that have changed the picture drastically. I am sure that updated data would undoubtedly show an even bleaker picture for NSHE as we have consistently made every effort to protect the instruction function – at the expense of other areas including student support.

Do not take this letter as saying that our ratios and operations can't be improved. The Board of Regents has mandated a comprehensive Efficiency and Effectiveness initiative, the purpose of which is to find places where we can save costs in our support services and reallocate those resources to the students – both in the classroom and in support areas.

I again reaffirm my commitment to you that not only is the Nevada System of Higher Education a lean organization, but that we are fully committed to spending our scarce resources in ways that achieve the maximum benefit to our students and our state. Every dollar we receive from the State of Nevada is added to the fees paid by students to provide the best educational experience possible. I hope that these facts, as opposed to recent spin, will assist you as you consider the very difficult decisions ahead for you and Nevada. The Nevada System of Higher Education stands ready to assist you and the state in our economic recovery, and I would welcome the opportunity to discuss any of these issues with you further.

Sincerely,

Daniel J. Klaich, Chancellor

Other Specific Ideas

1. Review efficiency of Board meetings regarding number of required institution personnel.
2. Develop culture of savings, including assessment of what communications/materials can be sent via electronic delivery, such as annual reports, promotional materials and holiday greetings.
3. Further consider whether campus police departments should be consolidated.
4. Consider designing a bonus plan or incentives for employees that develop cost cutting/efficiency ideas that are implemented.
5. Clarify and expand authority of NSHE to perform construction and remodeling work outside of Public Works Board, recognizing that some institutions may not have that expertise.
6. Look at whether savings and better benefits could be achieved if NSHE pursued other health insurance options for employees and retirees.
7. SCS should investigate a single data center model with disaster prevention/back up and perhaps various applications externally hosted.
8. Convert to 100% of electronic deposit for payroll and travel reimbursement. Mandate the use of electronic notification for payments.
9. Eliminate State Bonding requirements from State Contracts; the cost of the "bond" is funded by the using agency since the contractor adds this amount into the contract cost. The purchase of the performance and payment bonds should be at the discretion of the agencies and dependent on the size of the project.
10. Eliminate the following reports currently required by the System Office/Legislature:
 - a. Transfer of Expenses from Non State to State Budgets after May 1st.
 - b. State budget transfers over \$100,000.
 - c. Quarterly self-supporting budget revisions and additions.
 - d. Quarterly fiscal exception reports.
 - e. Quarterly All Funds Report.
11. Change current requirements for specific reports; update to require self-supporting budgets at \$100,000 instead of the long standing threshold of \$25,000 (Board Handbook Title 4, Chapter 9, Section 2).
12. SPWB exemption for projects, at the option of the institution where it has the expertise (SPWB would be the building official but the institution would have the authority and responsibility for the projects).
13. Reduce master plan updates (Board Handbook Title 4, Chapter 14).
14. Eliminate use of credit cards for paying registration fees (or institute a fee). Rely on other electronic options (debit, checking account, installment payment vendor, etc.), with the institution being able to keep accrued savings. Alternatively, charge a fee for use of credit cards.
15. Eliminate the current requirement for everyone to review and sign their monthly (non-cellular) phone bill. One alternative may be to develop taxable cell phone allowance policies.
16. SCS should develop as a "best practices" organization to convey knowledge and methods to institutions.

17. SCS and institutions should look seriously at cloud computing and other efficiency options, such as a centralized help desk, and leveraging hardware purchases, software and computer/network security.
18. Record retention. NSHE should adopt its own record retention policy and implement a system so that documents are routinely destroyed in accordance with the policy.
19. Develop a Centralized fringe benefit pool. DRI currently operates in this manner which allows grant funds to be more fully applied to administrative costs.
20. Common, system-wide chart of accounts should be developed.
21. Revisit Inventory Control and Sensitive Equipment Policies to raise thresholds.
22. Review surplus property disposition rules.



March 3, 2011

Mr. Bart Patterson, Vice Chancellor of Administrative and Legal Affairs
Nevada System of Higher Education
5550 W. Flamingo Road, Suite C-1
Las Vegas, Nevada 89103

SENT VIA EMAIL: (Bart_Patterson@nshe.nevada.edu)

RE: Review of Efficiency and Effectiveness Preliminary Recommendations

Dear Mr. Patterson:

Per your request, Hobbs, Ong & Associates and Applied Analysis have jointly reviewed the Nevada System of Higher Education (NSHE) *Efficiency and Effectiveness Preliminary Recommendations* memorandum dated February 16, 2011. Overall, we found the document to be carefully prepared, well presented and an excellent example of fiscal responsibility. As we discussed in our recent telephone call, we do have a few recommendations and general comments regarding the memorandum and the underlying effort. This letter summarizes these recommendations and comments.

First, we believe the effort undertaken should be extended to other administrative and shared services within the university system. The memorandum focuses primarily on payroll, human resources and purchasing. To the extent appropriate, we would recommend extending this effort to include finance and internal audit, information technology and systems, fleet services (automobiles), building and grounds maintenance, legal, and other similar shared or organization-wide NSHE functions. In our experience these other areas may contain similar opportunities for efficiency and savings.

Second, we believe the report would be strengthened by including a review and analysis of generally comparable higher education systems. Respecting that NSHE is unique in any number of ways, exploring how administrative and shared services are provided in other states, caseload comparisons, allocation methodologies as well as average costs of services would provide a meaningful benchmark for the relative efficiency of NSHE and where other opportunities might exist.

Third, we would recommend that additional effort be directed toward measuring the fiscal implications of the strategies outlined in the memorandum. Not only would this provide greater meaningfulness to the overall conclusions, but it will also provide an order-of-magnitude ranking allowing recommendations to be compared against one another in terms of potential cost savings.

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Mr. Bart Patterson
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Importantly, we would expect that this costing exercise may reflect additional expenses during the implementation phase of some strategies. As such, preparing fiscal estimates that reflect near-term costs/savings as well as long-term benefits over a five or ten-year horizon may be necessary to achieve the desired end.

Finally, the memorandum tends not to consider the possibility of outsourcing all or parts of the services being considered. Perhaps these services can be provided at a lower cost internally; however, we believe the overall conclusions would be more robust if supported by comparisons to: (1) what cost NSHE currently incurs in providing the services, (2) what the cost would be if the efficiency measures recommended were undertaken, and (3) what the cost would be to have the private sector provide the service. Beyond just the private sector, consideration should also be given to consolidating selected services with other public sector entities where positive economies could be achieved. Clearly, this would be an extension of the previous recommendation to measure the fiscal implication of the strategies.

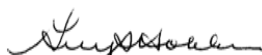
In addition to general conclusions above, we had a few specific thoughts regarding the memorandum's findings. They are listed below.

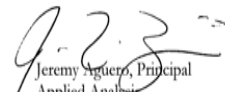
1. Developing a system in which payroll processing is streamlined and/or consolidated. We understand there are two payroll cycles for classified employees per month, while professional employees are remunerated once per month, on a different date. The resulting three pay cycles per month may provide an opportunity to align timing within the month or reduce one or two of the cycles altogether. While there may be operational or legal challenges in achieving this, it should be considered. Outsourcing the payroll function to third parties and/or other agencies should also be considered.
2. Consider centralizing selected functions within human resources that make financial and operational sense, including areas such as benefits and training.
3. With a recommended review of information technology systems included above, automation across all functions should be closely examined and considered. While some do not provide for such opportunities, activities like on-line training courses (e.g., administrative functions or employee awareness videos) could reduce overall travel times and eliminating schedule challenges with coordinating large groups of employees.
4. Technology-related grant opportunities should be sought out as a potential cost mitigation factor if investments are required in this area. The nature of such opportunities should be carefully considered to ensure one-time grants do not result in longer-run fiscal commitments.

Mr. Bart Patterson
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We very much appreciate the opportunity to assist you with this important project. Should you have any questions or should you require anything further from us, please do not hesitate to contact Guy Hobbs at (702) 733-7223 or Jeremy Aguero at (702) 967-3333.

Respectfully yours,


Guy Hobbs, Managing Director
Hobbs, Ong & Associates


Jeremy Aguero, Principal
Applied Analysis

QUESTION 2

Budget Reduction Scenarios: Utilizing a standardized template, the Subcommittee requested that the NSHE provide two budget reduction scenarios for each institution (and budget account). Narrative information explaining the information contained in the templates as well as the benefits and drawbacks of each scenario was also requested. The first scenario should expand upon the preliminary budget reduction plans already developed. To minimize the impacts to academic/instructional areas, the second scenario should utilize the closure and/or consolidation of NSHE institutions as the primary strategy to achieve the recommended General Fund appropriation reductions.

In order to understand the full impact of the Governor's recommended budget reductions, the Subcommittee requested the scenarios meet the following criteria.

- *The General Fund appropriation reductions identified by each institution should total to the General Fund reductions recommended by the Governor;*
- *If new registration fee surcharge revenues are proposed to offset General Fund reductions, the template should clearly account for the new revenues. The associated percentage increase should also be clearly stated. Likewise, if additional student fee revenues are projected as a result of enrollment projection changes when compared to the enrollment revenues included in The Executive Budget, these additional revenues should also be clearly justified.*
- *If existing academic departments, programs and degrees are proposed to be eliminated to meet the budgeted reductions, each should be clearly identified. For each proposed academic or instructional reduction, clearly identify the projected number of student FTEs impacted as well as the projected number of professional and classified FTE impacted. The number of part-time instructional staff and graduate assistants impacted also should be identified;*
- *If existing administrative and support infrastructure and functions are proposed to be eliminated to meet the budgeted reductions, each should be clearly identified. Identify the number of professional and classified FTE impacted;*
- *If satellite locations are proposed for closure, identify the associated number of staff FTEs and student FTEs projected to be impacted.*

In addition to the two scenarios, the Subcommittee indicated that if NSHE identified a third scenario, information on that scenario should also be provided.

 RESPONSE

Please refer to attached templates and narratives.

MEMORANDUM

DATE: April 5, 2011
TO: Daniel Klaich, Chancellor
FROM: Vic Redding, Sr. Fiscal Officer
RE: Budget Reduction Templates

At your request we developed a standard template for the campuses to follow in reporting budget reduction plans to the Board of Regents and the Joint Education Subcommittees. There were minor differences reflecting the different missions of institutions within the System, but by and large the majority of the template is identical. There is one template per appropriation area. For your convenience in reviewing these templates, information is displayed in the following manner:

First, the current FY 11 general fund is indicated, followed by the Governor's recommendation for general fund by year, which results in a net reduction of the respective budget. This amount is the reduction that is shown at the top of the template.

The template assumes a 13% increase in registration fees in each year of the biennium, which is netted by a 15% reduction for need-based financial aid. FY 11 projected enrollments are used as the basis for this calculation, with slight adjustments for anticipated enrollment trends. To the extent that there is any additional revenue items included in a campus budget reduction plan, they are included in this section of the template as well. This section also includes a revenue reduction to the extent enrollments are projected to decrease due to these cuts with a corresponding loss of fee income.

The next section of the template displays the reduction in specific detail by function. Per your instructions, we have demonstrated in this section impacts on students and employees broken down between categories that you requested.

The final section of the template identifies sources of 'bridge' funding identified by the campuses to meet these cuts, recognizing that it will be impossible to realize the full amount of the cuts effective July 1, 2011. These sources differ by campus.

In addition to this template, which we have tried to ensure stays in a common format for your review, each campus provided a narrative that projects detail on specific campus impacts. As these impacts are unique to the campuses, we did not provide a specific format for campus responses.

Institutions:		FY 12	FTE	Headcount	FTE	Headcount	FY 13	FTE	Headcount	FTE	Headcount	FY 14	FTE	Headcount	FTE	Headcount	FY 15	FTE	Headcount	FTE	Headcount	FY 16	FTE	Headcount	FTE	Headcount	FY 17	FTE	Headcount	FTE	Headcount	FY 18	FTE	Headcount	FTE	Headcount	FY 19	FTE	Headcount	FTE	Headcount	FY 20	FTE	Headcount	FTE	Headcount	FY 21	FTE	Headcount	FTE	Headcount	FY 22	FTE	Headcount	FTE	Headcount	FY 23	FTE	Headcount	FTE	Headcount	FY 24	FTE	Headcount	FTE	Headcount	FY 25	FTE	Headcount	FTE	Headcount	FY 26	FTE	Headcount	FTE	Headcount	FY 27	FTE	Headcount	FTE	Headcount	FY 28	FTE	Headcount	FTE	Headcount	FY 29	FTE	Headcount	FTE	Headcount	FY 30	FTE	Headcount	FTE	Headcount	FY 31	FTE	Headcount	FTE	Headcount	FY 32	FTE	Headcount	FTE	Headcount	FY 33	FTE	Headcount	FTE	Headcount	FY 34	FTE	Headcount	FTE	Headcount	FY 35	FTE	Headcount	FTE	Headcount	FY 36	FTE	Headcount	FTE	Headcount	FY 37	FTE	Headcount	FTE	Headcount	FY 38	FTE	Headcount	FTE	Headcount	FY 39	FTE	Headcount	FTE	Headcount	FY 40	FTE	Headcount	FTE	Headcount	FY 41	FTE	Headcount	FTE	Headcount	FY 42	FTE	Headcount	FTE	Headcount	FY 43	FTE	Headcount	FTE	Headcount	FY 44	FTE	Headcount	FTE	Headcount	FY 45	FTE	Headcount	FTE	Headcount	FY 46	FTE	Headcount	FTE	Headcount	FY 47	FTE	Headcount	FTE	Headcount	FY 48	FTE	Headcount	FTE	Headcount	FY 49	FTE	Headcount	FTE	Headcount	FY 50	FTE	Headcount	FTE	Headcount	FY 51	FTE	Headcount	FTE	Headcount	FY 52	FTE	Headcount	FTE	Headcount	FY 53	FTE	Headcount	FTE	Headcount	FY 54	FTE	Headcount	FTE	Headcount	FY 55	FTE	Headcount	FTE	Headcount	FY 56	FTE	Headcount	FTE	Headcount	FY 57	FTE	Headcount	FTE	Headcount	FY 58	FTE	Headcount	FTE	Headcount	FY 59	FTE	Headcount	FTE	Headcount	FY 60	FTE	Headcount	FTE	Headcount	FY 61	FTE	Headcount	FTE	Headcount	FY 62	FTE	Headcount	FTE	Headcount	FY 63	FTE	Headcount	FTE	Headcount	FY 64	FTE	Headcount	FTE	Headcount	FY 65	FTE	Headcount	FTE	Headcount	FY 66	FTE	Headcount	FTE	Headcount	FY 67	FTE	Headcount	FTE	Headcount	FY 68	FTE	Headcount	FTE	Headcount	FY 69	FTE	Headcount	FTE	Headcount	FY 70	FTE	Headcount	FTE	Headcount	FY 71	FTE	Headcount	FTE	Headcount	FY 72	FTE	Headcount	FTE	Headcount	FY 73	FTE	Headcount	FTE	Headcount	FY 74	FTE	Headcount	FTE	Headcount	FY 75	FTE	Headcount	FTE	Headcount	FY 76	FTE	Headcount	FTE	Headcount	FY 77	FTE	Headcount	FTE	Headcount	FY 78	FTE	Headcount	FTE	Headcount	FY 79	FTE	Headcount	FTE	Headcount	FY 80	FTE	Headcount	FTE	Headcount	FY 81	FTE	Headcount	FTE	Headcount	FY 82	FTE	Headcount	FTE	Headcount	FY 83	FTE	Headcount	FTE	Headcount	FY 84	FTE	Headcount	FTE	Headcount	FY 85	FTE	Headcount	FTE	Headcount	FY 86	FTE	Headcount	FTE	Headcount	FY 87	FTE	Headcount	FTE	Headcount	FY 88	FTE	Headcount	FTE	Headcount	FY 89	FTE	Headcount	FTE	Headcount	FY 90	FTE	Headcount	FTE	Headcount	FY 91	FTE	Headcount	FTE	Headcount	FY 92	FTE	Headcount	FTE	Headcount	FY 93	FTE	Headcount	FTE	Headcount	FY 94	FTE	Headcount	FTE	Headcount	FY 95	FTE	Headcount	FTE	Headcount	FY 96	FTE	Headcount	FTE	Headcount	FY 97	FTE	Headcount	FTE	Headcount	FY 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126	FTE	Headcount	FTE	Headcount	FY 127	FTE	Headcount	FTE	Headcount	FY 128	FTE	Headcount	FTE	Headcount	FY 129	FTE	Headcount	FTE	Headcount	FY 130	FTE	Headcount	FTE	Headcount	FY 131	FTE	Headcount	FTE	Headcount	FY 132	FTE	Headcount	FTE	Headcount	FY 133	FTE	Headcount	FTE	Headcount	FY 134	FTE	Headcount	FTE	Headcount	FY 135	FTE	Headcount	FTE	Headcount	FY 136	FTE	Headcount	FTE	Headcount	FY 137	FTE	Headcount	FTE	Headcount	FY 138	FTE	Headcount	FTE	Headcount	FY 139	FTE	Headcount	FTE	Headcount	FY 140	FTE	Headcount	FTE	Headcount	FY 141	FTE	Headcount	FTE	Headcount	FY 142	FTE	Headcount	FTE	Headcount	FY 143	FTE	Headcount	FTE	Headcount	FY 144	FTE	Headcount	FTE	Headcount	FY 145	FTE	Headcount	FTE	Headcount	FY 146	FTE	Headcount	FTE	Headcount	FY 147	FTE	Headcount	FTE	Headcount	FY 148	FTE	Headcount	FTE	Headcount	FY 149	FTE	Headcount	FTE	Headcount	FY 150	FTE	Headcount	FTE	Headcount	FY 151	FTE	Headcount	FTE	Headcount	FY 152	FTE	Headcount	FTE	Headcount	FY 153	FTE	Headcount	FTE	Headcount	FY 154	FTE	Headcount	FTE	Headcount	FY 155	FTE	Headcount	FTE	Headcount	FY 156	FTE	Headcount	FTE	Headcount	FY 157	FTE	Headcount	FTE	Headcount	FY 158	FTE	Headcount	FTE	Headcount	FY 159	FTE	Headcount	FTE	Headcount	FY 160	FTE	Headcount	FTE	Headcount	FY 161	FTE	Headcount	FTE	Headcount	FY 162	FTE	Headcount	FTE	Headcount	FY 163	FTE	Headcount	FTE	Headcount	FY 164	FTE	Headcount	FTE	Headcount	FY 165	FTE	Headcount	FTE	Headcount	FY 166	FTE	Headcount	FTE	Headcount	FY 167	FTE	Headcount	FTE	Headcount	FY 168	FTE	Headcount	FTE	Headcount	FY 169	FTE	Headcount	FTE	Headcount	FY 170	FTE	Headcount	FTE	Headcount	FY 171	FTE	Headcount	FTE	Headcount	FY 172	FTE	Headcount	FTE	Headcount	FY 173	FTE	Headcount	FTE	Headcount	FY 174	FTE	Headcount	FTE	Headcount	FY 175	FTE	Headcount	FTE	Headcount	FY 176	FTE	Headcount	FTE	Headcount	FY 177	FTE	Headcount	FTE	Headcount	FY 178	FTE	Headcount	FTE	Headcount	FY 179	FTE	Headcount	FTE	Headcount	FY 180	FTE	Headcount	FTE	Headcount	FY 181	FTE	Headcount	FTE	Headcount	FY 182	FTE	Headcount	FTE	Headcount	FY 183	FTE	Headcount	FTE	Headcount	FY 184	FTE	Headcount	FTE	Headcount	FY 185	FTE	Headcount	FTE	Headcount	FY 186	FTE	Headcount	FTE	Headcount	FY 187	FTE	Headcount	FTE	Headcount	FY 188	FTE	Headcount	FTE	Headcount	FY 189	FTE	Headcount	FTE	Headcount	FY 190	FTE	Headcount	FTE	Headcount	FY 191	FTE	Headcount	FTE	Headcount	FY 192	FTE	Headcount	FTE	Headcount	FY 193	FTE	Headcount	FTE	Headcount	FY 194	FTE	Headcount	FTE	Headcount	FY 195	FTE	Headcount	FTE	Headcount	FY 196	FTE	Headcount	FTE	Headcount	FY 197	FTE	Headcount	FTE	Headcount	FY 198	FTE	Headcount	FTE	Headcount	FY 199	FTE	Headcount	FTE	Headcount	FY 200	FTE	Headcount	FTE	Headcount	FY 201	FTE	Headcount	FTE	Headcount	FY 202	FTE	Headcount	FTE	Headcount	FY 203	FTE	Headcount	FTE	Headcount	FY 204	FTE	Headcount	FTE	Headcount	FY 205	FTE	Headcount	FTE	Headcount	FY 206	FTE	Headcount	FTE	Headcount	FY 207	FTE	Headcount	FTE	Headcount	FY 208	FTE	Headcount	FTE	Headcount	FY 209	FTE	Headcount	FTE	Headcount	FY 210	FTE	Headcount	FTE	Headcount	FY 211	FTE	Headcount	FTE	Headcount	FY 212	FTE	Headcount	FTE	Headcount	FY 213	FTE	Headcount	FTE	Headcount	FY 214	FTE	Headcount	FTE	Headcount	FY 215	FTE	Headcount	FTE	Headcount	FY 216	FTE	Headcount	FTE	Headcount	FY 217	FTE	Headcount	FTE	Headcount	FY 218	FTE	Headcount	FTE	Headcount	FY 219	FTE	Headcount	FTE	Headcount	FY 220	FTE	Headcount	FTE	Headcount	FY 221	FTE	Headcount	FTE	Headcount	FY 222	FTE	Headcount	FTE	Headcount	FY 223	FTE	Headcount	FTE	Headcount	FY 224	FTE	Headcount	FTE	Headcount	FY 225	FTE	Headcount	FTE	Headcount	FY 226	FTE	Headcount	FTE	Headcount	FY 227	FTE	Headcount	FTE	Headcount	FY 228	FTE	Headcount	FTE	Headcount	FY 229	FTE	Headcount	FTE	Headcount	FY 230	FTE	Headcount	FTE	Headcount	FY 231	FTE	Headcount	FTE	Headcount	FY 232	FTE	Headcount	FTE	Headcount	FY 233	FTE	Headcount	FTE	Headcount	FY 234	FTE	Headcount	FTE	Headcount	FY 235	FTE	Headcount	FTE	Headcount	FY 236	FTE	Headcount	FTE	Headcount	FY 237	FTE	Headcount	FTE	Headcount	FY 238	FTE	Headcount	FTE	Headcount	FY 239	FTE	Headcount	FTE	Headcount	FY 240	FTE	Headcount	FTE	Headcount	FY 241	FTE	Headcount	FTE	Headcount	FY 242	FTE	Headcount	FTE	Headcount	FY 243	FTE	Headcount	FTE	Headcount	FY 244	FTE	Headcount	FTE	Headcount	FY 245	FTE	Headcount	FTE	Headcount	FY 246	FTE	Headcount	FTE	Headcount	FY 247	FTE	Headcount	FTE	Headcount	FY 248	FTE	Headcount	FTE	Headcount	FY 249	FTE	Headcount	FTE	Headcount	FY 250	FTE	Headcount	FTE	Headcount	FY 251	FTE	Headcount	FTE	Headcount	FY 252	FTE	Headcount	FTE	Headcount	FY 253	FTE	Headcount	FTE	Headcount	FY 254	FTE	Headcount	FTE	Headcount	FY 255	FTE	Headcount	FTE	Headcount	FY 256	FTE	Headcount	FTE	Headcount	FY 257	FTE	Headcount	FTE	Headcount	FY 258	FTE	Headcount	FTE	Headcount	FY 259	FTE	Headcount	FTE	Headcount	FY 260	FTE	Headcount	FTE	Headcount	FY 261	FTE	Headcount	FTE	Headcount	FY 262	FTE	Headcount	FTE	Headcount	FY 263	FTE	Headcount	FTE	Headcount	FY 264	FTE	Headcount	FTE	Headcount	FY 265	FTE	Headcount	FTE	Headcount	FY 266	FTE	Headcount	FTE	Headcount	FY 267	FTE	Headcount	FTE	Headcount	FY 268	FTE	Headcount	FTE	Headcount	FY 269	FTE	Headcount	FTE	Headcount	FY 270	FTE	Headcount	FTE	Headcount	FY 271	FTE	Headcount	FTE	Headcount	FY 272	FTE	Headcount	FTE	Headcount	FY 273	FTE	Headcount	FTE	Headcount	FY 274	FTE	Headcount	FTE	Headcount	FY 275	FTE	Headcount	FTE	Headcount	FY 276	FTE	Headcount	FTE	Headcount	FY 277	FTE	Headcount	FTE	Headcount	FY 278	FTE	Headcount	FTE	Headcount	FY 279	FTE	Headcount	FTE	Headcount	FY 280	FTE	Headcount	FTE	Headcount	FY 281	FTE	Headcount	FTE	Headcount	FY 282	FTE	Headcount	FTE	Headcount	FY 283	FTE	Headcount	FTE	Headcount	FY 284	FTE	Headcount	FTE	Headcount	FY 285	FTE	Headcount	FTE	Headcount	FY 286	FTE	Headcount	FTE	Headcount	FY 287	FTE	Headcount	FTE	Headcount	FY 288	FTE	Headcount	FTE	Headcount	FY 289	FTE	Headcount	FTE	Headcount	FY 290	FTE	Headcount	FTE	Headcount	FY 291	FTE	Headcount	FTE	Headcount	FY 292	FTE	Headcount	FTE	Headcount	FY 293	FTE	Headcount	FTE	Headcount	FY 294	FTE	Headcount	FTE	Headcount	FY 295	FTE	Headcount	FTE	Headcount	FY 296	FTE	Headcount	FTE	Headcount	FY 297	FTE	Headcount	FTE	Headcount	FY 298	FTE	Headcount	FTE	Headcount	FY 299	FTE	Headcount	FTE	Headcount	FY 300	FTE	Headcount	FTE	Headcount	FY 301	FTE	Headcount	FTE	Headcount	FY 302	FTE	Headcount	FTE	Headcount	FY 303	FTE	Headcount	FTE	Headcount	FY 304	FTE	Headcount	FTE	Headcount	FY 305	FTE	Headcount	FTE	Headcount	FY 306	FTE	Headcount	FTE	Headcount	FY 307	FTE	Headcount	FTE	Headcount	FY 308	FTE	Headcount	FTE	Headcount	FY 309	FTE	Headcount	FTE	Headcount	FY 310	FTE	Headcount	FTE	Headcount	FY 311	FTE	Headcount	FTE	Headcount	FY 312	FTE	Headcount	FTE	Headcount	FY 313	FTE	Headcount	FTE	Headcount	FY 314	FTE	Headcount	FTE	Headcount	FY 315	FTE	Headcount	FTE	Headcount	FY 316	FTE	Headcount	FTE	Headcount	FY 317	FTE	Headcount	FTE	Headcount	FY 318	FTE	Headcount	FTE	Headcount	FY 319	FTE	Headcount	FTE	Headcount	FY 320	FTE	Headcount	FTE	Headcount	FY 321	FTE	Headcount	FTE	Headcount	FY 322	FTE	Headcount	FTE	Headcount	FY 323	FTE	Headcount	FTE	Headcount	FY 324	FTE	Headcount	FTE	Headcount	FY 325	FTE	Headcount	FTE	Headcount	FY 326	FTE	Headcount	FTE	Headcount	FY 327	FTE	Headcount	FTE	Headcount	FY 328	FTE	Headcount	FTE	Headcount	FY 329	FTE	Headcount	FTE	Headcount	FY 330	FTE	Headcount	FTE	Headcount	FY 331	FTE	Headcount	FTE	Headcount	FY 332	FTE	Headcount	FTE	Headcount	FY 333	FTE	Headcount	FTE	Headcount	FY 334	FTE	Headcount	FTE	Headcount	FY 335	FTE	Headcount	FTE	Headcount	FY 336	FTE	Headcount	FTE	Headcount	FY 337	FTE	Headcount	FTE	Headcount	FY 338	FTE	Headcount	FTE	Headcount	FY 339	FTE	Headcount	FTE	Headcount	FY 340	FTE	Headcount	FTE	Headcount	FY 341	FTE	Headcount	FTE	Headcount	FY 342	FTE	Headcount	FTE	Headcount	FY 343	FTE	Headcount	FTE	Headcount	FY 344	FTE	Headcount	FTE	Headcount	FY 345	FTE	Headcount	FTE	Headcount	FY 346	FTE	Headcount	FTE	Headcount	FY 347	FTE	Headcount	FTE	Headcount	FY 348	FTE	Headcount	FTE	Headcount	FY 349	FTE	Headcount	FTE	Headcount	FY 350	FTE	Headcount	FTE	Headcount	FY 351	FTE	Headcount	FTE	Headcount	FY 352	FTE	Headcount	FTE	Headcount	FY 353	FTE	Headcount	FTE	Headcount	FY 354	FTE	Headcount	FTE	Headcount	FY 355	FTE	Headcount	FTE	Headcount	FY 356	FTE	Headcount	FTE	Headcount	FY 357	FTE	Headcount	FTE	Headcount	F

Institution: UNIVERSITY OF NEVADA, RENO									
	FY 12	FY 13	FTE Reduction	Headcount Reduction	FTE Reduction	Headcount Reduction	FTE Reduction	Headcount Reduction	
	Funds	Funds	Students	Students	Students	Students	Students	Students	Employees
FY 11 General Fund	\$ 117,925,883	\$ 117,925,883							
Projected General Fund	99,485,476	78,074,809							
Reduction	\$ (18,440,407)	\$ (39,851,074)							
Revenues (show as positive)									
State General Fund	\$ 7,792,838	\$ 16,377,445							
Carve Out for 15% in aid	\$ (1,167,426)	\$ (2,486,637)							
Add'l Budgeted Registration Fee Revenue									
Non - Resident tuition									
Other Revenues									
New Revenues	\$ 6,615,412.00	\$ 14,090,808							
Loss of Enrollment/ fees	\$ (150,000.00)	\$ (695,076.00)							
Target amount for cuts:	\$ (12,174,995)	\$ (24,455,322)							
PROPOSED CUTS									
55% Pay Reduction/ changes in benefit costs	\$ (4,942,201)	\$ (4,942,201)							
Instruction									
ACADEMIC DEPARTMENT/UNIT CLOSURES									
Nutrition Department	(537,250)	(537,250)	-165.2	-40.4	-205	(4.04)	-5	-5	
Theatre Department	(615,220)	(615,220)	-40.4	-105	-105	(5.00)	-5	-5	
Dance Program	(279,742)	(279,742)	-320.4	-158	-158	(2.00)	-2	-2	
Art History Program	(146,100)	(146,100)	-86.0	-15	-15	(0.50)	-1	-1	
Philosophy Degree Program	(461,000)	(461,000)	-351	-196	-196	(3.00)	-3	-3	
Mathematics/Statistics	(1,045,393)	(1,045,393)	-58.1	-72	-72	(11.00)	-11	-11	
Educational Leadership	(801,955)	(801,955)	-147.7	-192	-192	(6.00)	-6	-6	
Educational Psych, Counseling	(1,075,617)	(1,075,617)	-205.1	-266	-266	(8.28)	-10	-10	
Educational Specialists	(1,423,692)	(1,423,692)	-236.8	-295	-295	(11.00)	-11	-11	
COLLEGE OF AGRICULTURE, NATURAL RESOURCES AND BIOTECHNOLOGY									
Close remaining faculty positions in Animal Biotech	(280,529)	(280,529)							
Close remaining faculty positions in Animal Biotech	(181,440)	(181,440)							
Close Natural Resource Env. Sci Dept Chair	(72,901)	(72,901)							
Close Instructional Support	(81,734)	(81,734)							
Eliminate Accounting Position	(62,854)	(62,854)							
COLLEGE OF LIBERAL ARTS									
Reduce College of Lib. Arts (CLA) Temp Instructors	(116,910)	(116,910)							

Institution: UNIVERSITY OF NEVADA, RENO									
	FY 12	FTE	Headcount	FTE	Headcount	FY 13	FTE	Headcount	FTE
	Funds	Reduction	Students	Reduction	Students	Funds	Reduction	Students	Reduction
Eliminate salary savings vacant positions (CIA)						(200,000)			
Reduce Department Operating (CIA)						(25,516)			
Eliminate Department Operating (CIA)						(18,000)			
Eliminate State funding for Latino Research Ctr.						(59,731)			
Eliminate state funding for Basque Studies Doctoral Program						(31,860)			
Eliminate Graduate Assistants - Speech Communications									
Eliminate Graduate Assistants - Journalism						(12,000)			
Eliminate Graduate Assistants - English						(26,491)			
Reduce Admin of School of the Arts (CIA)						(193,439)			
Reduce Gender, Race, Identity Program						(135,455)			
Black Rock Press						(121,725)			
COLLEGE OF BUSINESS									
Eliminate Faculty Position - Economics						(164,907)			
REYNOLDS SCHOOL OF JOURNALISM									
Eliminate Faculty Position						(115,837)			
Reduce Graduate Assistants						(71,685)			
COLLEGE OF EDUCATION									
Eliminate state funding Dir, Child and Family Resource Center						(123,948)			
Position reduction Learning Resource Ctr						(51,418)			
Eliminate funding WCSO field based instructor						(60,529)			
Reduce College operating						(18,000)			
Eliminate state funding for Center for Substance Abuse Technology						(12,000)			
Eliminate Graduate Assistants						(12,000)			
COLLEGE OF ENGINEERING									
Reduce Temporary Instruction Funding						(152,824)			
COLLEGE OF SCIENCE									
Reduce state funding for Center for Substance Abuse Technology						(189,829)			
Reduce College operating						(100,000)			
Close Faculty position - Geography						(79,596)			
DIVISION OF HEALTH SCIENCES									
Eliminate State funding for Center for Substance Abuse Technology						(274,051)			
GRADUATE SCHOOL									
Reduce funding for Interdisciplinary Graduate Programs						(300,000)			

Institution: UNIVERSITY OF NEVADA, RENO									
	FY 12	FTE Reduction	Headcount Reduction	FTE Reduction	Headcount Reduction	FY 13	FTE Reduction	Headcount Reduction	Headcount Reduction
	Funds	Students	Students	Employees	Employees	Funds	Students	Students	Employees
PROVOST									
Reduce Core Curriculum						(51,211)			
Reduce Temporary Instruction Funding						(700,000)			
Position Management						(3,471,138)	(35.00)		-35
Research									
Eliminate state funding VPR Research Support						(71,420)			
Public Service									
Eliminate State funding for KUMR						(123,251)			
Academic Support									
Close Dean's Office - CARNI						(163,419)	(1.00)		-1
Close Dean's Office - Education				(1.00)		(247,788)	(2.00)		-2
Close Special Collections Unit, Library	(161,419)			(2.00)		(436,138)	(4.28)		-5
Close Assessment Office	(247,788)					(441,803)	(1.00)		-4
Close Center for Learning and Leadership - College of Business						(2,000)	(2.00)		-2
Reduce Library Materials (Book) Budget						(350,000)			
Eliminate vacant positions (Library)	(50,251)					(389,879)	(3.08)		-4
Eliminate state funding positions (Library)						(102,745)			
Reduce Advising Center Classified to .53						(44,372)	(0.47)		-1
Eliminate state funding for Office of International Students and Scholars						(188,287)			
Eliminate funding for graduate school positions						(27,180)	(0.40)		
Shift funding to grant (Academy for the Environment)						(46,443)			
Eliminate VP Health Science	(96,193)					(96,193)			
Eliminate Outreach Support	(140,435)			(1.00)		(140,435)	(1.00)		-1
Student Services									
Eliminate Assoc. VP Student Success Svcs and support staff						(131,243)	(2.00)		-2
Eliminate student equipment coordinator						(79,124)	(1.00)		-1
Eliminate Academic Interventions coordinator						(80,883)	(1.00)		-1
Eliminate Disability Resource professional						(72,974)	(1.00)		-1
Eliminate Classified position Admissions Office						(43,552)	(1.00)		-1
Eliminate Admissions Hourly and Student workers						(329,475)			
Eliminate Native American Retention coordinator to .53 FTE						(31,393)	(0.47)		-1
Reduce Student Conduct Classified to .53 FTE						(23,640)	(0.47)		-1
Eliminate funding for OPS Recruiter						(82,654)			

Institution: UNIVERSITY OF NEVADA, RENO	FY 12	FTE Reduction Students	Headcount Reduction Students	FTE Reduction Employees	Headcount Reduction Employees	FY 13	FTE Reduction Students	Headcount Reduction Students	FTE Reduction Employees	Headcount Reduction Employees
	Funds					Funds				
Reduce VPSS Division operating						(142,979)				
Eliminate state funding for New Student Initiatives						(123,260)				
Eliminate state funding for Director Tutoring						(36,633)				
Transfer portion of AVP Student Life to soft funds						(22,206)				
Reduce funding Public Advising and Compliance						(50,000)				
Eliminate State Funding Lombard Rec. Ctr.						(58,829)				
Institutional Support										
Eliminate Director Institutional Analysis						(155,130)			(1.00)	-1
Eliminate Director Institutional Planning						(123,260)			(1.00)	-1
Eliminate Director Facilities Planning						(92,524)			(0.80)	-1
Eliminate Employee Assistance Program and reduce HR operating						(18,364)				
Eliminate Vacant HR position						(76,835)			(1.00)	-1
Eliminate Vacant Police position						(384,147)			(2.00)	-2
Eliminate Vacant Information Technology position						(75,000)				
Reduce Information Technology Operating/Wages						(87,895)			(1.75)	-2
Eliminate vacant positions (IT)						(246,440)				
Eliminate state funding for IT positions						(497,329)				
Eliminate state funding for VPDMH positions						(60,381)			(4.00)	-4
Eliminate state funding for Grants position						(100,381)			(1.00)	-1
Eliminate state funding for Grants position						(257,474)				
Eliminate 4 positions Controller's Office						(40,861)				
Eliminate position - Mail Services						(42,210)				
Reduce Business and Finance Operating						(24,276)				
Partial Offroad Assoc. VP Business and Finance						(16,567)				
Offroad Campus Card operations to soft funds						(163,472)			(1.00)	-1
Eliminate state funding for Environmental Health and Safety						(218,041)				
O & M										
Eliminate Vacant positions Facilities Services						(902,000)			(17.00)	-17
Eliminate probationary employees - Facilities Services						(381,000)			(16.00)	-16
Outsource Custodial Services - net savings						(575,000)			(25.00)	-25
Operating reductions - Facilities Services						(859,000)				
Reduce Staffing and eliminate OT						(133,000)				
Eliminate staff communications devices						(25,000)				
Eliminate state funding for Environmental Health and Safety						(73,024)				

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Institution: University of Nevada School of Medicine											
	FY 12	FTE	Headcount	FTE	Headcount	FY 13	FTE	Headcount	FTE	Headcount	
	Funds	Students	Reduction	Students	Reduction	Funds	Students	Reduction	Students	Reduction	
			Employees		Employees			Employees		Employees	
FY 11 General Fund	30,018,348					30,018,348					
Projected General Fund	28,228,423					28,269,728					
Reduction	(1,789,925)					(1,748,600)					
Revenues (show as positive)											
Student Fee Surcharge	135,000					170,000					
Carve Out for 15% Fin Aid	(20,150)					(25,500)					
Add'l Budgeted Registration Fee Revenue	-					-					
Non - Resident tuition	105,000					245,000					
Other Revenues	-					-					
New Revenues	219,750					389,500					
Loss of Enrollment/ fees											
Target amount for cuts:	(1,570,175)					(1,359,120)					
PROPOSED CUTS											
5% Pay Reduction / changes in benefit costs	(999,300)					(999,300)					
Instruction											
Area Health Education Center - Elko	(46,568)	-	-	-	-	(46,568)	-	-	-	-	-
Area Health Education Center - High Sierra/Las Vegas	(50,000)	-	-	-	-	(50,000)	-	-	-	-	-
Center Education Health Services Organization	(49,588)	-	-	-	-	(49,588)	-	-	-	-	-
San Joaquin Antineoplasms	(139,863)	-	-	-	-	(139,863)	-	-	-	-	-
San Joaquin Antineoplasms	(123,364)	-	-	-	-	(123,364)	-	-	-	-	-
Clinical Programs	(284,165)	-	-	-	-	(284,165)	-	-	-	-	-
Research											
Public Service											
Nevada Health Services Corp	(116,202)	-	-	0.96	1	(116,202)	-	-	0.96	1	
Chronic Fatigue Syndrome	(165,000)	-	-	-	-	(165,000)	-	-	-	-	
Pediatric Genetics	(62,868)	-	-	1	1	(62,868)	-	-	1	1	
Academic Support											
Chronic Fatigue Syndrome	(234,000)	-	-	2	2	(234,000)	-	-	2	2	
Rural Health Initiatives	(14,000)	-	-	-	-	(14,000)	-	-	-	-	
Student Services											

Institutional Support					
O & M					
UNSCOM Equipment	200,563	200,563			
Recharge Adjustment	531,234	531,234			
New Space	123,193				
Fringe	(9,077)				
Cuts	(1,570,175)				
	-	-			
Projected reduction in Enrollment/ Headcount			0	0	0
Projected reduction in staffing/ layoffs					
			3.96	3.96	4
					4

200,563					
531,234					
119,845					
399,738					
(1,359,120)					
-					
			0	0	
					3.96
					4

Proposed Transition Plan (see narrative for additional detail)
No bridge funding is required
5% registration fee increase proposed for each year of the biennium (note: this is in addition to the 15% increase previously approved by the Board of Regents
Non-resident averaging methodology will be eliminated beginning FY 2012.

Institution: INTERCOLLEGIATE ATHLETICS									
	FY 12			FY 13			FY 14		
	Funds	Reduction	FTE	Funds	Reduction	FTE	Funds	Reduction	FTE
		Students	Students		Students	Students		Students	Students
FY 11 General Fund	5,328,304			5,328,304					
Projected General Fund	4,681,975			3,774,333					
Reduction	(646,329)			(1,553,971)					
Revenues (show as positive)									
Student fee surcharge									
Care Out for 15% Fin Aid									
Admission Fee Reduction									
Non - Resident Tuition									
Other Revenues									
New Revenues	\$ -			\$ -					
Loss of Enrollment/ fees									
Target amount for cuts:	(646,329)			(1,553,971)					
PROPOSED CUTS									
5% Pay Reduction/ changes in benefit costs	(64,693)			(64,693)					
Instruction									
Research									
Public Service									
Academic Support									
Student Services									
Scholarship Reductions									
Position Reductions	(177,000)		-3	(800,000)		-4			
Operating Reductions - Lawlor/Parking charges	(385,000)		-3	(385,000)		-4			
Institutional Support									
O & M									
ICA Equipment	33,374			33,374					
Fringe	531			30,889					

Recharge Adjustment	(53,541)				
Cuts	(646,329)				
Projected reduction in Enrollment/ Headcount					
Projected reduction in staffing/ layoffs					
Proposed Transition Plan (see narrative for additional detail)					
"Bridge" one-time funds	\$	177,000			
Institutional Balances	\$	177,000			
Expenditures	\$	177,000			
Administrative Faculty Positions	\$	177,000			

Institution: STATEWIDE PROGRAMS									
	FY 12	FTE	Headcount	FTE	Headcount	FY 13	FTE	Headcount	Headcount
	Funds	Reduction	Reduction	Reduction	Reduction	Funds	Reduction	Reduction	Reduction
		Students	Students	Students	Students		Students	Students	Students
									Employees
FY 11 General Fund	\$5,225,267					\$ 5,225,267			
Projected General Fund	3,916,380					2,895,269			
Reduction	\$ (1,292,887)					\$ (2,333,998)			
Revenue (above as position)									
Student Fee Surcharge	\$ -								
Carve Out for 15% Fin Aid	\$ -								
Add'l Budgeted Registration Fee Revenue	\$ -								
Non - Resident tuition	\$ -								
Statewide Equipment	\$ -								
New Revenue	\$ -								
Loss of Enrollment/ fees	\$ -								
Target amount for cuts:	\$ (1,292,887)					\$ (2,333,998)			
PROPOSED CUTS									
5% Fee Reduction/ changes in benefit costs									
Instruction									
Research									
Center for Research Design and Analysis - eliminated									
Nevada Bureau of Mines									
Research and Education Planning Center									
Basque Studies - eliminate state funding									
Center for Justice Studies									
Public Service									
Small Business Development Center									
Academic Support									
Prevent Office Statewide Support									
Student Services									
Institutional Support									
O & M									
Statewide Equipment									
Fringe									
Recharge Adjustment									

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<u>Institution: AGRICULTURAL EXPERIMENT STATION</u>									
	FY 12	FTE	Headcount	FTE	Headcount	FY 13	FTE	Headcount	
	Funds	Reduction	Students	Reduction	Students	Funds	Reduction	Students	Headcount
				Employees	Reduction		Employees	Reduction	Employees
FY 11 General Fund	5,565,671					5,565,671			
Projected General Fund	4,285,135					3,023,073			
Reduction	(1,280,536)					(2,542,598)			
Revenue (below as positive)									
Student Tuition									
Carve Out for 15% Fin Aid									
Add'l Budgeted Registration Fee Revenue									
Non - Resident tuition									
Other Revenues									
New Revenues	-					-			
Loss of (enrollments)/ fees									
Target amount for cuts:	(1,280,536)					(2,542,598)			
PROPOSED CUTS									
5% Pay Reduction/ changes in benefit costs	(222,976)					(222,976)			
Instruction									
Research									
Reduce NAES Administration									
Eliminate Nutrition Department	(446,617)			(1.74)		(535,442)		(3.75)	-4
Eliminate Faculty salaries to 8 contract						(446,617)		(1.74)	
Eliminate Faculty salaries to 10 contract	(123,193)			(0.88)		(123,193)		(0.88)	
Eliminate vacant NAES Dept. - Animal Biotech	(133,700)			(0.55)		(133,700)		(0.55)	
Eliminate vacant NAES Dept. - Chair position	(54,610)			(1.00)		(54,610)		(1.00)	-1
Eliminate Post-Doctoral position - Biochemistry						(187,000)		(1.00)	
Eliminate basic research funding - Biochemistry						(187,000)		(1.00)	
Eliminate Classified position	(18,154)					(18,154)			
Eliminate NAES Farm Management Operating	(1,400)					(1,400)			
Eliminate NAES Farm Management						(1,400)			
Eliminate Vacant Positions - NAES Admin						(143,180)		(1.50)	-2
Public Service									
Academic Support									
Student Services									

Institutional Support					
Eliminate Development Director	(50,197)	-0.5	-1	(50,197)	-1
O & M					
ALS Equipment	62,680			62,680	
Fringe	12,064			72,995	
Recharge Adjustment	(166,166)			(166,166)	
Reserves	(140,287)			(140,287)	
Cuts	<u>(1,280,536)</u>			<u>(1,280,536)</u>	
Projected reduction in Enrollment/Headcount		0	0	1,400	0
Projected reduction in staffing/layoffs			-4.67		-10.92
Proposed Transition Plan (see narrative for additional detail)			-2		8
"Bridge" one-time funds	569,000				
Institutional balances	<u>5</u>			<u>569,000</u>	
Expenditures					
Nutrition and Animal Biotechnology	<u>569,000</u>			<u>569,000</u>	

Institution: COOPERATIVE EXTENSION SERVICE									
	FY 12	FY 13	FTE Reduction	Headcount Reduction	FTE Reduction	Headcount Reduction	FTE Reduction	Headcount Reduction	
	Funds	Funds	Students	Students	Students	Students	Students	Students	Employees
FY 11 General Fund	\$ 7,678,540	\$ 7,678,540							
Projected General Fund	\$ 1,913,999	\$ 2,037,271							
Reduction	\$ (5,764,550)	\$ (5,641,278)							
Revenues (show as positive)									
	\$ -	\$ -							
New Revenues	\$ -	\$ -							
Loss of Enrollment/ Fees	\$ -	\$ -							
Target amount for cuts:	\$ (5,764,550)	\$ (5,641,278)							
PROPOSED CUTS									
52% Pay Reduction / changes in benefit costs	\$ (343,066)	\$ (343,066)							
Instruction									
Research									
Public Service									
State Specialists									
Southern Area									
Western Area									
Central Area									
Academic Support									
Student Services									
Institutional Support									
Office Administration									
O & M									
GIS Equipment									
Equipment									
Recharge Adjustment									
Cuts	\$ (5,764,550)	\$ (5,641,278)							

Projected reduction in Enrollment/Headcount	0	0	53.1	68
Projected reduction in staffing/layoffs	0	0	53.1	68
Proposed Transition Plan (see narrative for additional detail)				
"Bridge" one-time funds Institutional Balances	\$	4,000,000		
ES&M/US&S	\$	4,000,000		
CES Faculty Positions		4,000,000		
Total			4,000,000	

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Institution: STATE HEALTH LABORATORY										
	FY 12 Funds	FTE Reduction Students	Headcount Reduction Students	FTE Reduction Employees	Headcount Reduction Employees	FY 13 Funds	FTE Reduction Students	Headcount Reduction Students	FTE Reduction Employees	Headcount Reduction Employees
FY 11 General Fund	\$ 1,702,580					\$ 1,702,580				
Projected General Fund	\$ 1,495,049					\$ 1,520,378				
Reduction	\$ (207,531)					\$ (182,202)				
Revenues (show as positive)										
Other Revenues - Newborn Screening	\$ 113,170.00					\$ 113,170.00				
New Revenues	\$ 113,170.00					\$ 113,170.00				
Loss of Enrollment/ fees										
Target amount for cuts:	\$ (94,361)					\$ (69,032)				
PROPOSED CUTS										
5% Pay Reduction/ changes in benefit costs	(26,081)					(26,081)				
Instruction										
Research										
Public Service										
Reduce operating by performing tests for Synthetic Organic Compounds (SOC's), Trihalomethanes (THM's), and HPV High Risk analysis on-site rather than sending to a reference laboratory.	(62,000)					(62,000)				
Offical salary to grant										
Academic Support										
Student Services										
Institutional Support										

O & M			
Health Lab Equipment	19,003	19,003	
Fringe	892	26,221	
Recharge Adjustment	(13,219)	(13,219)	
Cuts	<u>(94,361)</u>	<u>(69,032)</u>	
	\$	\$	
Projected reduction in Enrollment/ Headcount		0	0
Projected reduction in staffing/ layoffs		0	0
Proposed Transition Plan (see narrative for additional detail)		0	0
No bridge funding required		0	0

Budget reduction templates from the University of Nevada, Reno

The connection between the University of Nevada, Reno and the citizens of the state of Nevada has always been strong. For more than 130 years, the University has served the state in graduating quality students, providing K-12 teacher preparation, supplying important educational outreach initiatives to Nevada's communities, offering applied research focused on solving practical problems, and serving as a major economic engine. The University has shared in the state's good times and tough times, and during this great recession is again sharing in the state's challenges and pain. Nonetheless, we have managed to make important strides in providing our citizens with results. Consider these recent accomplishments by the University:

- Record enrollment – 17,679 students, the largest ever, in 2010;
- Record number of graduates in the past year – 3,109;
- A 66 percent increase in the number of baccalaureate degrees awarded over the past decade;
- A record number of National Merit Scholars on campus – 38 in fall 2010;
- An 80 percent freshman retention rate, 5 percent above the national average.

This progress is now at great risk.

On March 22, 2011, the Joint Subcommittee on Education of the Senate Committee on Finance and the Assembly Committee on Ways and Means directed the Nevada System of Higher Education to provide specific budget reductions identified in the governor's budget recommendation totaling \$162 million, of which the University of Nevada, Reno would provide specific budget reductions of \$58.8 million. To reach the \$58.8 million reduction, the University is assuming plans will be implemented for a 5 percent salary reduction as called for in the governor's budget, which saves \$6 million annually, and \$14 million in new revenue from increased tuition and fees, as determined by the Board of Regents.

This leaves \$38 million in additional reductions to be identified. On March 7, the University announced \$25 million in proposed budget reductions, many in support units where affected individuals have been or will soon be given notice. The remaining reductions are in academic units and these proposals are currently moving through a formal curricular review process. Even with these \$25 million in proposed reductions, \$13.8 million more remained to be identified and reported to the Joint Subcommittee by April 5, 2011.

Earlier budget reductions from last year were enacted with great pain and consequence, and the additional proposed reductions announced today mean that the University of Nevada, Reno is an institution much further at risk. Throughout these many months of budget reductions, the University has attempted to protect student success and the research capabilities of our campus. We continue to place a premium on both of these areas. However, the proposed budget reductions announced today dramatically reduce the quality of the University's core instructional and research capabilities. This latest \$13.8 million proposed reduction greatly alters the University's trajectory in all aspects of its mission. More of the University's core instructional, research and service functions will be eliminated, curtailing overall quality. The institution will no longer be able to support its students with a broad range of quality

degree programs in key areas to the state, and the reduction in course offerings will impede the ability of students to graduate in a timely fashion. For example, 1,600 students are directly affected by these proposed reductions. And, many more will be indirectly affected.

Further impacting student success, important support services will be further curtailed. At this critical juncture in our state's history, where families are at risk and improved graduation and retention rates remain a top priority, it is of utmost importance that we provide academic and financial support for our students, many of whom are first-generation college students. The proposed cuts announced today jeopardize the promise to all students that the University has the necessary resources committed for their ultimate success and graduation.

As Nevada's oldest institution of higher learning, this proposed round of budget reductions will ensure long-term harm to the University's aging infrastructure as much-needed maintenance and repair work will go unmet. The cuts mean that the campus' deferred maintenance will soar well beyond the \$300 million already identified.

The reduction proposals announced today were identified after consultation with a faculty committee, the membership of which was determined with Faculty Senate input. The faculty committee developed a set of principles by which this latest round of proposed reductions was determined, and those principles are attached along with the specific budget reduction proposals. There is an important distinction between the budget reductions announced today and those announced in March: those announced today will be subject to future curricular review only if reductions of this magnitude are necessary following the determination of the state budget and related budgetary decisions by the Nevada Board of Regents.

The specific plan for the fiscal year's \$58.8 million in reductions includes:

- Permanent elimination of 318 positions
- 1,600 students directly affected by proposed reductions in program and degree areas listed below

Consolidation of four colleges into two:

- College of Agriculture, Biotechnology and Natural Resources into College of Science
- College of Education into College of Liberal Arts

Elimination of majors/minors:

- Educational Leadership
- Educational Psychology, Counseling and Human Development
- Educational Specialties
- Nutrition
- Philosophy
- French

- Theater
- Dance

Elimination or significantly downsize (note: * signifies elimination):

- Cooperative Extension
- Nevada Bureau of Mines and Geology
- Center for Research Design and Analysis *
- Nevada Small Business Development Center
- Business Center North
- Intercollegiate Athletics
- Hydrology Graduate Program
- Atmospheric Science Graduate Program
- Mathematics/Statistics
- Student Services including reductions in Disability Resource Center, Center for Student Cultural Diversity, Student Success Services, Student Conduct, Recruitment, and Admissions and Records. Also, additional student services will move to fee-based support.
- University of Nevada School of Medicine
- University Assessment Office *
- Faculty Senate
- Temporary Instructor Funding
- Office of the Provost/Core Curriculum staffing
- Office of the President
- Special Collections Library staffing*
- Institutional Analysis
- Library Materials Budget
- Custodial Services

Elimination of all state funding:

- Basque Studies
- International Students and Scholars
- Center for Justice Studies
- Child and Family Research Center
- Lombardi Wellness Center
- Center for Substance Abuse Technology
- New Student Initiatives Program
- Latino Research Center
- Black Rock Press

If these proposed budget reductions are fully implemented, the University's budget will have been reduced by more than \$100 million over two bienniums or four years. Our campus will have eliminated

more than 700 budgeted positions and more than 30 degree programs, and more than 50 services and programs will have been eliminated or sharply reduced.

It has taken more than a century to build the University of Nevada, Reno into an institution of service to the state. The University has always explored new ways to become more efficient, effective and responsive to the needs of its citizenry. Unfortunately, should the current level of proposed budget reductions stand, it will take years, if not decades, to recapture the University's quality and momentum during a time of increased economic and intellectual competition within the country and the world.

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Institution: UNIV		FY 12				FY 13			
		Funds	FTE Reduction Students	Headcount Reduction Students	FTE Employees	Headcount Reduction Employees	FTE Reduction Students	Headcount Reduction Students	FTE Employees
Student Services									
VP Academic Support Services		280,967	-	-	-	-	-	-	-
Reductions to Enrollment Life		744,800	-	-	-	-	-	-	-
Student Wellness: Move to Self-funded		155,160	-	-	-	-	-	-	-
University Police Reductions		239,080	-	-	-	-	-	-	-
Reductions to SA Admin		261,769	-	-	-	-	-	-	-
Reductions to Student Support		586,000	-	-	-	-	-	-	-
Assume 75% of cuts available in FY12; 100% FY13		(486,053)	-	-	-	-	-	-	-
Student Services Sub-total		1,581,813	-	-	-	-	-	-	-
Institutional Support									
President's Office		325,035	-	-	-	-	-	-	-
Legal Counsel		58,175	-	-	-	-	-	-	-
VP F&B: Operating		100,000	-	-	-	-	-	-	-
TMC/JCA Box Office		89,000	-	-	-	-	-	-	-
Comptroller's Office		100,000	-	-	-	-	-	-	-
Information Technology		30,000	-	-	-	-	-	-	-
Human Resources		150,402	-	-	-	-	-	-	-
Purchasing		83,898	-	-	-	-	-	-	-
BCS Appropriation Offset for cuts		273,292	-	-	-	-	-	-	-
VP Advance: Reduction to Marketing		112,811	-	-	-	-	-	-	-
VP Advance: Reduction to Risk Management		11,000	-	-	-	-	-	-	-
VP Advance: Move Position to Self-supporting		57,184	-	-	-	-	-	-	-
VP Advance: Development Move to Self-supporting		63,777	-	-	-	-	-	-	-
VP Advance: Development Move to Self-supporting		143,747	-	-	-	-	-	-	-
Assume 75% of cuts available in FY12; 100% FY13		(314,934)	-	-	-	-	-	-	-
Institutional Support Sub-total		1,491,385	-	-	-	-	-	-	-
O & M									
Risk Management		170,000	-	-	-	-	-	-	-
Building & Construction		867,803	-	-	-	-	-	-	-
Facilities		1,453,379	-	-	-	-	-	-	-
Util, Repair, & Plant Maintenance		231,458	-	-	-	-	-	-	-
Dir Athletics - Oper & Maint		(701,910)	-	-	-	-	-	-	-
Assume 75% of cuts available in FY12; 100% FY13		-	-	-	-	-	-	-	-
O&M Sub-total		2,105,730	-	-	-	-	-	-	-
Cuts									
Cuts Above or (Below) Target		11,181,031	-	-	-	-	-	-	-
		(5,713,896)	-	-	-	-	-	-	-

Proposed Transition Plan (see narrative for additional detail)

Note: The reductions specified above represent current plans, but these could change based on many factors, including final cuts levels, action by the Board of Regents, faculty/staff departures, support required for students in impacted programs, the outcome of the curricular review process, the final outcome of academic organizations, etc.

Assumptions

Budget Reduction Phased in Assumptions.

For the Provost's Area, on average: 20% of the cuts achieved in FY 12; 65% of the cuts achieved in FY 13; 100% of the cuts achieved by FY 14

For all other areas, on average: 75% of the cuts achieved in FY 12; 100% of the cuts achieved in FY 13.

FTE reduction assumption were calculated by taking the majors in impacted programs and their associated FTE, plus the FTE of non-majors (including minor credits) within the allocation of the department could result in lost FTE.

The rough estimate of FTE loss that has been projected in the revenue (contingent) table is 6650 for FY 12 and 1 0620 for FY 13 (including service credits) where the elimination of the department would result in lost FTE.

The losses in Non-Resident Tuition, in addition to those that have been experienced over the last several years, are assumed to be 10% of the FTE loss. The rough estimate of FTE loss that have been projected in the revenue (optimistically) is 660 for FY 12 and 1,060 for FY 13.

The enrollment reductions estimated above are optimistic and are likely to be greater than the estimate. The losses in non-resistant tumors, in addition to those that have been experienced over the last several

There will likely be restricted enrollment at the upper division undergraduate level as a result of limited upper division seat availability as a result of these reductions and previous reductions.

We will need to support students in impacted programs through all of FY 12, and in most cases through FY 13 as well. This will require an individual discussion with

each impacted student and an appropriate agreement. This is important, but also

Headcount Reduction Students: This lists current majors in each impacted program

FTE Reduction Students; This lists FTE for majors and service courses offered by impacted programs

Institution: UNLV Intercollegiate Athletics												
	FY 12			FY 13			FY 14			FY 15		
	FTE Reduction Students	Headcount Reduction Students	FTE Reduction Employees	FTE Reduction Students	Headcount Reduction Students	FTE Reduction Employees	FTE Reduction Students	Headcount Reduction Students	FTE Reduction Employees	FTE Reduction Students	Headcount Reduction Employees	
FY 11 General Fund	7,465,366						7,465,366					
Projected General Fund	6,457,744						5,414,714					
Reduction	(1,007,622)						(2,040,652)					
Target amount for cuts:	(1,007,622)						(2,040,652)					
PROPOSED CUTS												
Student Services	500,000				3.0		1,000,000			6.0	6	
Eliminate 2 sports	500,000				3.0		1,000,000			6.0	6	
20% cuts to Administrative Staffing	12,456						45,186					
Merge Facilities and Grounds												
ALL FUNCTIONS												
Unemployment ins. - double FY11 rate	(4,834)						(4,834)					
Cuts	1,007,622				6.0		2,040,652			12.0	12	
Projected reduction in staffing/layoffs												
					6.0					12.0	12.0	
Proposed Transition Plan (see narrative for additional detail)												

Notes:
This appropriation was overcut compared to reduction target to lessen the cuts by the VPR in the UNLV appropriation.

Institution: School of Dental Medicine									
	FY 12	FTE Reduction	Headcount Reduction	FTE Reduction	Headcount Reduction	FY 13	FTE Reduction	Headcount Reduction	Headcount
	Funds	Students	Students	Students	Employees	Funds	Students	Students	Employees
FY 11 General Fund	8,179,238					8,179,238			
Projected General Fund	6,384,372					5,281,478			
Reduction	(1,794,866)					(2,897,760)			
Revenues: (show as positive)									
Tuition Revenues and Surcharges	1,664,118	26.5% increase over current BOR approved				1,664,118	25.8% increase over current BOR approved		
Other Revenues and Surcharges	(249,618)					(249,618)			
Add'l Budgeted Registration Fee Revenue	-					-			
Non - Resident tuition	-					-			
Other Revenues	-					-			
New Revenues	1,414,500					1,414,500			
Loss of Enrollment/ fees:	-					-			
Target amount for cuts:	(380,366)					(1,483,260)			
Unemployment Ins - double FY11 rate	(40,429)	-		-		(40,429)			
PROPOSED CUTS									
Student Services	233,248	-	-	2.0	2	1,336,142	-	-	10.90
Salary & Fringe Benefits	187,547					187,547			11
Operating cut									
Cuts	380,366					1,483,260			
Balance	0					0			
Projected reduction in Enrollment		-	-	-			-	-	
Projected reduction in staffing/ layoffs				2.0	2				10.90
									11

Institution: Boyd School of Law									
	FY 12	FTE	Headcount	FTE	Headcount	FY 13	FTE	Headcount	Headcount
	Funds	Students	Reduction	Students	Reduction	Funds	Students	Reduction	Reduction
FY 11 General Fund	7,762,242					7,762,242			
Projected General Fund	6,524,974					5,500,387			
Reduction	(1,237,268)					(2,261,855)			
Revenues (show as positive)									
Tuition & fee increases	1,669,881					3,113,577			
Carve Out for 30% FY11 Aid	(500,564)					(940,073)			
New revenue proposal includes	-					-			
30% to financial aid	-					-			
Other Revenues	-					-			
New Revenues	1,169,317					2,173,504			
Loss of Enrollment/ fees	-					-			
Target amount for cuts:	(68,351)					(68,351)			
Unemployment Ins. -double FY11 rate	(28,781)					(28,781)			
PROPOSED CUTS									
Instruction									
Operating reduction	97,132					97,132			
Cuts	68,351					68,351			
Balance	(0)					(0)			
Projected reduction in Enrollment									
Projected reduction in staffing/ layoffs									

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UNLV

Cumulative Budget Reduction Impact Summary**Overall Context**

Approximately 77% of our total expenditures are in salary and benefits and an additional 9% are fixed costs for budget items like utilities, facilities operating, leases and property insurance. The remaining 14% of our budget is in operating funds that support critical campus and departmental services. Thus, the major impact of cuts has been on positions. It is also important to understand that while there are budget cuts, there are also fixed cost increases to address above and beyond the budget cuts, including utility costs, some benefit adjustments (e.g. unemployment insurance doubled for FY11); faculty tenure and promotion increases; and other adjustments that cannot be avoided. For UNLV it is also important to note that while enrollment has not declined overall (over the past few years it has basically been stable, but there was a drop in FY11 vs FY10 due to program eliminations), there has been a reduction in non-resident tuition income, which has the impact of an additional budget cut.

Cumulative State General Fund Impacts

The cumulative state general fund reductions off the FY07 base budget and through the current FY11 budget are approximately \$50M for UNLV (~27%). These reductions have been addressed in several ways, with the largest proportion coming from reductions in expenditures and therefore impacts on positions. A summary of those cumulative cuts and the way the campus has addressed them is highlighted below.

<u>All dollars in Millions</u>	<u>Cumulative Cuts off FY07</u>	<u>% of Total</u>
Campus-wide Budget Reductions	\$26.1	53%
Budget reductions for other appropriations	\$3.1	6%
Unpaid leave	\$4.0	8%
Net fee increase - main campus	\$11.0	22%
Net fee increase - Law and Dental	\$2.9	6%
Backfill with non-state funds	\$2.5	5%
	\$49.6	100%

The current budget cuts defined by the Governor would be an additional \$47.5M in base cuts by FY13.

Overall Impact of Cuts on Positions

In total UNLV has eliminated nearly 200 state funded positions during the period of FY08-FY11, and is keeping additional state funded positions vacant, to force additional savings. When you consider all funding sources, UNLV has eliminated ~540 positions (406 of which were occupied at some point during this period). We have eliminated approximately 190 of these positions through measures such as a voluntary separation incentive programs, notices of non-reappointment and layoffs. We project an additional 330+ positions impacted by the FY12/FY13 budget cuts. The position cuts up to this point have impacted about 14% of our staffing, and the proposed FY12/FY13 cuts will add another 7% to that total, bringing cumulative staffing reductions up to over 21%.

Summary of Academic Area Impacts to Date

The impacts of the cumulative budget reductions to date have taken a toll on all aspects of the campus programs and services. A total of eight (8) departments were eliminated, many faculty positions eliminated or forced vacant, our part-time instruction budget was reduced by about one-quarter, and we saw a reduction of approximately 1,000 class sections over what were offered several years ago, in part offset by larger class sizes. We find ourselves in a very difficult position because we do not have the resources needed to gain revenue by growing enrollment, but we cannot afford any significant reduction in enrollment, as this will have additional revenue (and therefore budget) consequences. We anticipate that many faculty may leave UNLV due to program loss, increasing workloads, and lack of merit or cost of living pay increases, and it will be even more difficult to recruit talent to Nevada. We have already experienced aggressive recruitment by other institutions, focused on some of our best faculty. Our current and potential future faculty and staff understand that there are difficult financial times in many other states, but they are waiting to see if higher education is identified as a priority for the future of the state of Nevada.

The Law School has had to limit all positions/faculty to the minimum, including library support, and have to rely on significant fee increases (94% increase in just 2 years) to allow them to maintain core programs. The School of Dental Medicine has taken a similar approach, although they have relied much less on fee increases, given they started at a relatively high level for public institutions. The School of Dental Medicine has had to limit faculty and staff to a minimum, and eliminate some of the outreach programs.

Summary Impacts for Non-Academic Cuts to Date

There are far less business and other service support staff existing for transaction processing, which has lead to longer processing times, and likely some additional future audit comments. We also see significant impact in our ability to maintain a reasonable research infrastructure: something highlighted in our recent accreditation report. Our "institutional support" costs as a percent of total expenditures (a proxy for administrative overhead) have dropped to the 5% range – well below peers and less than ½ of what it was a decade ago. We have, in general, minimum student services programs remaining, and we will not be able to maintain facilities as we have in the past. The Athletic programs have taken reductions, but also shifted some costs to self-supporting, to the point where there are revenue shortfalls arising in those areas as well. The Athletic program must make fundamental changes in what they support, in order to maintain a balanced budget going forward, and this is prior to any FY12/FY13 cuts.

Summary of Cumulative General Fund Reductions by VP Area Reductions – Protection of Academic/Instructional Programs

The budget reductions were not allocated across-the-board, as the President gave consistent priority to the academic/instructional areas of the campus. However, these cuts have severely impacted a support staff level that was already very lean. The cumulative state general fund reductions by Cabinet area up through FY11 ranged from a low of 12.9% for the Provost to a high of 45.3% for the President's office. We do not believe it is feasible to continue to put the greatest cuts on the non-academic programs, and therefore for the FY12/FY13 budget cuts we will have to take a much larger weight against academic programs.

VP/Appropriations Area	Percentage Allocation
President's Office	45.3%
Provost	12.9%
VP Research	17.4%
VP Fin & Bus	34.0%
VP Student Affairs	27.9%
LAW	19.5%
Athletics	19.4%
SW Pgms	19.2%
SDM	20.0%
BCS	19.4%

Impact on Grants and Sponsored Projects of Budget Cuts

General fund reductions have had an impact on the university's ability to be competitive for grants and contracts. Grant awards have gone down from \$106,787,336 in FY 2007 to \$63,344,515 (projected) in FY 2011 or a reduction of approximately 40.7% in grant awards.

Impact of Budget Cuts on Students and the State

Much of the impact of the positions cut as a result of the budget reductions to date have been positions that support students and their needs. The lack of these positions at UNLV historically and the reductions to the limited number that were in place make these impacts even more pronounced. The situation will only get worse with the additional cuts necessary from the FY12/FY13 budgets. A summary of these impacts is noted below:

- To date, UNLV has attempted to serve students and maintain access, thus enrollment has only declined slightly – mostly a result of the elimination of graduate and undergraduate degree programs. Freshman enrollment and success/retention has been rising, creating an increased demand for upper division seats. The greatest impact of the cuts is that upper division class size has increased, making it difficult to provide the more individualized instruction students expect from their majors, and making it more difficult for UNLV to support transfer students.
- As noted above, fewer class sections mean that classes are larger (and at facilities maximums) providing less individual attention to students, which can result in lower student performance. Fewer sections can also have the impact of making it more difficult for students to enroll in the classes they need to complete their degree programs, impacting retention and graduation rates.
- Elimination of 36 additional degree programs will greatly limit the options for our students, and have a near

term impact on the students in these majors.

- The reductions to date, and those we project in the near future, will further limit our ability to support an educated workforce for Nevada, and contribute to the overall economic prosperity for the state.
- Reductions in academic advisors will result in less advising and lower quality advising taking place either because a student will attempt to self-advise or because advisors simply will not be available. Lack of advising demonstrably results in student errors in course taking resulting in longer time to graduation, failure to retain, and increased expense in taking unnecessary courses.
- Reductions in the number of faculty will result in fewer courses being offered (especially at the upper division and graduate levels, where tenure/tenure track faculty are critical to the delivery of the courses) leading to increased time to graduation as students are unable to get into the courses they need.
- Cuts to the libraries will cause increased wait times for materials and will result in fewer books and serials being purchased and, therefore, available for our students.
- Cuts in Information Technology could lead to computer lab closures that make it difficult for students to complete their work in a timely manner.
- Support services and programs that foster academic success for new students and currently enrolled students at UNLV will be severely limited or eliminated, negatively impacting retention and graduation rates.
- Support services and programs for students preparing to graduate from UNLV will be severely limited or eliminated.
- Nevada already ranks very low in per student funding and these budget reductions and significant fee increases have further impacted these low rankings. Nevada students and their families, that would normally choose to attend a Nevada university/college, will choose to attend other places where these conditions do not exist. The significant fee increases of late, combined with the increasing number of "first generation" students may well have an adverse impact on access. Research has shown the implications of significant fee increases to include the following:
 - low-income students are more price sensitive than higher-income students
 - grants are a much more effective form of financial aid for lower-income students than are loans
 - grants and loans for higher-income students mainly affect choice, not access

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Institution: Nevada State College									
	FY 12	FTE	Headcount	FY 13	FTE	Headcount	FY 12	FTE	Headcount
	Funds	Students	Reduction	Funds	Students	Reduction	Funds	Students	Reduction
Public Section									
Academic Support									
Variant Positions-eliminated									
PCN 02.06 Librarian	\$	(78,000.00)	1	\$	(78,000.00)	1			
Classified									
PCN 01.02 Library Tech	\$	(46,118.00)	1	\$	(46,118.00)	1			
Transfer Instructional Technology to Distance Education Fee	\$	(150,346.00)		\$	(150,346.00)				
Zero Based Budgeting/Reorganization	\$	(38,058.00)	0	\$	(38,058.00)	0			
Student Section									
Variant Positions-eliminated									
PCN 02.05 Administrative Director	\$	(113,115.00)	2	\$	(113,115.00)	2			
Classified									
PCN 02.06 Student Advisor (FTE)	\$	(87,940.00)	1	\$	(87,940.00)	1			
PCN 00.04 Coordinator - Financial Aid (FTE)	\$	(40,825.00)	1	\$	(40,825.00)	1			
PCN 01.74 Records Asst	\$	(398,251.00)	6	\$	(398,251.00)	6			
Classified									
PCN 01.05 MSNA Coordinator	\$	(150,924.00)	1	\$	(150,924.00)	1			
PCN 00.01 Student Advisor	\$	(137,212.00)	1	\$	(137,212.00)	1			
PCN 02.07 Systems Analyst	\$	(959,879.00)	8	\$	(959,879.00)	8			
PCN 00.41 Registrar	\$	(120,900.00)	1	\$	(120,900.00)	1			
Transfer Student Academic Center to Student Success Fee	\$	(50,081.00)	1	\$	(50,081.00)	1			
Zero Based Budgeting/Reorganization	\$	(77,896.00)	1	\$	(77,896.00)	1			
Institutional Support									
Variant Positions-eliminated									
PCN 02.25 Budget Director	\$	(45,618.00)	1	\$	(45,618.00)	1			
Classified									
PCN 02.01 Admin Asst	\$	(150,924.00)	1	\$	(150,924.00)	1			
Professional Administrative	\$	(150,924.00)	1	\$	(150,924.00)	1			
Classified									
PCN 01.03 Coordinator - Int Research	\$	(150,924.00)	1	\$	(150,924.00)	1			
Zero Based Budgeting/Reorganization	\$	(137,212.00)	1	\$	(137,212.00)	1			
Grand Total									
	\$	(397,418.00)	4	\$	(397,418.00)	4			

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Introductory Note on Process

It should be noted that the summary of impacts as listed below is based on one possible scenario developed by the NSC administration (based on preliminary recommendations from the Executive Budget Committee) in response to the Governor's proposed budget reductions. The NSC Executive Budget Committee and the Faculty Senate are currently evaluating all possible scenarios through a zero-based budgeting approach and an abbreviated curricular review process, respectively. It is possible that the actual reductions and positions eliminated will be different than what is presented here; however, the actual dollar amount of the reduction would remain the same.

The NSC executive budget committee drafted guiding principles in 2008 when the first set of budget cuts occurred. As a top priority, these guiding principles protect instruction and student support services. To that end, the first round of budget cuts in 2008 eliminated seven administrative positions (Vice President Multicultural Affairs, Associate Vice President CLASS, Dean Business, Dean Fine Arts, Director Applied Sciences, Director Center for Teaching and Learning, and Director Community Based Learning) and reallocated \$887,256 from administrative personnel costs to instruction and student support. All but one of these administrative positions was filled and required layoffs. Additionally, 37 positions were completely eliminated during FY08-FY11 (10 teaching faculty, 15.5 administrative faculty, and 11.5 classified staff).

Due to the governor's proposed cuts for the upcoming biennium, the Nevada State College (NSC) Administration, in conjunction with the Executive Budget Committee, have agreed to address the proposed budget reductions for FY 2011-12 & 2012-13 by freezing all staff and faculty positions that are currently vacant and/or will become vacant after June 30, 2011. The result of implementing this strategy is that NSC will lose 13 teaching faculty positions, 14.5 administrative faculty positions and 4 classified positions as of July 1, 2011. The loss of such a large number of staff and faculty positions will force NSC to significantly reduce, if not eliminate, a vast array of course offerings and student/support services currently afforded to our students and their parents/guardians as they navigate through the college experience.

Impacts on Student Success

The Division of Enrollment Management and Student Services (EMSS) has ten staff positions that will be negatively impacted by the implementation of this "freezing plan." The ten positions include: three full-time Academic Advisors; one Admissions Director; one Admissions Recruiter; one Student Financial Aid Coordinator; one Administrative Coordinator for a middle-school mentoring/tutoring program; one Admissions & Records Specialist; one Coordinator for New Student Orientation/NSSA Business Manager; and one System Analyst. Each of these positions plays a crucial role in addressing the needs and concerns of NSC students.

As a result of the loss of the five positions in advising and recruitment, serious consequences to the effectiveness of our Centralized Academic Advising Center (CAAC) can be expected, including impacts on student retention, persistence, and graduation rates. Since the establishment of the CAAC two years

ago, NSC's retention rate has increased by thirteen percent. The current cuts significantly impede the staffing in the CAAC and place NSC's retention rate at risk.

The majority of NSC students depend on student financial aid and scholarships to assist them in meeting the cost of attending college. The number of NSC students submitting FASFAs has increased each of the past two years. This factor has contributed to an increased number of students contacting the Student Financial Aid and Scholarship Services (SFASS) Office for assistance and direction in navigating through the FASFA process. The SFASS has four full-time professional staff positions, of which one is vacant with an ongoing search until the "freezing plan" was proposed. The loss of this position (25% of its professional staff) decreases NSC's ability to provide effective and efficient service to current and future students.

The Coordinator of New Student Orientation/NSSA Business Manager is responsible for developing and organizing freshmen and transfer orientation sessions designed to address the specific needs of NSC's student population. This position is pivotal to easing the transition and increasing the success rate of new students. In addition, this position provides NSSA with sound financial and business guidance. As such, new and currently enrolled students benefit from this key position which will be eliminated.

The Administrative Coordinator of the Crossroads Program directs a very visible and important middle-school mentoring and tutoring program for 200 students in Area Two of the Clark County School District. This program provides a gateway to students who would not ordinarily consider higher education as a viable option. The program offers resources and incentives to address academic and social challenges long before the students reach high school, while increasing their chances of graduating from high school and going to college. Without this critical position, these deserving students will not receive the level of service they require and have come to expect.

Currently, the Institutional Research Coordinator position (under institutional support) is the primary and official staff member designated to produce and distribute all official student data reports for NSC. Because of the crucial need for data mining and data analysis, a System Analyst position was recently funded that provides student services with data to develop, implement, and assess reports and programs directly impacting student recruitment, admissions, retention, persistence, graduation and post-graduation placement of NSC students. Since the System Analyst position is now frozen, much of the functionality of institutional research will be absorbed by the Provost directly with assistance from academic faculty. The loss of these two IR positions negatively impacts NSC's ability to analyze data and make critical decisions relating to the overall direction of the College. The absence of these positions will put NSC's ability to produce accurate and timely data reports for the purpose of making informed decisions at risk.

Efforts to Protect Instruction

In addition to protecting the instructional budget, NSC has also engaged in a variety of activities to expand student access and increase student retention rates. First, as enrollment has increased at NSC (40% increase in FTE in the last two years), the additional fee revenue has been allocated to hiring new

part-time instructors (PTIs). While the use of part-time instructors is not ideal, this is the most cost effective way of increasing the number of students that we serve and ensuring that students progress in their degrees in a timely fashion. Concurrently, we have instituted a wide variety of quality control measures to ensure that our part time instructors deliver the highest quality learning experience. For example, we have completely revised our PTI hiring procedures to include teaching demonstrations, systematic review of sample assignments and group interviews. In addition, we have instituted online and in person professional development sessions, peer reviews of part-time faculty, course assignment guidelines, curricular guidelines, and detailed teaching reviews every semester for both online and in person courses.

Second, we have systematically increased our average class sizes. Between Fall 2008 and Fall 2010, class section enrollments have gone up 25%, bringing the average class size to 23.5, directly equivalent to the class sizes at the more established institutions (Office of Academic and Student Affairs, 2011). This increase is actually an underestimate, as enrollment at NSC has continued to rise since Fall 2010.

Third, the faculty workload of the full-time faculty at NSC has increased substantially. Between Fall 2008 and Fall 2010, our full-time faculty have increased their credit hours taught by 13%, from 11.4 to 12.8 (Office of Academic and Student Affairs, 2011). Note that this is higher than the NSHE-required 12 credit hour workload at the state college. If you examine this time period from the perspective of student credit hours being taught, the increase is an even more impressive 33.9% increase, from 214.9 to 287.8 (Office of Academic and Student Affairs, 2011). Again, quality-control is vital to a successful transition in this area, and NSC has made great efforts to ensure faculty have a variety of professional development activities to stay at the top of their fields. These steps to increase PTI instruction, increase class sizes, and increase faculty workload, all with protective steps to maintain rigor and caliber, will allow us to continue to provide access to quality instruction despite the heavy reductions in our budget.

Cuts Taken to Date, Impacts Felt to Date

For discussion of reliance on PTI instruction and faculty workload see “Efforts to Protect Instruction” and for discussion of reduced student support see “Impacts on Student Success.”

Numerous steps have been taken to reduce costs in business operations activities. Nine support positions have been eliminated in the areas of Controller, Information Technology, Human Resources, and Facilities while assuming the additional responsibility of student cashiering which was transferred from CSN. Basic support functions such as campus security and janitorial services have been reduced by 30%. NSC has taken great pride in providing state of the art technology and appropriate upgrades to its students, faculty, and staff but is now in a “maintenance” mode. Efficiency efforts have created, over the past five years, cost savings approaching \$1 million which were utilized to address funding reductions.

Works Cited

Office of Academic and Student Affairs. (2011). *NSHE Faculty Workload Report 2010*. Nevada System of Higher Education.

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OVERVIEW OF ANTICIPATED AND PRIOR STATE FUNDING REDUCTIONS
Desert Research Institute, March 28, 2011

Anticipated Impacts of FY 2012 and FY 2013 Reductions

The positions and support dollars that DRI is returning to the State for FYs 2012 and 2013 (see attached template) will have the following key impacts:

- \$341,626 in Applied Research Initiative (ARI) funding in FY 2012; this will mean that all of the ARI state funding for DRI will have been returned; this is used to provide critical matching funding for federal grants and contracts and leveraging joint projects with industry partners. Loss of these funds will reduce DRI's effective matching process, especially in areas related to renewable energy.
- Funding for research support positions, totaling \$54,501 in FY 2012 and an additional \$747,201 in FY 2013; research support positions are primarily divisional positions that are essential for the development and submission of the grant and contract proposals.
- \$329,174 in library support fund in FY 2012; library operations housed on the DRI campuses have been shown to be an effective means of providing direct support to the research faculty. Reductions will impact research effectiveness.
- \$104,650 in FY 2012 for state funding for the Truckee River Study; these funds provide partial support for a position and provide support for leveraging and matching federal grant and contracts. Loss of this support will terminate one of DRI's longest state-supported programs (since the 1960s on monitoring water quality of Truckee River).
- Funding for administrative support totaling \$96,201 in FY 2012 and \$335,086 in FY 13; this will reduce core operational support for the DRI research mission and negatively impact DRI's effectiveness related to innovation.
- Funding for O&M operations and utilities totaling \$82,755 in FY 2012 and \$136,557 in FY 2013; this will impact the ability to cover the additional costs of atypical weather in a given year (very hot and/or very cold temperatures).
- In total, 16.83 FTE positions will be returned to the State over fiscal years 2012 and 2013. This is a loss of funds for approximately one third of DRI's approximately 58 state-funded administrative and research support positions.

These areas are critical to the DRI core research mission. So, in order to protect our mission to the best of our capabilities, DRI will need to replace many of these lost state revenues with internally generated funds (indirect cost recovery and other internal funds). To do so will require significant reductions in other internally generated funded administrative positions (10 or more non-state funded research and institutional support positions, totaling over \$828,000 in FY 2013); and in operational and research support (totaling over \$1.4 million in FY 2013). These internal reductions will not only critically reduce the ability of DRI to provide an effective level of core operational support, but will dramatically reduce the ability of DRI to innovate and provide intellectual capacity for current and future DRI research-based economic development in Nevada.

State Budget Reductions Made From FY 2008 through FY 2011

History and Impacts

The following table shows the mandatory state budget reductions for DRI for fiscal years 2008 through 2011.

STATE FUNDED BUDGET REDUCTIONS					
DESCRIPTION OF REDUCTIONS	FISCAL YEAR 2008	FISCAL YEAR 2009	FISCAL YEAR 2010	FISCAL YEAR 2011	FOUR- YEAR TOTAL
<u>Capital Funding Reductions</u>					
CRB Building Courtyard Construction Funds	364,000				364,000
Higher Education Capital Construction (HECC)		100,000			100,000
Total, Capital Funding	\$364,000	\$100,000	\$0	\$0	\$464,000
<u>Research, Operating or Personnel Reductions</u>					
REGIA, General, and Property Insurance					
Assessment		224,575	146,170		370,745
State-funded Merit		23,922			23,922
Administrative and Divisional Operating and Wages		76,400	18,491		94,891
Positions - Divisional			109,009		109,009
Positions - Administrative		169,508	**		169,508
Cloud Seeding Program			597,997		597,997
Leases (Sierra Nevada College and Cloud Seeding)			151,980		151,980
Operations and Maintenance (O&M)		88,600	250,939	175,000	514,539
Furlough Reductions			289,885		289,885
Property Budget (Fire, Safety, Engineering)				8,394	8,394
Applied Research Initiative (ARI) Funding				326,299	326,299
Total, Research, Operating or Personnel	\$0	\$583,005	\$1,564,471	\$509,693	\$2,657,169

** Held Vacant for Furlough Reductions

This table shows that, since FY 2008, DRI has returned \$464,000 in capital funding and nearly \$2.7 million in research, operating or personnel funding. Our FY 2011 state funded operating budget is over 18.5% less than our legislatively approved FY 2009 budget.

Efforts to Protect the Core DRI Research Mission

When the mandatory state budget reductions began in 2008, DRI made a strategic decision to minimize the impact of the reductions on our research efforts. This is because research is our fundamental mission and the primary generator of revenues. Based on the need to preserve our research mission, the following actions were taken:

- In FY 2008, DRI gave back capital funding monies only (\$364,000).
- In FY 2009, of the total \$583,005 returned, \$358,430 of the reductions was administrative (positions, operating dollars or salaries).
- In FY 2010, of the total \$1,564,471 returned, \$820,304 of the reductions was administrative (positions, operating dollars, salaries or facilities operations and maintenance). DRI also returned all state funding for the cloud seeding program and returned all state funding for the rental space in the Sierra Nevada College Center for Environmental Sciences (this will reduce our capability for collaborative program development with UC-Davis, SNC and a variety of local, Tahoe regional, state and federal agencies). While DRI has been able to find external funding for the next two fiscal years, funding has not been identified to replace the lost space in the Sierra Nevada College building.
- In FY 2011, of the total \$509,863 returned, \$183,394 was administrative (operations and maintenance). DRI also returned one half of its state applied research initiative (ARI) funding. However, all of these returned ARI funds were replaced with internally generated funds (indirect cost recovery).

In summary, over fiscal years 2008 through 2011, more than half (51.3%) of the returned state funding was administrative. About 31.5% was programmatic, and the balance (17.2%) was capital or other. With the exception of the Sierra Nevada College leased space all of the programmatic dollars returned have been replaced with either internal or external non-state funds. However, in spite of these efforts, the direct and indirect impacts of these reductions on DRI have been substantial.

- DRI has lost thirty four (34) faculty or staff since FY 2008, including the elimination of six (6) positions that were state funded, and the transfer of four (4) Cloud Seeding Program positions to private and other non-state funding. Positions eliminated include a vice presidential position, a facilities supervisor, and other productive research support positions.
- Twenty three (23) of the individuals who have left or will leave the State of Nevada by the end of FY 2011 are research faculty. This has resulted in considerably less research generated revenue for DRI, and could result in over \$20 million in lost grant and contract revenue by the end of FY 2011. The two major reasons they have given for their departures are (1) the lack of perceived financial security due to the state fiscal challenges, and (2) the demands of obtaining funding in a soft money environment.
- Where possible, other support staff members have taken on the responsibilities of the departing individuals. When this is not possible, DRI has reduced its research and operational support services. The fact that all faculty and staff not funded by grants and contracts must take mandatory furlough days has placed an additional strain on their workloads.
- The elimination of state funding for the Sierra Nevada College lease has reduced the collaborative capabilities of DRI with UNR, UC Davis and a variety of governmental and private entities in the Lake Tahoe Region. Not only has this reduction eliminated a central research staging area for the DRI and UNR research faculty at the lake, it has also reduced DRI's effectiveness in conducting research on Lake Tahoe water quality issues.
- The state-provided Applied Research Initiative (ARI) funds make available critical matching funds for a variety of federal grant and contract proposals. For example, the federal Department of Energy now requires up to a fifty percent match for their research grants. The necessity of using other internal funds to replace these lost resources reduces our capacity to provide other types of research support - in addition to reducing general research support funding, the reallocation of internal funding to replace eliminated state funding reduces the capability of DRI to provide funding to a variety of critical research support areas that includes new faculty startup packages and essential research equipment and supplies.

Taken in their totality, these state reductions have dramatically reduced the ability of DRI to innovate and provide intellectual capacity for current and future research-based economic development in Nevada. Also, given the fact that there is a return of more than four dollars in federal or private funding for every state dollar invested into DRI, reducing state funding for DRI has had and will continue to have a direct and negative impact on the Nevada economy.

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Budget Reduction Plan, FY 2011-12 and FY 2012-13

Prior Cuts

Since FY 2007-08, CSN has addressed budget cuts through the implementation of student surcharges, reduction in operating budgets, elimination of positions through attrition, reduction of services and support to students through availability of libraries and laboratories, as well as through limited closure of extended operational sites. These cuts were realized at the same time enrollment demand increased and excess registration fees were available to mitigate some of the effects. The College also modified the minimum number of students required for each class, increasing the floor and eliminating sections with low enrollments.

Background

- The plan responds to directive of the Legislature and the Board of Regents and describes the impacts the Governor's recommended budget would have on the College and our students.
- The plan further diminishes the access mission of the College.
- The plan includes a combination of strategies to reduce FTE students, staffing, reduces services, cuts programs, and changes pricing.
- The plan includes an additional reduction associated with the loss of FTE over the biennium.
- As CSN, like many two-year colleges, has a full 50% of sections taught by part-time faculty, and thus are not as hindered by longer-term contractual obligations as many four-year institutions, we are able to cut large numbers of sections instead of resorting to closing entire programs. This strategy not only allows us to quickly trim sections if necessary, but allows us to quickly build back program capacity as soon as funding improves.

Premise

This plan makes required cuts in the access mission of CSN; although limited program reductions may be recommended as part of college operating reductions, as a general premise, CSN's mission of quality instruction and our commitment to keeping high-quality full-time faculty takes precedence over the access mission, which requires a large number of part-time faculty. The Governor's recommended cut in state support for CSN is \$27 million – 29.3% budget cut for the biennium: FY 2011-12: (\$15,485,182), and FY 2012-13: (\$26,762,251).

The reduction plan outlines a number of strategies to address the magnitude of the reduction and includes:

- Increase in registration fees by 13% per year with a 15% carve out for financial aid;
- Increase in non-resident tuition of 13% per year;
- Accounts for additional student registration fees above those reported in the 2009-2011 budget request to accommodate for FY 2010-11 projected actual enrollment levels, a minimal increase;
- Closure/mothball of sites and centers – only distance education would be offered to students residing outside of the Las Vegas Valley;
- Reduction of course offerings and reduction in availability of sections to students, which would result in increased time for graduation;
- Reduction of enrollment – by approximately 2,478 FTE in FY 2013 and an estimated loss of 9,275 headcount, for 12,336 seats on top of the estimated 5,000 students we already turned away in Fall 2010;
- Reduction of sections of approximately 514 or 10% per semester.
- Elimination of positions as summarized below. CSN has targeted vacant or frozen positions to minimize layoffs.

Position Summary Reduction:

Position Type	2010-11 Budgeted FTE	% of Whole	Reduction	Reallocated	Adjusted	% of Whole
Academic FT	509.87	30.8%	9.40	1.4	501.87	33.5%
Academic PT	460.99	27.8%	83.0	0	377.99	25.2%
Administrative	218.90	13.2%	34.0	3.0	187.90	12.6%
Classified	468.38	28.2%	43.25	4.25	429.38	28.7%
Total	1,658.14	100.0%	169.65	8.65	1,497.14	100.00

*4.00 FTE of reassignment to be determined in Workforce & Economic Development

Sites/Centers:

CSN would close the following sites and centers at the Governor's Recommended Budget levels for the 2011-2013 biennium:

Boulder City Center: 2012-13	Nellis AFB Center: 2012-13
Lincoln County: 2011-12	Green Valley High Tech Center: 2012-13
Mesquite Center: 2012-13	Palo Verde High Tech Center: 2012-13
Moapa/Overton Site: 2012-13	Western High Tech Center: 2012-13

Impacts of Reductions by Function:

Instruction: The instructional reduction results in the loss of approximately 1,498 FTE and 5,384 headcount in FY 2011-12 for FY 2012-13 the loss of FTE is 2,478 and 9,275. This will lead to increased time to graduation, decreased program viabilities, and an inability to quickly respond to future increases in student demand. Operating funding will be cut and will directly impact resources in the classroom, labs, and teaching environment. Workstation replacement for faculty will be eliminated and equipment will not be replaced - CSN already

has a 4 year rotation cycle for computers and this will undoubtedly be increased. Without the ability to train students on the latest technology our ability to offer trained workers to employers is greatly diminished. The Ornamental Horticulture program will eliminate the nursery operation and will purely move to an academic base program only, eliminating the hands-on experiential learning environment for students. Closure of the Massage Therapy program will eliminate 1 FTE faculty position and (4) part time faculty, and 24 FTE student enrollments.

Academic Support: The greatest impact will be the loss of access through administration of our sites and centers, those locations are noted above. Reduction in operating support and travel for staff will be implemented between 15%-20% over the biennium. In addition, a reduction of \$150,000 in the library acquisition and database support will make it harder for the college to maintain specialized accreditation for our many programs, as well as make it more difficult to meet the ever-increasing prices of online databases. The public function of the Nicholas J. Horn Theatre will be eliminated, and CSN will use the theatre solely for its educational program, eliminating a venue for public, theatre style events in North Las Vegas. Elimination of additional academic staffing positions will hamper communication and interaction with CCSD programs, particularly dual-credit; and increased workload for academic management.

Student Affairs: Vacant position eliminations will impact support personnel in counseling and student support operations, and the elimination of one interpreter (CSN has been unable to fill this vacancy due to high demand). Operating reductions will be implemented across the board between 15-20% over the biennium, and will most significantly impact our disability student support services. Testing and assessment services will be moved to non-state revenue sources and will result in increased costs to students for these services. Equipment replacement and technology will be eliminated in the 2nd year of the biennium.

Institutional Support: Already sparsely staffed, CSN will further reduce staffing: 3 Police Officers, 2 positions in the Diversity Office, 1 General Counsel, 1 position in campus relations, 4 positions in Human Resources, 3 positions in Financial Services, and reductions in the institutions technology management, contract security services, institutional membership, audit function, and human resource technology support. These reductions are made in favor of the instructional and student support mission.

Operations & Maintenance: Vacant position eliminations will further reduce services. O&M expenditures related to operation of the sites and centers will be eliminated, along with reduction in daily campus operations support including maintenance, custodial, and deferred and preventive maintenance. CSN will seek Board of Regents flexibility for use of the Capital Improvement fee in order to reallocate critical deferred maintenance activities to this non-state source. Use of these funds, however, will result in deferral of maintenance and renovation funding. These reductions are in favor of the instructional and student support mission.

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Impacts of Budget Reductions at Great Basin College

Great Basin College has planned for \$7.3 million in budget reductions over the next biennium. The consequences of these cuts can be illustrated in a variety of ways. However, the most dramatic illustration is the chilling effect it will have on students' access to higher education in rural Nevada. The cuts will lower GBC's capacity to teach, and more than 1,300 full time students will lose access to the training and academic opportunities they need to advance their position and contributions to Nevada's society.

The loss of students' access to higher education is already evident. "Caps" on enrollments and elimination of programs for FY2011 resulted in 2,379 failed registrations for prospective students, the equivalent of approximately ninety-five sections or 2,379 class seats. A failed registration is when a student tried to register for a class and was unable to get in. Students may or may not elect to be put on a wait list. These numbers will compound as budget reductions continue.

For FY2012 we estimate that the \$2.6M cuts will require the elimination of at least one hundred twenty more sections. One hundred twenty sections equates to approximately 3,000 seats. For FY2013 an additional sixty sections or another 1,500 seats will be eliminated. For the three year period the budget reduction would result in a total loss of 6,879 seats.

For FY2012 the sixteen vacant positions are split between nine administrative/support and seven teaching faculty. The sixteen positions are also split between thirteen professional and three classified.

For FY2013 the eighteen positions are composed of fourteen filled and four vacant. The eighteen positions are split between fourteen administrative/support and four teaching faculty. The eighteen positions are also split between thirteen professional and five classified.

In the period FY2008 through FY2011, significant budget cuts have already been implemented. Those reductions have been disproportionately focused on the support functions of Great Basin College. Instruction was unaffected by reductions until FY2011. Even then, reductions to instruction were at a smaller percentage than other areas. This allowed the college to protect the instructional function as much as possible. Even the cuts planned for FY2012 and FY2013 have fewer positions eliminated in the instruction area than all other areas of the college. Operating budgets for all areas will be reviewed and an overall reduction of approximately \$1 Million is anticipated. Items such as grant-in-aid and student access will not be reduced.

The former structure of Administrative Services included the following professional positions: Vice President of Administrative Services, Director of Budget and Finance, Controller, and Director of Human Resources. The current structure has a Chief Business Officer and Controller. This has resulted in a savings of approximately \$250,000 in salary and fringe.

In addition, the Controller's Office was reorganized. The reorganization included downgrading the Controller's position from a rank 6 to a 5, reclassifying a vacant classified position from a Accountant Technician II (grade 32) to an Accounting Assistant I (grade 23) and a Accountant Technician I (grade 30) to a professional Student Accounts Specialist (rank 3). In addition, another position was reclassified from

an Accounting Assistant IV (grade 29) to an Accounting Assistant III (grade 27). This reorganization better serves the business needs of Great Basin College and provides better service to the students and other customers of the Controller's office by providing better customer service with the resources available. This restructuring has provided a salary and fringe savings of \$43,300. Due to budget reductions, a part-time Administrative Aid position was eliminated. There are longer wait times for assistance for customers at the Controller's office.

Budget reductions have required the elimination of one position in Computer Services in FY2012. Media Services will have one position eliminated in FY2013. This will result in longer wait times for employees, students, and other partners for service in these areas.

In Operations and Maintenance there were previously three professional positions, Facilities Officer, Director of Buildings and Grounds, and Grounds Supervisor. Currently only the Facilities Officer and Director of Buildings and Grounds positions are filled. The Grounds Supervisor position, which has been vacant since June 2010, will be eliminated in FY2012. One and one-half custodial positions were eliminated in FY2011 and another two positions remain vacant. A vacant maintenance position was reclassified to a custodial position to better serve the needs of the college and resulted in a salary & fringe savings of \$18,400. In addition, the operating budgets for maintenance and repairs have reduced over the past three years by \$507,000. This impacted the ability to perform maintenance and obtain needed supplies and equipment. In addition, the amount of deferred maintenance increased. The anticipated budget cuts for FY2012 and FY2013 include the elimination of three additional classified positions in Buildings and Grounds along with further reductions in operating funds. All of these reductions have resulted in challenges to the care and maintenance of college facilities.

In Student Services, one position was reclassified from classified to professional. Plus days were eliminated on B contracts. Two professional positions will be converted to B contracts from A contracts in FY2012. The changes result in a savings of \$46,600. However, students will be impacted as they will wait longer for advising and other services and advising may no longer be one-on-one. Due to the budget reductions in FY2011, mental health counseling service, which is essential for success for many students, has been eliminated. Two other professional positions will be moved 100% to self-supporting budgets in FY2013. In FY2011 Student Services was heavily involved in the iNtegrate implementation.

In Academic Support, one Dean and one Administrative Assistant position have remained vacant since 2008. In addition, other full-time and part-time administrative positions have been kept vacant. With the budget cuts in FY2012 many of these vacant positions will be eliminated. The vacancies have required that a wide range of tasks be distributed among remaining staff, creating workloads that are difficult to manage properly. Additionally, there are reductions in tutoring services, library and open labs with reduction in hours that students can utilize these services.

In instruction, two teaching faculty positions were eliminated in FY2011. Eight programs were restructured, suspended or eliminated:

- Battle Mountain Dual Credit Diesel – Eliminated
- Broadcast Technology – Eliminated
- Fire Science – Suspended
- Sonography (Ultrasound) – Suspended
- Underground Miner Training – Eliminated
- Agriculture – Restructured
- EMS – Restructured
- PEX - Restructured

The nursing program enrollment cap was reduced. Other programs, such as Diesel, Electrical, Welding, Mill Maintenance, and Instrumentation have added enrollment caps. Budget reductions have resulted in fewer classes and reduced course offerings, and a reduction in student/faculty interaction.

With the proposed budget cuts for FY2012 and FY2013 services to students will be impacted with a reduction in staffing at the library and possible further reductions in hours that open labs, the library and Academic Success Center are available for students to utilize. Students will also see more reductions in one-on-one advising and the student life department, which supports student success by developing and coordinating programs that improve and support academic learning outside the classroom, will be eliminated. With the proposed reduction in staffing in the Career Center/Advising and Enrollment, students will have a longer wait before they can meet with an advisor and GBC may need to look at doing group advising. With the proposed reductions in instruction, fewer classes and reduced course offerings will be available for students.

Institution: Truckee Meadows Community College

	FF 12 Funds	FTE Reduction Students	Headcount Reduction Students	FTE Reduction Employees	Headcount Reduction Employees	FF 13 Funds	FTE Reduction Students	Headcount Reduction Students	FTE Reduction Employees	Headcount Reduction Employees
FF 12 General Fund	35,748,021					35,748,021				
Projected General Fund	29,860,760					23,418,350				
Reduction	(\$5,887,261)					(\$10,329,671)				
Revenue (Show as positive)										
Student Fee Surcharge	1,791,735					3,816,385				
Care Out for 15% FICA	(248,769)					(572,499)				
Student Activity Fee	100,000					200,000				
Non-Resident Tuition	200,000					935,000				
Recurring, summer school, infant, etc.						\$2,000				
Change to self support - Eng 005						4,930,938				
New Revenue	1,712,975					(826,644)				
Loss of Enrollment/Fees	(387,993)									
Target amount for site	(\$4,902,279)					(\$6,046,728)				
PROPOSED CUTS										
5% Pay Reduction/ changes in benefit costs										
Instruction										
PT Temporary Reductions	(850,000)	(1,988)	(988)	(238)	(1,450)	(850,000)	(1,988)	(988)	(238)	(1,450)
Reduce Drafting Instructor	(51,352)	(12)	(12)	(1)	(1)	(51,352)	(12)	(12)	(1)	(1)
Reduce Drafting Instructor	(51,352)	(12)	(12)	(1)	(1)	(51,352)	(12)	(12)	(1)	(1)
Reduce Drafting Instructor	(51,352)	(12)	(12)	(1)	(1)	(51,352)	(12)	(12)	(1)	(1)
Reduce Allied Health - reduction in cohorts	(155,281)	(72)	(69)	(4)	(4)	(155,281)	(72)	(69)	(4)	(4)
Operating Funds	(131,509)	(22)	(56)	(13)	(13)	(131,509)	(22)	(56)	(13)	(13)
Reduce Regional Training Center	(50,000)	(22)	(56)	(13)	(13)	(50,000)	(22)	(56)	(13)	(13)
Research										
Public Service										
Academic Support										
Operating Funds	(12,000)	-	-	-	-	(12,000)	-	-	-	-
Student Services										
Reduce Classification Staff	(100,000)	-	-	(2)	(2)	(100,000)	-	-	(2)	(2)
Reduce Admissions & Record Assoc. Director	(80,000)	-	-	(1)	(1)	(80,000)	-	-	(1)	(1)
Reduce Advising/Student Services Specialist	(160,000)	-	-	(3)	(3)	(160,000)	-	-	(3)	(3)
Reduce Advising/Student Services Specialist	(160,000)	-	-	(3)	(3)	(160,000)	-	-	(3)	(3)
Operating Funds	(428,169)	-	-	-	-	(428,169)	-	-	-	-
Institutional Support										
Reduce Assistant Director - RPD	(80,000)	-	-	(1)	(1)	(80,000)	-	-	(1)	(1)
Reduce Assistant Director - RPD	(80,000)	-	-	(1)	(1)	(80,000)	-	-	(1)	(1)
Reduce IT Operations - Manager	(80,000)	-	-	(1)	(1)	(80,000)	-	-	(1)	(1)

Institution: Truckee Meadows Community College

	FY 12	FTE Reduction	Headcount Reduction	FTE Reduction	Headcount Reduction	FY 13	FTE Reduction	Headcount Reduction	FTE Reduction	Headcount Reduction
	Funds	Students	Students	Students	Students	Funds	Students	Students	Students	Students
Operating Funds	(72,500)	-	-	-	-	(\$22,000)	-	-	-	-
O&M										
Reduce Telecommunications classified staff	(\$100,000)	-	-	(2)	(2)	(\$100,000)	-	-	(2)	(2)
Reduce Custodians	(\$350,000)	-	-	(7)	(7)	(\$350,000)	-	-	(7)	(7)
Reduce Maintenance personnel	(\$150,000)	-	-	(2)	(2)	(\$150,000)	-	-	(2)	(2)
Operating Funds	(\$720,270)	-	-	-	-	(\$720,270)	-	-	-	-
Reduction in staffing/operating expenses 5-10)	(\$500,000)	-	-	(9)	(9)	(\$500,000)	-	-	(9)	(9)
TOTAL CUTS										
	(\$4,513,071)	(400)	(1,979)	(71)	(124)	(\$6,025,711)	(400)	(1,979)	(71)	(124)
Net										
	(10,792)									

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TRUCKEE MEADOWS COMMUNITY COLLEGE
2012-2013 Biennium Budget Reduction of \$10.3 Million

Beginning with budget reductions in fiscal year 2007-08, Truckee Meadows Community College has sustained a \$7.4 million, 18+-% reduction in the state operating budget. For the 2011-2013 biennium the college is faced with an additional \$10.3 million, 28.9%, cut to the state operating funds.

To date the college has focused on keeping budget cuts away from the classroom to minimize direct impact on students. Positions in support areas have been kept vacant as employees depart. Five Academic Divisions managed by five Deans have been condensed into the School of Sciences and School of Liberal Arts, managed by two Deans, and the School of Business and Entrepreneurship, managed by an Associate Dean. We further reduced senior management by combining two positions—the Vice President of Academic Affairs and the Vice President of Student Services—into one position, the Vice President of Academic Affairs and Student Services.

The cuts have had serious impact on the entire college: students, staff, faculty and the community the college serves. The new cuts are more serious as the majority of the non-academic area cuts are in place, and instruction will be further reduced. The latest reductions come at a time when, over the last few years, the college has experienced the greatest demand in its history for enrollment in transfer programs and workforce training. This reduction will have a negative impact on our workforce programs, which must be reduced because several of these programs are the College's most high-cost programs.

In evaluating efficiencies and changes, including budget cuts, the college has in place both an Administrative Review Process and a Program Review Process. These tools have been in place and were useful in making cuts and changes from 2007 to the present. For the cuts currently proposed, the college is also using a Curricular Review Committee. The committee meetings have been open to the college, and all proceedings are posted on the College's website.

As reflected in the template for budget reductions, there will be approximately 2,000 unduplicated students who cannot enroll at TMCC as a direct result of these cuts. The college is eliminating 32 full-time positions: 13 classified positions, 8 professional administrative positions, an estimated 6 faculty positions, and 5 employee separations remain under review so the final categories are not yet determined. The college will be reducing the number of part-time faculty by 218 in for-credit courses.

The college is reducing a portion of each allied health program, eliminating 72 student fte and 9 (rounded) faculty fte. The reductions are: one-third of the nursing program, 44 student fte and 4 faculty fte; one half of the dental hygiene program, 12 student fte and 3.4 faculty fte; one half of the dental assisting program 5 student fte and 1 faculty fte; and one half of the radiologic technology program, 10 student fte and 1 faculty fte. The college is eliminating mental health services degree program with the following emphases: Mental Health Technical, Substance Abuse Counselor, and Developmental Disabilities Technician. The college is also collaborating with College of Southern Nevada to merge the two Veterinarian Technology programs.

TMCC, as the pilot iNtegrate college for the student information system, has collaborated with Western Nevada College and Great Basin College in numerous areas for implementation of a shared instance. TMCC is working with WNC and GBC to determine specifics for TMCC to provide web services for WNC and GBC.

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Bayouville (3 Prof. - Admin. Fac)	\$	(344,470)	-3	-3.00	-3	(344,470)	-3.00	-3
Rural, Community Ed, Development	\$	(278,465)	-4	-4.00	-4	(278,465)	-4.00	-4
Emergency Hire Contract non-renewal (4 Prof. - Admin. Fac)	\$							
Box, Oils, Budget, Marketing, IR	\$							
Result of Curriculum/Admin Review (11 Prof. - Admin. Fac, 4 Classified)	\$	(213,320)	-4	-3.75	-4	(303,120)	-4.75	-5
Library, Print Services, Computer Lab, IR, President's office	\$							
Reduction in Travel Funds	\$	(133,400)				(133,400)		
Reduction in Instruction Operating Funds	\$	(185,702)				(185,702)		
O & M								
Close Rural/Saville Campus (Fensley, Hawthorne, Lowcock, Smith	\$							
Library, Yarrington)	\$	(135,468)				(135,468)		
Close Student/Outdges Campuses	\$							
Utilities	\$	(100,000)				(100,000)		
Emergency Hire Contract non-renewal (1 Prof. - Admin. Fac)	\$	(99,855)	-1	-1.00	-1	(99,855)	-1.00	-1
Transfer of 2 Prof. - Admin. Fac to CIP	\$	(168,576)	-2	-1.55	-2	(168,576)	-1.55	-2
Facility Director & EH&S Personnel	\$							
Cuts	\$	(3,397,809)				(4,960,776)		
	\$	231,439				20,711		
Projected reduction in Enrollment/Headcount				-1,331			-3,183.04	-295.8
Projected reduction in staffing/layoffs				-49.63	-28		-889.83	-37
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Proposed Transition Plan (see narrative for additional detail)								
"Bridge" one time funds:								
Capital Improvement Fees FY12 Only	\$	168,576						
General Improvement Fees FY13 Only	\$	153,980						
	\$	322,556						
Expenditures	\$	168,576						
Capital Improvement Fees FY12 Only	\$	153,980						
General Improvement Fees FY13 Only	\$	322,556						
Director & EH&S Personnel	\$							
Student Life and Fin. Aid	\$							

Western Nevada College
Office of the President

The attached spreadsheet details the means by which Western Nevada College will achieve a total general fund budget cut of 31.7%, over the course of the next biennium.

The total general fund reduction in dollars over the biennium is \$5,850,432, on a base general fund budget in 2011 of \$18,472,126. Because we do not anticipate that the college will be able to hold its current enrollment with this level of cut, the college assumes a loss of approximately 200 FTE, and therefore an additional loss of revenue of \$301,023 in FY12 and a total of \$507,625 in biennium.

The college budget reduction plan makes use of a variety of approaches designed to attempt to avoid irreparable harm to the college's mission and its students, but rather to leave a viable core institutional base at all sites, from which the college can recover in future years, when the state may be assumed to be in better circumstances.

1) The first cut is a substantial institution-wide effort to implement zero-based budgeting and reduce general operating costs. This effort, given departmental cooperation across all functions, is projected to generate approximately \$400,000 in savings.

2) The college will close, or reduce services, at seven satellites over the biennium, obtaining about \$1,000,000 in savings. During the first year, the five rural sites (Fernley, Lovelock, Hawthorne, Smith Valley, Yerington) will be closed and we anticipated that they will be replaced with IAV facilities managed by the high schools. This will allow us to continue to support rural high school students' pursuit of higher education. We are currently negotiating agreements with school districts to do this. In the second year of the biennium, we will close or reduce services at the Fallon and Douglas campuses. We have begun efforts to locate financial and other resources within local communities, to soften the impact of these steps.

3) We have conducted a buyout effort with all full-time faculty and staff, and anticipate about \$750,000 in savings from this effort.

4) We expect to achieve a savings of about \$300,000 from the 5% salary cut to all employees. This savings is not as large as might be anticipated because many of our employees volunteered for or were mandated to participate in the 4.6% furlough program last year.

5) We project approximately a \$700,000 increase in revenue from a 13% increase in student surcharge fees in each of the biennial years. Approximately \$100,000 of this will be directed to the governor's requested 15% financial aid set aside.

6) We will reduce class sections by decreasing the LOA and overload budgets by 15% in the first year and an additional 10% in the second year. This will save a little over \$500,000 over the two years of the biennium, but will have a significant impact on the number of class sections offered and subsequently on the availability of courses to students.

7) We will eliminate a number of currently funded student activities from our GIP budget and replace these with essential core student services functions. A similar replacement of CIP initiatives with essential Facilities and Environmental Health and Safety staff, will along with the GIP change save about \$300,000 in the second year. These transfers will require board of regents approval.

8) Curricular and support review processes, currently underway, are slated to save about \$750,000. These funds will be generated by personnel layoffs across faculty, administration and staff, program elimination, and reduction in services to students and our service area.

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System Administration
Budget Reduction Narrative

General Fund support recommended in the Executive Budget for the System Administration budget totals \$4,389,715 in FY 2012 and \$3,729,794 in FY 2013. This represents a reduction of \$487,756 in FY 2012 compared to FY 2011 approved amounts, and an additional reduction of \$659,921 in FY 2013. From FY 2011 to FY 2013, General Fund support is reduced by a total of \$1,147,677 which represents a decrease of 23.5 percent.

The additional revenues and expenditure reductions that are recommended to bring the System Administration budget into balance based on the reduction in General Fund support, as recommended in the 2011-13 Executive Budget is outlined below:

Additional Revenues

The System Administration budget utilizes an overcut to the University Press of \$117,633 in FY 2012 and \$88,061 in FY 2013 to offset a portion of the recommended reductions during the 2011-13 biennium. In addition, an assessment for managing the Operating Pool totaling \$50,000 is recommended to support the Banking and Investments office.

Expense Reductions

The following expenditure reductions are recommended:

- The Nevada Industry Excellence (NVIE) program is reduced by 25% in FY 2012 and 50% in FY 2013. This represents reductions of \$135,178, representing 1.5 FTE positions in FY 2012, and \$274,506 in FY 2013, impacting a total 3.0 positions.

In addition, a total 0.65 FTE in FY 2012 and 3.1 FTE in FY 2013 are also recommended to be reduced. Total funding reductions from these actions total \$43,890 in FY 2012 and \$314,174 in FY 2013. These actions reflect not refilling vacant positions, placing positions on grant or non-state funding and eliminating positions that are currently filled.

- Travel and operating costs are reduced by \$174,583 in FY 2012 and \$401,640. These savings represent specific as well as across-the-board reductions to travel and operating. In FY 2013, the external audit fee is reduced, consultant costs are decreased and Regents awards are suspended. In addition, most all operating line items are reduced across-the-board by 10 percent.
- Lease payments for the Las Vegas System Office and O&M costs for the Reno Office are reduced by \$26,472 in FY 2012 and \$19,296 in FY 2013.

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System Computing Services Preliminary Proposal

Staffing

- 9.5% reduction in work force in FY 12
- Additional 20% reduction in work force in FY 13
 - With reduction in staff, productivity falls and burnout increases--long hours, too much work, and not enough time to accomplish all the work which needs to be completed; increase in stress related illnesses and absences
 - Not able to maintain current level of service to institutions. Service will be reduced and response time to requests will be longer
 - Additional overtime support will be required to support troubleshooting of hardware and software, to cover equipment and network outages
 - Reduction in ability to support current or improvements in service on behalf of institutions and support of special services such as support to Board of Regents meetings
 - Only regulatory enhancements will be made to legacy HR, Financial and data warehouse
 - Difficult to provide new services

Network Connections

- FY 12: Elimination of 24 T-1 leased line network connections
Elimination of one (1) DS 3 leased line network connection
Eliminate financial support for nine remaining Coop Extension last mile connectivity. Other 10 Coop Extension facilities are paying the last mile connectivity
- FY 13: Eliminate Cenic Northern Commodity Internet
Eliminate Cenic high speed internet research Internet II

Hardware Maintenance/Support

- Acceleration of decommissioning of equipment
- Legacy services will not be available
- Data warehouse workload production will be transferred to the data warehouse test platform to facilitate a consolidation effort to conserve operating costs
- Maintenance intervals on building UPS, heat exchangers, etc. will be extended from quarterly to semi-annual checks
- Low level equipment will be removed from maintenance contracts with more reliance on spares

Software Support/Maintenance

- Reduction in labor saving tools, which lead to analyst work efficiencies, will be replaced with older labor intensive techniques
- Institutions no longer able to run batch jobs during work day which leads to reduced institutional efficiency

Security Assessment

- Since security remediation takes time, the third party consultant who conducted a security assessment of the IT infrastructure, access control, physical security, remote access, vulnerability management,

policy review, and comparison against security capabilities maturity model in FY 10, recommended this type of audit be conducted every other year.

Office/Maintenance Expendables

- Reduction in paper, computer supplies, postage, cell phone service and maintenance, building maintenance
- Elimination of off-site storage

Offsite Tape Vault Storage

- Time necessary to recall tapes from tape vault is significantly extended

Network Infrastructure Parts/Pieces

- Network services will be subject to more frequent and longer lasting outages

Travel

- With limited travel funds
 - Response time to unanticipated outages and equipment failures of the network will increase which lowers the level of preventative maintenance
 - Untrained staff will be troubleshooting increasingly sophisticated systems
 - Lack of face-to-face communication between a supervisor and employee

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Impact of Proposed Cuts to the FY2012 & FY2013 Allocations of Special Projects Matching Funds

The annual allocation of Special Project Matching Funds to the Nevada System of Higher Education (NSHE) has proven to be one of the most prudent and lucrative investments made by the State of Nevada.

These allocations have been used with great success to leverage federal grant funding in support of research at NSHE institutions and have made it possible for NSHE to successfully compete for large federal grants requiring the grantee to provide matching funds. Successful grants are awarded to the System, and the funds are subsequently distributed to NSHE's colleges and universities. This combination of State and federal grant funds has been crucial to the expansion of the academic R&D enterprise and improving student education in science and technology.

Past, current, and future reductions to these funds have not been, nor will they ever be, reductions to the operating funds of any NSHE administrative unit. Rather, the reductions have been to the direct investment of matching funds used to leverage federal grant funding in support of research at NSHE institutions. Both State and federal funds are linked, and the loss of one results in the corresponding loss of the other. If committed matching funds on an active project are reduced, then federal funds must be returned to the funding agency. The amount returned will at least equal the amount of matching funds lost but may be two to three times what is lost, depending upon the grant program. This situation is especially problematic because not only is the project damaged or curtailed, the reputation and future competitiveness of NSHE and State of Nevada will suffer.

When the matching fund allocation is reduced, the only way to prevent the return of federal funds or for NSHE to apply for future grants is for NSHE institutions to provide the matching funds. Since the institutions are also facing massive reductions, it will be extremely difficult for them to maintain current projects or to apply for new ones.

Proposed cuts to the NSHE matching fund allocation for the next biennium will result in an overall 30% reduction since Fiscal Year 2010. In terms of dollars lost, these cuts are devastating. The total loss of funding attributable to the current round of proposed cuts can be estimated conservatively as twice the total proposed reduction ($\$694,102 \times 2 = \$1,388,204$). But dollar amounts alone do not adequately describe the negative effects of this funding loss.

The participation of faculty in multi-disciplinary and inter-disciplinary collaborative research activities, plus the involvement of undergraduate and graduate students in EPSCoR programs have been critical to producing cutting-edge science for the real-world solutions to critical issues relevant to Nevada. In the coming years,

Nevada's colleges and universities will focus on areas that require research to address the needs associated with alternative and renewable energy, climate change, education, human health, technology (including informatics), urban and renewable sustainability, and water resources and policy. All these research areas directly impact the economic well-being and societal needs of the State of Nevada. Without the prospect of adequate funding to achieve these research goals, higher education and economic recovery in the State of Nevada will be severely impeded.

Proposed Transition Plan (see narrative for additional detail)

"Bridge" one-time funds
Pres. funds reserve
Expenditures:
Anticipated retirement contributions from layoffs

University of Nevada Press

Budget Reductions FY 12-13

The University of Nevada Press is the book publishing arm of the Nevada System of Higher Education. It was founded in 1961 to publish scholarly and general interest works about the state and the region and that reflect the academic strengths of the campuses.

The attached budget reduction summary for 2012 and 2013 document significant proposed decreases:

<u>Fiscal Year</u>	<u>Exec Budget</u>	<u>Total Funding</u>	Reduction over <u>Exec Budget</u>
FY 2011		\$614,656	
FY 2012	\$537,892	\$430,259	\$107,633
FY 2013	\$456,855	\$368,794	\$ 88,061

In this scenario, the press's general fund amount is reduced by 40 percent in FY 2012 and by 50 percent in FY 2013. Since 2009, the press's state funds will have been reduced 61 percent, from \$8945,603 to \$368,794.

To make these targets the press has undertaken a number of changes. Most important, the press is in the process of outsourcing its warehousing and order fulfillment operations. By contracting with Chicago Distribution Services (CDC), the press will pay CDC a percentage of sales for distribution services, eliminating two FTE Classified positions as of June 2011 and reducing O & M for the Stead warehouse.

In the Editorial departments, the press will not be replacing its retiring managing editor with another FTE. The loss of this administrative faculty position is very problematic because professional editing is a critical component of publication quality. Although the press can outsource certain functions, such as copyediting and proofreading on a project by project basis, the overall quality of the program may be impacted by the lack of managerial oversight of standards and consistency.

By 2013, because of the overall diminishing lack of support, we anticipate a significant reduction in the number of titles published, and have projected commensurately reduced production, marketing, and related costs.

The reduced funding level poses challenges to maintaining both the quality and quantity of the press's books. Book publishing requires specialized skills in book acquisition, editing, design and production, marketing and sales, business and administration, and, increasingly in information technology. Without the funding to hire dedicated personnel in these areas, we remain concerned about our ability to maintain quality and competitiveness.

**CONSOLIDATE GBC, TMCC, AND WNC
Institutional Response**

Merger Overview

A savings of \$7.9 million by merging Great Basin College, Truckee Meadows Community College and Western Nevada College cannot be achieved without closing Great Basin College and Western Nevada College.

The projected \$7.9 million in savings includes a significant technical error: the treatment of vacancies as "savings." These vacancies have been planned as permanent, to cover the anticipated budget cuts at each college. The colleges had no plans to refill them. Assuming that the accreditation challenges of the proposed merged institution—which could take eight to ten years—could be resolved, reinstating the required human infrastructure to operate all three colleges would provide a total savings approximately \$3 million.

The creation of the merged college would decrease costs in one staffing category: the very highest levels of administrative infrastructure. However, significant positions would need to be established at each site to ensure operational and fiduciary accountability, including but not limited to:

- Academic Provost
- Chief Information Officer
- Admission and Records Director
- Facilities Services Director
- Financial Aid Director

The staff cost savings is substantially limited, due to the sheer size and complexity of the area served. The state of Nevada occupies approximately 109,000 square miles. The merged institution would serve over 80,000 square miles, nearly 75% of the entire state. In order to do so, the merged college would require leadership at each site.

Additionally, each college serves the unique workforce development needs of its various social and business communities, as community colleges do across the country. Local employers have worked for four decades to ensure that their community college provides the specific skill sets needed. Local corporations, foundations and corporate donors support each institution with gifts; each of the three colleges is undergoing a Major Gifts Campaign to increase private support. Structure to preserve this community outreach, involvement and responsiveness is required to ensure successful partnerships throughout three quarters of the state. There would be no cost savings in salaries for advancement and related services, because these functions would become even more critical for a newly formed, merged college.

Questions to be addressed in the Merger

1. Accreditation – Northwest Commission on Colleges and Universities and special accreditation groups for instructional programs at each of the existing colleges would require a new accreditation process for a merged college—as identified above, this long-term process

could take eight to ten years. GBC and WNC provide baccalaureate degrees in a number of areas. Accreditation in those areas would be an immediate concern.

2. Professional Specialized Accreditation – Fourteen existing programs at the three colleges have required professional program accreditation. Significant research will be required to determine the process to merge or change program accreditation.

3. Financial Aid for Students – Students are currently eligible for financial aid through the institution in which they are enrolled. The cost savings of the proposed elimination of staff will not be significant, because federal regulations require full financial aid services at each college site which distributes funds with a staff that provide, as a minimum, management of all financial aid, customer service and financial aid application processing. Further, the financial aid staff at the main campus of the merged institutions would very likely be required to increase staff to process the significant coordination issues related to merging the financial aid application process.

The timeline for a transition would not be immediate, because the financial aid award year begins January, which means that applications and processing is already significantly underway for the 2011-2012 award year. Changing the entire process midstream would be a serious disservice to students. The process of changing the system with the federal government could begin no later than July 2011 for implementation in January 2012 for the fall 2012 and spring 2013 academic year at the earliest.

4. Grants and Contracts – All grants and contracts would likewise need to be negotiated with external entities to reflect the new administrative structure. At the current time, only TMCC has an established federal F&A rate.

6. Faculty – Faculty members at each institution have the same salary schedule and are governed by the same Board of Regents' policy and procedures, which would be helpful in the establishment of a merged institution. However, of the existing institutions, only TMCC engages in a collective bargaining process. The merged College would either need to engage its entire faculty membership in collective bargaining or eliminate collective bargaining. Eliminating collective bargaining would be a considerable and time-consuming challenge.

The role of faculty in defining the merged college and handling the change within parameters will be problematic. Faculty members are currently participating in the Curricular Review Process and will continue to be active participants in the future.

7. Cost Savings from a Critical Mass – Although a merger may create advantages that would yield savings by creating a critical mass of faculty in needed areas, the level of decreased responsiveness based on distance between institutions will erode any benefit or cost savings. These details are being explored at each institution through a Curricular Review and Support Review Process that has an effective deadline of April 8, 2011, the date of the NSHE Special Board of Regents meeting.

8. Distance Education Benefits – The merger of the three institutions would not result in substantial savings in the area of distance education. There could be three possible areas of savings:

1. **Licensing:** synchronize and standardize software solutions to obtain additional efficiencies. Each college has chosen a different online model, and this merger would incur more cost to make a transition for compatibility, negating any possible savings.
2. **Staffing:** possible slight reduction of cost
3. **Curriculum efficiencies:** realize limited cost savings because, for each college, DE enrollments represent a high level of enrollment efficiency. Any changes to the current approach would require a significant level of research and analysis. Distance education classes represent *the most rapidly growing type of student enrollment* at each of the three colleges. This growth would make "streamlining" curriculum a poor choice, because the three colleges do not currently offer enough sections to meet growing student demand. In addition to online course delivery, there is also a significant amount of course delivery through interactive video (IAV) to rural communities. This important platform of delivery is currently 20% of all GBC's FTE.

Delivery Options—no cost savings

A merger would neither adversely impact the possible modalities of delivery nor improve delivery. As concerns the ability to develop and deliver technology-enhanced instruction, all three colleges have been part of the interactive video (IAV) network since its inception under SB204 and AB606 special legislative funding in the mid-1990s. All three colleges currently offer courses/degrees via the Internet and are part of the NSHE IAV network (NevadaNet) with multiple IAV-equipped classrooms. In addition, all three colleges reside within the KNPB Channel 5 service area, which raises the option of telecourse delivery should the need arise.

Needed Student Support Services—no cost savings

In addition to instruction, student support services are required to accompany each course, including advising, financial aid, tutoring capacity, and many other support services. The three colleges provide these services through face-to-face meetings, online and via IAV for distance education students. There would be no cost savings for student support services in a merger.

9. iNtegrate Student Services Module Interface – In considering this, it is helpful that each of these institutions is in the same instance and would therefore, with some work, be able to transition into a new institutional identification within the software as currently configured.

10. Pahrump Campus – GBC currently has a presence with CSN in Pahrump, Nevada. With a merged Northern Nevada college, the courses and campus in Pahrump would be moved back into CSN completely. However, it is possible that CSN would close the remote center due to budget reductions.

11. College Foundations – Expecting one foundation to cover 80% of the state equates to closing two college foundations and losing the support of valuable donor relationships that have been developed over several decades. The donors would not likely transfer their support to an unknown merged College because, in simplest fundraising terms, people give to people whom they know and trust. Further, each of the institution's foundations is a separate 501c3 entity,

which is governed locally by Boards of Trustees who would be required by incorporation bylaws to vote in support of a merged foundation entity. It is entirely possible that the Foundation Boards of Trustees would choose to cease any fundraising efforts if control of GBC, WNC and TMCC operations were merged.

12. Transition Planning - A planning team could be composed of presidents, faculty and staff representatives of GBC, TMCC, and WNC. The team could be charged with preparing a plan and a timeline for the Board of Regents. This effort would require a NSHE team leader to coordinate and direct the team.

13. Merge Two Colleges – The cost savings for merging only two colleges has been explored, and the savings are extremely limited given the total costs to merge, which includes all aspects of both colleges, including:

- Access to instruction
- Services to students
- Facilities infrastructure
- Inability to raise public and private funds.

14. Student Services

As noted above, student support services are required to accompany all courses, including advising, financial aid, tutoring, etc. There would be no cost savings for student support services in a merger. Not contemplated at the level of support required are services for specialized populations, such as veterans, disabled students, re-entry students, and others.

GBC SUBMISSION

Great Basin College
Potential Administrative Cost Saving Plans
Amended Saving Summary

Merge WNC and GBC with TMCC

	FTE	GBC Est Savings	NOTES
Academic Support Function GBC			
VP Academic Affairs	10.24	977,224	
VP, Exec Asst, Mgr, Inst. Dsgn, Director, Coordinator, Deans (2), Classified			
Sub Total	10.24	977,224	
Student Services Function GBC			
VP Student Services	2.00	251,319	
VP, Exec Asst			
Sub Total	2.00	251,319	
Institutional Support Function GBC			
President's Office	2.00	301,896	
Pres, Exec Asst, operating			
Controller's Officer	3.00	166,095	
Controller, Specialist, Class			
VP Administrative Services	1.50	180,933	
VP, Exec Asst			
Legal Counsel	0.25	42,385	
NSHE Chief Counsel			
Human Resources	1.75	120,535	
Director, Class			
Sub Total	8.50	811,844	
Sub-Total Savings	20.74	2,040,387	

The following additional positions would be needed to ensure efficient and effective campus operation:

CTE Program Director	1.00	121,709	Prof (rank 6) for size of programs currently
Dean (or similar) of Student Services	1.00	121,709	Prof (rank 6)
Campus Director, assistant	2.00	153,353	Prof (rank 6), Exec. Assist. For Elko Campus
Charge-back Legal Assistance		45,000	
Savings Estimated	16.74	1,598,617	

WNC SUBMISSION

Western Nevada College
Potential Administrative Cost Saving Plans
Amended Saving Summary

Merge WNC and GBC with TMCC

		WNC Est Savings	NOTES
Academic Support Function WNC	FTE		
VP Academic Affairs	2.00	242,217	
VP, Exec Asst,			
Sub Total	2.00	242,217	

Institutional Support Function WNC

President's Office	2.75	370,331	
Pres, Exec Asst, Clas, wages, operating			
VP Finance-/Controller's Office	4.00	363,941	
Eliminate department except three pos			
Budget Office	1.00	68,844	
Budget Officer			
VP Finance & Administration	2.00	270,155	
VP, Exec Asst, oper			
Development Office			
VP, Exec Asst, oper,			
Dean Fallon Campus-Rural Centers	1.00	172,406	
Dean, Exec Asst			
Informational Services	3.25	154,806	
Webmaster, PIO, PTI, Class			
Institutional Research Support	2.00	162,164	
Director, Prog Analyst, Class, oper			
VP-Human Resource & General Counsel	2.00	281,272	
Director, Exec Asst, Asst Dir			
Sub Total	18.00	1,843,918	

Operation and Maintenance Function WNC

Administrative	1.00	127,613	
Director			

Sub-Total Savings 21.00 2,213,749

The following additional positions would be needed to ensure efficient and effective campus operation:

Campus director, assistant	2.00	153,353	Prof (rank 6), Exec Assist
Facilities manager	1.00	58,603	Prof (rank 3)
Campus coordinator, assistant (Fallon)	2.00	116,103	Prof (rank 4), Adm Assistant IV
Charge-back Legal Assistance		75,000	
Savings Estimated	16.00	380,690	

CONSOLIDATE NSC TO CSN AND UNLV**Institutional Response**

To more efficiently and effectively manage enrollment growth and to produce desirable educational and economic outcomes for Nevada, NSHE educates Nevada's citizens via three types of institutions (or educational settings): community colleges, a state college, and universities. No single institution can provide all things to all students. Some students are better served in one educational setting than another.

By design, these institutions have different missions, admissions standards, and cost structures (due in large part to variation in salaries, teaching loads, and academic and student support services). Each institution serves a unique student market that varies by academic and career goals, academic preparation and aptitude.

CSN, as a comprehensive community college with an open-door admissions policy, offers remedial and developmental education, general education, workforce development, vocational and technical training, and associates degrees that provide seamless transfer to the state college and universities.

UNLV, as a comprehensive research university with an increasingly selective admissions policy, offers education through the doctoral level. It makes significant contributions to new knowledge, economic development, and the culture of the state.

NSC, as a comprehensive state college with a broad admissions policy (minimum 2.0 GPA), offers education at the baccalaureate level in specific, regional niches with limited professional graduate degrees. As such, the college opened in 2002 with 13 four-year degree programs with a special emphasis in the areas of nursing and teaching. Students majoring in nursing and teaching make up over 50 percent of NSC's total enrollment, and roughly one-third of NSC's students are majoring in degree programs within the School of Liberal Arts & Sciences (LAS). (The largest programs by student enrollment in LAS are biotechnology, business, and psychology.)

There are several possible ways to merge NSC into CSN and UNLV. Each way comes with its own set of unique and complex considerations.

For example, one possible way to merge NSC into CSN and UNLV is to move NSC's bachelor's degrees (B.S. and B.A.) to UNLV, and move NSC's two bachelor's of applied science degrees (B.A.S. in Management and Criminal Justice) to CSN.

When the term or concept of "moving degrees" is used, we are assuming that the students will follow the degrees. The cost to the students who go to UNLV will be higher. The cost to the students who go to CSN will be lower at the lower division level, but the same as the upper division level. The cost per student to the State (in terms of state support) under the current formula would be higher at UNLV and lower at CSN.

Moving academic programs to CSN would only include the identified programs that fit within the CSN mission and align with the policies of the Board of Regents for community colleges.

Thus, BAS degrees would move to CSN, and the CSN academic master plan would need to be revised accordingly. (While the BAS programs are more academically aligned with CSN's vocational mission, NSC enrolls a relatively small number of students in its BAS programs. Therefore, moving these BAS programs to CSN will result, in the short term, in minimal students actually transferring to the community college. It is assumed that the majority of students would transfer to UNLV.)

All other general bachelor's degrees would move to UNLV, such as English, business, psychology, and biology. For those programs that move to UNLV, the matter of whether the faculty from NSC will follow the program would need to be considered.

A second possible way to merge NSC into CSN and UNLV is to move, in addition to the BAS programs, teacher education and nursing degrees to CSN, in keeping with the policy allowing professionally-oriented degrees at community colleges if the need is demonstrated.

CSN is located in Henderson with a mission to serve that community in partnership with the local high school and could expand its programs in that area through existing partnerships. The land and buildings owned by NSC could conceivably (but not necessarily immediately) supplement and support the CSN programs in Henderson. The current NSC rental sites could be closed. If such a merger were to occur, there would be no need for two presidents, two vice presidents in each area of student services, finance, and academic affairs, two HR Directors, two Financial Aid Directors, two physical plant directors, etc. (While there would be no need for two sets of executive administrators under the current proposal, the elimination of these positions at NSC would not result in immediate savings given the tenured status of several executives. Barring the possibility of buyouts or other measures as provided in NSHE code, tenured executives would continue on either UNLV's or CSN's payroll in a teaching capacity.) In addition to the ongoing compensation for NSC's reassigned executives, it is likely that, depending on the model developed, some new mid-level management positions would need to be created for the Henderson campuses.

Key Policy Questions:

- Is this model described the best model if NSC were to cease to be an independent institution?
- Are the cost savings sufficient when considering the complexity of the short- and long-term impacts on students, CSN and UNLV? (This scenario assumes that all current students and faculty continue, an assumption that may not be correct.)

Additional questions that need to be addressed if this merger were to be considered:

1. Accreditation – With such a merger, both CSN and UNLV would be continuing accredited institutions and accreditation changes would occur under their existing accreditation and the filing of substantive change documents. NSC would have to relinquish its accreditation and “go under” the accreditation umbrella of the others. Final decisions could be made only after consultation with NWCCU. However, if this merger

were to occur, it would be critical that students at NSC be protected in relation to their degrees from an accredited institution. NSC is scheduled to gain full accreditation status Summer 2011 and if this is granted, their students would have credits and degrees from an accredited institution. If a decision is made that puts that institutional accreditation in jeopardy as early as July 2011, further conversation with Northwest Commission on Colleges and Universities would be essential.

2. Henderson - The "Henderson branch" would remain as unit within CSN with a focus on awarding the applied baccalaureate degrees transferred from NSC, but that unit would not have separate institutional accreditation. This would allow closing the rented space in downtown Henderson that NSC currently utilizes and the use of the CSN Henderson campus and the NSC buildings and land in a more efficient manner. Because Congress was involved in the conveyance of NSC's campus acreage (and because Congress is specific in citing "Nevada State College" within federal legislation conveying the property for educational use), the Department of the Interior would need to sign off on CSN's use of the acreage.
3. Faculty Workload - Questions would need to be addressed to ensure that the current CSN faculty maintain their community college workload and salary status under the Board's community college policies even if they teach some upper division courses, with some recognition of a difference. GBC has managed a faculty workload policy well and may serve as a model. Current NSC faculty are under the state college policies related to salary schedules, merit, and workload. If it is assumed that the state college policies would disappear, how the current NSC faculty would transition to the community college or university schedules would need to be addressed. Elements of workload differences are largely accommodated already at CSN.
4. Tuition and Fees - Student tuition and fees are currently different at NSC and CSN for lower division coursework. Upper-division course work at CSN is that same as upper and lower-division work at NSC. The current model of fees where students pay a lower division rate and an upper division rate would appear to work and is outlined in existing Board policy. The UNLV tuition and fee model would prevail at both levels for students in BA/BS degree programs.
5. Professional Accreditation - Some NSC programs have professional program accreditation. Coordination will be required to determine which program accreditations can or should be continued and to work with the national accrediting associations. The Nevada State Nursing Board would need to be notified that one institution will be awarding both an associate degree in nursing and a bachelor's degree if that was the decision.
6. Financial Aid for Students - Students are eligible for financial aid through the institution in which they are enrolled. Some transition period would be required if NSC were to cease to exist. All financial aid would be given then by the institution selected to continue.

7. Grants and Contracts – All grants and contracts would likewise need to be negotiated with external entities to reflect the new administrative structure. At the current time, only NSC and UNLV have an established federal F&A rate. All three institutions have grants and contracts with state and federal entities.
8. Foundations – It seems logical that the NSC Foundation would dissolve if the College is no longer a separate entity, but with representation from the NSC Foundation included in other Foundation boards. It also seems logical that current and pending pledges to the NSC Foundation could be jeopardized in the event NSC ceases to exist.
9. iNtegrate Student Services Module interface – CSN and NSC are in the same instance and would therefore, with some work, be able to transition smoothly into the new institutional identification within the software as currently configured.
10. Faculty –The role of faculty in defining the merger and handling the change within parameters will be critical and have to be defined with input from faculty. Faculty salary schedules are different and adjunct faculty salaries vary by institution. How would faculty plan and shape this merger?
11. Transition Planning - Should such an effort be led by a planning team composed of the presidents and representatives of CSN, NSC, and UNLV with the responsibility to bring a plan and a timeline to the Board of Regents with the potential implementation date of July 1, 2012? The planning team may have alternative recommendations for the same amount of savings outside of this scenario that the Board will wish to consider. From CSN's perspective, this transition plan is the most essential element of this narrative, for it is in this process that personnel, salary schedule, accreditation, and pricing issues would be addressed. Faculty lines, faculty members per se, and the mix of staff employees would need review, not for qualifications, but for need. The number of students involved in a CSN transition would be small.
12. A review by CSN and NSC of the projected potential administrative cost savings indicates some differences in projected needs as compared with those numbers. UNLV has not been incorporated into these projections at this time. While projected differences do exist, when taking into account the five NSC administrators with academic rank and tenure, the projected overall savings amount of \$4.3 million is a reasonable approximation, falling within a range of \$3.5 million-\$4.9 million.

NSHE

Potential Administrative Cost Saving Plans

FY 2011 Budgets

Merge NSC with CSN

	FTE	est Savings
Academic Support Function NSC		
Provost Office	2.00	337,507
Provost, Class, wages, Oper		
Instruction Technology	1.75	153,349
Manager, Designer, Oper		
Dean Education	1.00	157,060
Dean, Assoc Dean		
Dean Liberal Arts	2.00	335,195
Dean, Assoc Dean		
Dean Nursing	1.00	174,135
Dean		
Library	1.00	86,060
Director		
Sub Total	8.75	1,243,306
Student Services Function NSC		
VP Student Enrollment Management	1.65	269,343
Vice Provost, IR Analyst, wages		
Student Financial Services	2.00	190,060
Director, Assoc Director		
Registrar	7.00	434,513
All Funding		
Student Recruitment	2.00	107,460
Advisor/Counselor, Wages, Travel		
Sub Total	12.65	1,001,376
Institutional Support Function NSC		
President's Office	2.00	493,274
Pres, Exec Asst, Clas, wages, operating		
VP Finance/Administration	2.00	392,720
Vice President, Class, Wages, Oper		
Institutional Research	0.35	34,813

Research Analyst, oper		
Controller Office	3.00	257,051
Controller, class (2.00), operating		
Human Resources	3.00	300,279
Dir, Asst Dir, Clas, operating		
College Relations	1.00	147,502
Assoc VP		
Student Cashier Office	1.00	91,650
Spec Asst to VP		
Development	0.50	67,600
Director		
Office Information Technology	2.00	188,877
Dir, clas, oper		
Sub Total	14.85	1,973,766
Operation and Maintenance Function NSC		
Administrative Services	1.00	111,020
Interim Director		
Sub Total	1.00	111,020
Total Savings	37.25	4,329,468

Consolidation of DRI within UNR and UNLV

In response to the summary on the possible consolidation of DRI with UNR and UNLV provided to the Board at the March 11, 2011 meeting, DRI prepared the following response. This overview focuses on the advantages of DRI as an autonomous institution. No similar overview has been requested from UNR and UNLV on the potential advantages of such a consolidation. The original financial analysis that was provided to the Board is also attached.

1. What are DRI's unique attributes and operational functions compared to universities?

- i. **Faculty.** DRI is an entrepreneurial-academic organization that functions with faculty who are not tenured, receive no state support for their salaries, and live on self-generated (soft) money. They chose to come to DRI to build careers in this competitive and entrepreneurial work environment. At DRI, researchers include those with Ph.D., M.S., and B.S. degrees; universities typically do not recognize "faculty" unless they have a Ph.D. Non-tenured, or soft-money, faculty do not share the same rights, privileges, or stature in universities as do tenured or tenure-track colleagues and are typically treated as "second class citizens."

A profound and unique option at DRI is more flexible requirements for faculty to be employed via an associate track (associate track faculty are required to hold only a Bachelor's degree but may hold higher degrees). This track provides scientific, technical, and operational support to DRI projects. *There is no equivalent track at universities.* Associate track faculty would face some of the most significant changes in employment status via restructuring, likely resulting in conversion to classified positions or leaving.

- ii. **Administrative support structure.** *DRI's central and distributed administrative functions* differ from universities in our ability to respond quickly, nimbly, and flexibly to sponsors' needs and deadlines. Business staff process proposals, reports, and other materials usually within the same day, as opposed to periods of 1-2 weeks (or more) at universities. DRI's business culture requires strong sponsor contact and completion of work products in a timely and financially responsible fashion. This would be more difficult in a university with teaching as a primary mission, not research product delivery.

DRI's flat organizational structure promotes interdisciplinary research and facilitates building teams of faculty in complex, integrated project activities intersecting all three DRI research divisions (Atmospheric Sciences, Earth and Ecosystem Sciences, and Hydrologic Sciences). This differs from a university setting that focuses on individual scientific and engineering disciplines linked to tenure. The size and focus of DRI result in faculty access to division directors, vice presidents, and the president in a manner that cannot be achieved at larger institutions. DRI's research environment is very flexible – facilitating new initiatives, intellectual risk taking, and creativity.

2. In the end what would be lost if DRI were to be merged into universities?

- **Focus and identity.** DRI is known on a regional, national, and international level for the quality of its research. Restructuring DRI into the two universities will necessarily result in loss of that "branding" and associated recognition.
- **Competitive edge.** DRI aggressively develops high quality projects for multiple sponsors – ranging from National Science Foundation to Department of Defense,

the California Energy Commission and California Air Resources Board, and industry organizations such as the Electric Power Research Institute. In the case of California, funding DRI as part of another state's university would be extremely difficult. In the case of organizations such as EPRI, loss of rapid responsiveness from a merger would significantly limit DRI's competitive edge.

- **Fostering talent and providing graduate student training.** Many DRI scientists need graduate students to assist in their projects and enjoy mentoring these students. DRI provides support to these students at no cost to the State of Nevada.
- **Economic engine for Nevada.** The vast majority of DRI's funding is from federal, state (non-Nevada), private and international grants and contracts with only 1.1% of the NSHE state budget for DRI operating support. The direct return on investment (no multiplier) Nevada receives from its allocation is \$5 for every State \$1.

Legislative Origin and Unique Culture

DRI was created nearly 52 years ago by the Nevada legislature as a freestanding institution to provide for the welfare of the state by performing excellent research and fostering state-based talent. This action resulted in the following mandate for DRI:

NRS 396.795 Establishment: To contribute more effectively to the security of the nation and to promote the general welfare of the State of Nevada and its citizens through the development of educational and scientific research, the board of regents may establish for educational and scientific research a facility within the system to be known as the desert research institute.
(Added to NRS by 1959, 285; A 1981, 900; 1993, 354)

NRS 396.7951 Purposes: The primary purposes of the institute are to:

1. Foster and conduct fundamental scientific, economic, social or educational investigations and applied research for industry, governmental or private agencies or individuals;
2. Encourage and foster a desire in students and faculty to conduct research;
3. Discover and develop talent for conducting research;
4. Acquire and disseminate knowledge related to the projects undertaken; and
5. Promote all research within the system generally.

(Added to NRS by 1959, 286; A 1969, 1439; 1993, 354)

NRS 396.020 Provides: The System of:

1. Universities;
2. State colleges;
3. Community colleges;
4. Administrative services;
5. Research facilities, including, without limitation:
 - (a) The Desert Research Institute;
 - (b) The Ethics Institute; and
 - (c) The Center for the Analysis of Crime Statistics, established within the Department of Criminal Justice at the University of Nevada, Las Vegas; and
6. Departments within the Public Service Division, administered under the direction of the Board of Regents is hereby collectively known as the Nevada System of Higher Education. The System is comprised of such branches and facilities as the Board of Regents deems appropriate."

During the past 10 years, DRI's strategic planning efforts have focused the following perspectives on the institute's unique culture that are fundamental to the culture, success, and longevity of the institution:

- **Scientific freedom.** DRI supports efforts to obtain funding for the broadest spectrum of scientific fields. The institute is dynamic, and individual faculty regularly reinvent themselves to stay competitive and remain funded.
- **Team environment.** Open collaboration and supporting mechanisms for teamwork encourage long-term commitment. Mentoring is both formal and informal at all levels.
- **Shared accountability.** Support staff and administration enable faculty to stay on track and move forward.
- **Horizontal structure.** DRI's organizational structure is significantly less hierarchical than universities and other organizations of its size. Personnel have a voice that is heard at the highest levels.
- **NSHE component.** DRI has access to teaching opportunities and graduate students while maintaining academic freedom as part of an academic system.
- **Research history.** DRI has a long, widely recognized track record conducting research on critical issues of concern to Nevada, the region, the U.S., and world. Topics range from the impacts of nuclear testing to ecological responses to climate change.

Assessment

There are profound differences related to DRI's handling of contracts and grants when compared to the universities that challenge the assumption of the transfer of all grants and contracts at DRI to the universities. These differences described below are based upon personal knowledge/experiences of administrators at DRI who have also served in the university financial administration. These key operational differences include the following:

1. One fundamental understanding is that the contracts and grants are awarded to DRI, and thus, any changes proposed, must be requested and approved by the Agency/Sponsor. It cannot be assumed that all Agencies and Sponsors will approve such requests. In addition, many of our contracts state that the contract/agreement is "non-transferable." Also, federal agencies fund DRI through our registration with the CCR and our DUNS number. DRI's DUNS number is different than UNR's or UNLV's. Even though DRI is all part of NSHE, in terms of contracts and grants the Agency/Sponsors' view each institution as completely separate entities. The only way these grants could be transferred is if the grant is "terminated" and then "re-issued" to the new institution, assuming the Agency/Sponsor agrees to this process, and if the PI for the project is relocating to one of the other campuses. The administrative burden to the other institutions alone to do this for all the contracts and grants that DRI currently administers would be exceptionally challenging.
2. In addition, DRI's DUNS number is associated with a CAGE Code which signifies a certain level of facility security that none of the other NSHE institutions possess. This higher level of security is required for a significant portion of our DOD and DOE contracts. So, in order for those sponsors to even consider reissuing those contracts to UNR or UNLV, UNR and UNLV would have to increase their security and require certain positions to have DOE and DOD security clearances (a nontrivial step), strengthen their IT security, and hire a security officer as well as address additional security issues.

3. In scenario one there is a discussion of renegotiating DRI's ICR rate, however, there is no discussion regarding DRI's fringe benefit rate. UNLV and UNR do not have a negotiated fringe benefit rate and do not include sick and annual leave as fringe benefits charged to G&C's. These institutions also do not have funded sick and annual leave pools like DRI. These items serve as critical benefit to DRI employees and yet they are not addressed in this scenario.
4. The two universities do not charge payroll to contract and grants similar to DRI. Specifically, these institutions do not use time sheets to reflect actual effort performed by the employees; rather, these institutions prepare contracts in advance, estimating the time personnel will work on a given project, similar to the approach used at other state universities. Such an approach would not work for DRI because of the variability in individuals' effort from month to month (i.e., multiple contracts). If DRI were merged into the universities, a more complicated methodology would be required, involving two systems for payroll charges.
5. DRI is accepting an ever-increasing number of contracts with publication restrictions and export control requirements, which are ones a University, would typically not accept. In the area of Export Control compliance, DRI's processes are mature and robust in comparison to the other campuses. This degree of development and rigor related to Export Control compliance cannot be taken lightly as there are severe civil and criminal penalties associated with non-compliance. Neither UNLV nor UNR have procedures that are currently set up to handle this level of Export Control.
6. The assumption that all contracts and grants would be preserved in a consolidation process is invalid due to fact that DRI conducts classified research that requires Key Management Personnel (KMP) Security Clearance. In this requirement the senior management official (DRI President) and his/her deputy (Executive VP of Research) must be cleared to the level of the Facility Security Clearance (FCL); other officials within the organization who can control or influence management decisions must also be cleared or formally excluded from classified access and program oversight. Note: The DRI FCL and its designated KMP are cleared at the Top Secret level for DOD and at the Q level for DOE. Persons holding a DOE Q clearance are subject to unannounced random drug testing to confirm the absence of illegal drugs in their system. All cleared persons are required to attend annual security training. The proposed elimination of DRI administrative positions in the financial model of scenario one removes the KMP structure, which would violate the conditions for the continuation of DRI security programs.
7. In addition to point two above, the following summarizes a few additional critical considerations in merging the DRI security programs into the universities. It is important to note that this information is specific to security functions and does not attempt to address the complexities related to a transfer or modification of the actual contracts with DOD and DOE. A preliminary appraisal presents the following areas of interest. Facility Security Clearance (FCL): Both locations (UNR/UNLV) will be required to obtain a FCL in order to perform classified work for the Government, or a single security office could be placed in the System office to service all of NSHE at an additional cost to the System Office. The FCL application is a qualification process whereby an organization is evaluated for eligibility to conduct work on national defense programs. A summary of the five essential elements of an FCL follows:
 - a. **Sponsorship** – Federal agency sponsorship is based on the Government's need for services involving access to classified information, and an organization's ability to

- provide the services and to meet and maintain federal eligibility requirements. Both universities will need to qualify for sponsorship.
- b. **Security Agreement** – Each organization must agree to maintain a system of specified government controls consistent with the National Industrial Security Program and establish a security program providing policy management and conformance. The Government shall have the right to perform inspections of each organization's procedures, methods and facilities at prescribed intervals. The cost of establishing the security program is the responsibility of the organization (See Personnel Security Clearance and Security Program Management below).
 - c. **Certificate Pertaining to Foreign Interests** – Each organization must execute the certificate as one of several means in the identification and assessment by the Government of the sources of power that affect the organization. The Government is interested in matters pertaining to foreign ownership, control or influence (FOCI) in the management of operations. Importantly; an organization determined to be under FOCI is ineligible for an FCL, or an existing FCL shall be suspended or revoked unless security measures are taken as necessary to remove the possibility of adverse impact on classified contracts.
 - d. **Organization** - The Government applies the FOCI assessment standard to other offices or organizations related to the one applying for a FCL; as an example the parent-subordinate relationship existing between the NSHE Chancellor and the NSHE component entities. In this case, the Chancellor's Office would be assessed for FOCI issues under the new FCL.
 - e. **Personnel Security Clearance (PCL):** Both locations must implement separate systems of security clearance management for DOD and DOE. Security clearance management is one component of the security program. The DRI security office has oversight of 44 security clearances associated with the DOD and DOE contracts and another 37 security access credentials where a clearance is not required. Initial clearance investigation costs are approximately \$3,700 each, and reinvestigations (required every 5 years) are \$2,500. Clearances are presently funded by the government departments. However, federal budget reductions could place this burden on contractors in the future.
 - f. **Initial and Random Drug Testing Program:** Both locations must establish a drug testing program in accordance with section 10 CFR 707, Workplace Substance Abuse Programs at DOE Sites and the Guidelines for Federal Workplace Drug Testing Programs. Persons holding a security clearance with DOE must be initially tested and thereafter, randomly tested to confirm the absence of illegal drugs in their system. The costs associated with management of the current program are unavailable at this time.
 - g. **Foreign Travel and Foreign National Contact Reports:** Both locations must establish a means of tracking and documenting foreign travel by cleared U.S. personnel and foreign national contacts. All reports are submitted to the Government agency counterintelligence (CI) office for disposition. The CI coordination effort is one component of the security program.
 - h. **Security Program Management:** Both locations must establish and manage separate security programs for DOD and DOE. The requirements of each are similar in many areas but are governed by departmental directives specific to each agency. Following is a sampling of key components associated with program management and the associated requirements:
 - i. **Administration** – Write plans, policies and procedures; perform program self-assessments; host audits and inspections by the Government; prepare and

submit reports and surveys; ensure compliance with contract security specifications; manage an operations security (OPSEC) program and be available for recall after hours to address urgent security matters.

- ii. **Classified Material Access, Control and Accountability** – Initiate security clearance processing; conduct security briefings/debriefings; manage classified material access, document control and certified destruction; investigate and document security incidents; manage secured areas and classified computer operations when activated.
- iii. **Foreign National Visits and Assignments** – Provide security support to the FOCI program; coordinate visits and work assignments for foreign nationals in relation to the federal contracts; write security plans and risk assessments related to foreign national assignments; serve as liaison with federal agency security offices.
- iv. **Training and Security/Safety Education** – Administer a program of training meeting contract and federal specification; maintain training records on all assigned persons; coordinate safety and radiological training as needed; submit training and attendance reports.

8. Another key aspect of DRI's operation that invalidates an assumption of the transfer of all contracts and grants is related to a very unique classification of research faculty. This unique component to DRI that has existed for the majority of its history is the more flexible requirements for faculty to be employed at DRI via an associate track. The associate track provides scientific, technical, and operational support to DRI projects and programs, and the associate track faculty are required to hold only a Bachelor's degree, but may hold higher degrees. There is no equivalent track in universities. Most DRI scientists in the associate track hold Master's or Bachelor's level degrees, and yet they are classified as faculty and they are just as productive in many cases as faculty with PhDs. These faculty are critical to the success of the research programs and hold a unique role. They would face some of the most significant changes in employment status, likely resulting in conversion to classified or leaving NSHE entirely.
9. In addition to the numerous operational differences that invalidate the assumption that all of DRI's contracts and grants can be transferred into the universities, a fiscal analysis of consolidating DRI into the universities illustrates that all of the following (best case) conditions would have to be fulfilled for a net savings of \$2,877,915:
 - a. There is no loss in DRI research faculty due to the transition;
 - b. No incentive funds (offer of tenure, research support packages, etc.) are required to encourage the research faculty to stay at DRI;
 - c. There is no loss in ICR (at the FY 2011 budgeted level of \$12.5 million) due to faculty attrition, loss of federal initiative funding, etc;
 - d. The full savings identified by the NSHE (\$4.7 million) will be realized;
 - e. There are no additional operational costs incurred for management of either DRI campus;
 - f. The consolidation will begin on July 1, 2012; DRI (or its equivalent) will be state funded at the governor's recommended FY 12 level (\$7.4 million) rather than the FY 13 level (\$6.3 million); and
The consolidated unit will garner the operational savings identified by DRI for FY 2012 (\$1,200,000).

As soon as these conditions fail, there is no net savings and, in fact, net losses are incurred. For example if the following conditions occur (which are most likely given the statement that several key research faculty will leave DRI should consolidation be implemented), a net loss of \$3,835,085 will occur with the consolidation:

- a. There is a 30% loss in DRI research faculty due to the transition, with a 30% loss in grant and contract revenue and ICR when compared to the FY 2011 budgeted level (\$3,756,000);
- b. There is a reduction in ICR funding due to overall reductions in the funding of federal initiatives, etc., mandatory grant and contract renegotiations, etc. (\$750,000);
- c. Some incentive funds (offer of tenure, research support packages, etc.) are required to encourage the research faculty to stay at DRI (\$1,000,000 cost);
- d. The full savings identified by the NSHE (\$4.7 million) will be realized;
- e. There will be additional operational costs incurred for management of the DRI campuses (\$500,000 cost);
- f. The consolidation will begin on July 1, 2012; DRI (or its equivalent) will be state funded at the midpoint between the governor's recommended FY 12 level (\$7.4 million) and the FY 13 level (\$6.3 million), i.e., at \$6.8 million for FY 2013; and
- g. The consolidated unit will garner the operational savings identified by DRI for FY 2012 (\$1,200,000).

If any of the identified revenue reductions or costs increases, then the net loss will also increase. Also, please note that these assumptions do not assume a change in the OMB circular (from the current A122 for non-profit institutions to the A21 for higher education institutions). If that were to occur on any existing or future grants, the potentials for additional losses in indirect cost recovery significantly increase.

10. The consolidation of DRI into the universities provided in scenario one assumes ideal conditions in which private donations would be transferred into the universities with continued support. The conditions for transfer are not ideal, requiring court action and legal expenses. For example:
 - a. DRI has 14 endowments worth approximately \$26.7 million, of which seven (worth \$1.3 million) were established by living donors and seven (worth \$25.4 million) were established by donors now deceased and without living relatives. Thus, for the bulk of DRI's endowments, court action and the attendant costs and delays are required to change the designated beneficiary from DRI to other NSHE institutions; endowment funds in Nevada are managed under the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which requires this court action. There is no way of estimating the court costs, however, one can easily envision that it would be expensive given the language of the largest gift was specific in its language: "to the Desert Research Institute."
 - b. In assuming a division of faculty between UNLV and UNR, there is also an assumption that DRI faculty only function at the location of the campus and therefore there would be no issue in the assignment of faculty to UNR and UNLV, respectively. The assumption is not valid given as many as twenty faculty in Reno will travel regularly to Las Vegas working on research projects and as many as five in Las Vegas will travel to Reno to work on projects originating on this campus.

11. DRI is a statewide entity and operates seamlessly across the state of Nevada. DRI faculty, whether they are located on DRI's Reno or Las Vegas campus work collaboratively on projects that originate at one or the other campus. For example, several faculty from Reno work on projects funded through a principle investigator in Las Vegas. Dividing the faculty into the two universities would create a great divide between northern- and southern-based faculty in which collaboration between these two groups would largely cease to exist. Contracts and grants based upon the talent pool available from both locations would be severely impaired and could easily be lost. For example, large programs funded by DOE and DOD that depend upon the state-wide talent pool of DRI would either cease to exist or be considerably reduced in scope, size, and content, resulting in a loss of significant research revenue.
12. In scenario one it is assumed that research faculty are not eligible for tenure and are on contracts that generally have to be self-supported. This is valid as all faculty at DRI are on soft-money without tenure. However, unlike the universities, DRI's business model supports soft money research positions through ICR (overhead) in way that does not occur in universities. Thus, any faculty not offered tenure at a university (an additional cost to NSHE and the State of Nevada) would lose a critical set of support mechanism for innovation and creativity.
13. At DRI, overhead derived from research project funding is reinvested in the research faculty at DRI in order nurture and retain faculty as well as support their ability to innovate. In soft-money positions and without tenure at the universities, DRI faculty would lose much valued and critical support such as:
 - a. The loss of matching funds for federal agency contract and grants that DRI is providing via overhead [and Applied Research Initiative (ARI) state funding as long as it lasts] would result in fewer opportunities to secure grants and contracts.
 - b. Start-up packages for faculty recruitment – These are funds to attract bright scientists, allowing them to build new labs, initiate new programs, purchase new equipment, or hire graduate students. Such start-ups funds are rarely, if ever provided, to soft-money positions in universities.
 - c. Sabbaticals – DRI self-funds ~3 per year for faculty to initiate new research directions and/or acquire new skill sets. The sabbaticals are funded at about \$300K per year and are highly valued by our faculty. Sabbaticals are not provided to non-tenure or tenure-track positions in universities.
 - d. Senior faculty support for innovation – DRI provides additional funds to individual senior faculty for innovation and creativity, given that the vast majority of the work time is billable to contracts and grants. They have no place to bill for creative endeavors that enhance their reputation and research product. State-funded faculty at universities have time covered for such activities. For example, such investments at DRI have led to two Small Business Innovation Research grants as well as funding from DOE and California for an innovative demand response energy technology.
 - e. Institutional Research and Development (IR&D) funding through DRI's internal Research Affairs Council, and small amounts of seed funds in the Office of the Executive Vice President for Research (EVPR), are made available for data collection and analysis. This front-end support can lead to winning future large projects. In addition, the divisions have IR&D funding; the Division of Hydrological Sciences spent \$162K in this area in FY10.
 - f. Proposal development funding – The EVPR and the division executive directors provide funds from DRI's overhead that support proposal development by the faculty. For

example, one division invested \$332K on proposal development during the last fiscal year.

- g. Short-term faculty research bridge funding – Both the EVPR and each research division have funds available for bridging when faculty members are in between finishing one project and receiving funds for a new project. Such funds are not available to soft-money positions in universities.

NSHE

Potential Administrative Cost Saving Plans

FY 2011 Budgets

Merge DRI with UNR and UNLV

Research Function	FTE	Est Savings
Sub Total	10.00	1,546,709
Academic Support Function		
Sub Total	1.00	117,354
Institutional Support Function		
Sub Total	19.50	2,635,688
Operation and Maintenance Function		
Sub Total	3.00	373,709
Total Savings	33.50	4,673,460

QUESTION 3

Reform Plan for Administrative, Operational and Academic/Curricular Areas: The Subcommittee requested that the NSHE provide a plan to reform the administrative, operational and academic/curricular areas of the NSHE institutions. To the extent appropriate, reform strategies should be incorporated into the scenarios.

RESPONSE

Administrative and Operational Reforms are described in Question 1 as part of the NSHE Efficiency and Effectiveness Initiative. The following three reforms are included in the *NSHE Plan for Colleges and Universities* and have been discussed with legislative committees during this legislative session:

1. Student Tuition and Fee Changes
 - a. All new fees paid by in-state students and tuition for out-of-state students should remain at each institution and not be allocated in support of the state supported operating budget (SB451) – this will also be a matter for the funding formula study to review.
 - b. Differential fees are in place to support high cost or high demand programs to supplement what is currently generated by existing state support (SB449).
 - c. Legislature and Board will consider potential reset of the state and student responsibility within the state funding formula.

In addition to these tuition and fee reforms, the Board of Regents in 2010 revised its policy concerning the establishment of tuition and fees, effectively removing its longstanding philosophy for low fees and is moving toward market rate pricing, while trying to protect access. In the fall, the Chancellor will convene an ad hoc committee made up of institutional representatives, students and parents to consider and make recommendations on tuition policy, access, affordability and other matters related to student success.

2. Rainy Day Fund – The creation of an NSHE Stabilization Fund with a combination of state appropriations and unspent end-of year funds within the NSHE state-supported operating budget (SB434).
3. Funding Formula Study –NSHE has requested the 2011 Legislature to direct an interim funding formula study that would consider the formula in the context of creating new incentives for institutional behavior that reward outcomes rather than inputs and other such matters. For example, funding for course completion, degrees awarded, institutional retention of tuition and fees, and external grants gained are positive outcomes that should be considered.

4. Nevada Research and Business Alliance – The Board of Regents has asked for legislative funding and direction for a Nevada Research and Business Alliance. Representatives from business, government and higher education would collaborate to establish a state-wide vision for long-term research, technology and workforce development priorities in this state and direct new monies into research and technology transfer to support the economic growth of the state. (SB395 and AB449)

In addition, the implementation of the iNtegrate Project within NSHE represents a significant operational reform. Oracle's PeopleSoft Enterprise Campus Solutions 9.0 is helping NSHE institutions more effectively manage the entire student lifecycle – from recruiting and admissions to student services – in a flexible, secure environment. The Student Services Module within the integrated system, which will be fully implemented Systemwide by Fall 2011, provides access to personalized, easily navigated information with enhanced data security. It also improves efficiency through self-service capabilities for students, faculty, and staff. With this implementation, institutions and System Administration will have access to a shared directory of student information (and employee data in the next phase) and to applications that need the data, minimizing data inaccuracies and the need to reenter data. The second phase of the iNtegrate Project will add finance, grants management, business, and human resources functionality, providing the same advantages in these areas for increased productivity and accuracy.

Academic Reforms are a key part of the *NSHE Plan for Nevada's Colleges and Universities: Combining Excellence and Austerity to Attain Success* (September 2010). These reforms have been outlined previously by NSHE but in response to this question, we will take this opportunity to underscore their importance and, in most cases, their dramatic impact.

1. Accelerated Degree Programs will be established with financial incentives and academic support for cohorts of students to finish certificates and degrees quickly, a reform area that will yield quick results.
2. Credit Limitations on Degrees will be set by the Board of Regents in order to reduce cost and time to degree for students and reduce the cost to the state. Hopefully, it also means more certificate and degree completers. This is set to be approved by the Board in June 2011.
3. Low-Yield Programs will be subject to regular and predictable review if low numbers of graduates and few service courses exist then such programs will be subject to elimination. This reform effort has been a key ingredient in the difficult decisions related to the budget cuts.
4. Redesigned Courses at each institution will include remedial and general education courses. New models for instruction and learning will be employed where research indicates that greater student learning and success at less cost or less time are achieved through alternate methods. A project examining remedial mathematics is already underway in partnership with the Education Commission of the States (ECS).

5. Incentives for Decreased Time to Degree are being considered, including targeted use of fees to build incentives for students to complete college sooner, such as guaranteed fee levels up to a certain number of credits or penalties for students who drop or repeat classes. (The study on these incentives will begin in fall 2011.)
6. Part-time Faculty are critically important to our instructional mission, and our institutions are putting in place appropriate quality assurance mechanisms for these faculty, including prescribed course content, mandated end-of-course tests, in-class observations of part-time faculty instruction, and required student evaluations of all faculty. This reform initiative will raise student and public confidence in all instruction within NSHE institutions.
7. Articulation and Transfer is one of our most important reform areas for improvement with putting in place continual quality assurance programs that monitor student success in transfer and create faculty conversations between institutions where large numbers of students can be expected to transfer. Required advising and orientation for students will decrease student enrollment in courses that are inappropriate for their final degree or certificate goals.
8. Financial Aid has been too little and often too late for students. Our reform will focus on early efforts in high school to get students to apply for financial aid in their senior year, ensuring that all students who qualify for federal financial assistance apply, and continuing to set aside dollars for financial aid for the neediest students as fees and tuition costs rise.

In addition to these academic reforms, Nevada signed on to be a member of the Complete College America initiative where the State has to commit to specific annual goals for graduating more students through 2020. Complete College America set a goal that by 2020 six out of ten young adults in the United States will have a college degree or certificate of value. Nevada is one of 28 states committed to achieving this goal. NSHE and private higher education institutions are asked to graduate collectively an additional 1,064 students every year through 2020 (a compounding increase over time). Complete College America has identified essential steps to enhance student success and significantly boost completions – and challenged states to deploy policies and practices that have proven successful in other states, including uniformly measuring success, performance funding, reducing time to degree, and transforming the delivery of remediation.

All of these efforts will result in a more efficient and effective higher education experience for students, one that supports their success. These plans are in place and in most cases, already underway. However, base support for faculty and staff has to be in place to carry out these initiatives. Sudden and dramatic budget cuts will delay these efforts.

QUESTION 4

Alignment of NSHE Workforce Development Efforts with State Economic Development

Goals: The Subcommittee requested that information be provided on the workforce development activities NSHE institutions are currently undertaking and how those efforts align with the economic development goals being discussed by the Governor and the 2011 Legislature.

RESPONSE

The following summaries include the workforce development activities that are currently being undertaken at NSHE's seven teaching institutions. We are not aware of details related to the Governor's economic development goals in any level of specificity that would enable us to align current workforce development activities with those goals in a meaningful analysis. However, in some cases the institutions did attempt to make such an alignment when possible.

*University of Nevada, Las Vegas*Academic Success Center

ASC helps students (future employees) understand majors offered and the link to careers; become knowledgeable about career fields, job outlook, work conditions, salaries and benefits; find jobs while attending college; and, enroll and complete Internships and job shadow in career fields of future interest.

Allied Health, School of

The School of Allied Health Sciences prepares a variety of health care workers: nutritionists/dietitians, athletic trainers, clinical laboratory workers, and technicians to operate body imaging equipment: x-rays, ultrasounds, magnetic resonance imaging and nuclear medicine. Job opportunities in all of these professions are expected to increase with healthcare reform. Graduates generally find employment within three months of graduation.

Business, College of

UNLV's Business College develops accountants, bankers, economists, entrepreneurs, financiers, information technology specialists, marketers, real estate agents and managers of all sorts. Our evening and Executive MBA programs provide key avenues for technical experts to get the management training they need to lead their organizations and generate value. Our Small Business Development Center and Center for Entrepreneurship help aspiring entrepreneurs develop solid business plans and locate financing to open their businesses.

Community Health Sciences, School of

The School of Community Health Sciences prepares individuals to become effective public health practitioners, researchers, and teachers who will identify public health problems and needs, develop effective mechanisms to address those needs, and promote appropriate services to be available for the protection of human health. Graduates specialize in health promotion, health care administration, health sciences, and public health.

Dental Medicine, School of

The School of Dental Medicine serves Clark County and the state of Nevada in oral health care, health services, research, and scholarly activities. Graduates provide comprehensive oral health care by diagnosing disease and treating patients.

Education, College of

The College of Education works with students pursuing post-secondary career and technical licensure - which is an extension of workforce education. The college contributes to the field of workforce education/economics by extending programs to those who are already gainfully employed in Southern Nevada, but also to those who are seeking to become licensed teachers as well.

Engineering, College of

The Howard Hughes College of Engineering offers the following disciplines: Civil Engineering, Computer Engineering, Computer Science, Construction Management, Informatics, Electrical Engineering, Entertainment Engineering and Mechanical Engineering. Graduates are employed by government agencies and local industries such as CDoT, Nevada Department of Transportation, civil and construction consulting companies, NV Energy, Southwest Gas, water districts, local construction companies, JT3, NSTec, BallyTech, International Gaming and Technology, and casinos. Graduates of the college find jobs in gaming technology, construction, water resources, transportation, energy and utility industry, nuclear and defense industries, and local, state, and federal government.

Fine Arts, College of

The College of Fine Arts (CFA) prepares graduates for the many entertainment venues in Las Vegas with students working as film makers, jazz musicians, dancers, artists, theater designers, and landscape architects as well as many other opportunities. UNLV answers the need for the growth of the entertainment industry in Nevada.

Hotel Administration, College of

There are approximately 11,600 alumni who graduated from the William F. Harrah College of Hotel Administration. 72% of UNLV's alumni were employed at graduation with 90% of the positions considered career related. 46.5% or 5,400 of the 11,600 alumni have a home address in the state of Nevada. 72% of UNLV's alumni were employed at graduation with 90% of the positions considered career related. 73% of UNLV's alumni indicated their post graduation employment was in southern Nevada. The positions ranged from line level to middle management.

William S. Boyd School of Law

The Boyd School of Law is the only law school in the state of Nevada and offers three programs: a part-time evening program, a part-time day program, and a full-time day program. Graduates of the programs are taught a combination of skills that stress ethics, professionalism, community service and dispute avoidance/dispute resolution.

Liberal Arts, College of

UNLV's College of Liberal Arts, is centrally involved in work force development for our region and State in that UNLV teaches a large proportion of the courses that satisfy general education requirements. These courses enable students to develop the analytical thinking and communication skills required of all members of Nevada's workforce requiring higher education degrees ranging from business people, to scientists and engineers, government workers, journalists, and hotel and gaming administrators. UNLV's research reputation is very important for economic diversity in that the research reputation of a local university is hugely important in attracting businesses thinking of relocation to Nevada. The College of Liberal Arts plays increasingly central roles in work force development in the state of Nevada.

Libraries

The Business Librarian developed and facilitates workshops for ExporTech program participants from the local business community, provides individual research assistance to community members enrolled in Nevada Small Business Development Center, developed and maintains the Small Business Information Gateway for local business needs, and developed a print library resources guide for the business community which is widely distributed locally. The Dean of Libraries makes regular presentations and workshops for local business leaders on how to make use of quality business information available through the Libraries' online databases and to offer workshops and consultations from expert librarians.

Nursing, School of

The School of Nursing prepares nurses for entry level positions (BSN) – these graduates find employment within three months of graduation. We also provide graduate education to nurses for advanced practice roles (MS, DNP, and Ph.D.). Graduates find employment as Family Nurse Practitioners, Nursing Educators, and nursing leaders in clinical settings and industry.

Research, Office of Renewable Energy

UNLV and NV Energy developed a Solar and Renewable Energy minor program with NV Energy providing a \$500,000 donation to help establish this program. The goal of the program is to position Nevada and UNLV as leaders in the field of alternative energy through the support of excellent educational programs that advance understanding of the field, build the state's workforce, and stimulate the state and local economy.

A new Graduate Certificate in Solar and Renewable Energy was recently approved for Spring 2011. The goal of this certificate program is to provide a specialized qualification for career professionals in the energy industry, professionals from other fields seeking entry into the clean energy field, or currently enrolled graduate students seeking an added specialization. It will also meet increasing demands for highly skilled decision-makers and leaders with interdisciplinary training in solar and renewable energy technologies and policies.

Sciences, College of

UNLV's Colleges of Sciences, along with the College of Engineering, has initiated high-technology workforce goals. Here, the interest is in developing students trained in high-tech areas such as the biosciences (bioengineering, biochemistry, biophysics, biomedical, etc) and in renewable energy (solar, geothermal, wind, storage, etc.). These graduates would tie-in to the

economic development goals set forth in legislative bills such as AB449, which would help to jump-start these areas through targeted investments in the research universities and in business. Besides helping to create these new business entities, we would be providing much of their workforces.

Urban Affairs

The College of Urban Affairs programs are integral to aid students in their entrance to the work force. Public Administration offers their undergraduate degree on-line and is directed towards public employees who need a degree for career advancement. The MPA program permits career advancement and aids individuals in moving into management positions. The Greenspun School of Journalism produces graduates who are prepared as broadcast, online, and print journalists as well as specialists in integrated marketing communication (advertising and public relations) and media studies. Criminal Justice graduates are trained for careers in the criminal justice field such as law enforcement and corrections, among others.

Perhaps the clearest examples of work force development are Social Work and Marriage and Family Therapy (MFT). Social Work produces approximately 100 social workers per year. More than 60% of MFT graduates work in community agencies and the largest providers of mental healthcare in the state are MFT graduates. Finally, it should be observed that communication skills are an essential part of any job and the Communication Studies program serves as the basis for oral and written communication skills.

University of Nevada, Reno

Alignment of NSHE Workforce Development Efforts with State Economic Development Goals

Colleges and departments at the University of Nevada, Reno engage in numerous educational, research and outreach activities that impact the lives of Nevada's citizenry. This enrichment may be in the form of training and education for a current or new job or career, may be in the form of a program or experience that is personally enriching, or may be a service that would not otherwise be available to them or their family members. Serving the personal and educational needs of Nevadans is an important part of ensuring that the state has a well-prepared and innovative work force; in addition, businesses hoping to locate here will look carefully at the educational programs and services available to keep its work force up to date and fulfilled. In addition to being actively involved in assisting the many agencies and organizations working on the state's economic development efforts, the University recognizes that the education and development of the state's workforce provided by academic programs must continue to be of high quality, responsive to the needs of the state and any changing needs identified as the state moves forward. The following are examples of how the University's current programs prepare Nevada's workforce:

Biotechnology Industry

Students receiving a B.S. in Biochemistry and Molecular Biology or a B.S. /M.S. in Biotechnology create a workforce pool for the biotechnology industry. Such a pool needs to be in place before these high tech industries can be attracted to the state. Numerous Biochemistry and Molecular Biology M.S. and Ph.D. recipients contribute to the local workforce in

biotechnology firms like the Hamilton Company, Nutritional Research Corp. and Charles River Laboratories International, Inc.

State of Nevada Agriculture and Natural Resources Management

B.S. and M.S. graduates of programs in the Natural Resources and Environmental Science programs provide a work force for U.S. and Nevada natural resource and environmental agencies as well as for private companies and non-governmental organizations. These graduates, whether in private or public employment, are involved in restoration and mitigation activities associated with mining, ranching, Bureau of Land Management, Natural Resources Conservation Service, Nevada Department of Wildlife, Nevada Division of Environmental Protection, U.S. Forest Service, Nevada Division of Forestry and NV Energy within the state of Nevada.

The Veterinary Sciences program prepares students for admission to veterinary school. Three students each year can be supported through a resident contract program with various western veterinary schools which provides financial assistance to these students. One condition of this support is that they must return and practice in Nevada for four years. This adds to the workforce and provides important veterinary services to the state.

Health Care, Nutrition and Veterinary Science

Many of the University's programs prepare Nevada students to go on to different health professional schools including medical school, pharmacy school, and dental school, thus contributing to the health professional workforce of the state. Other programs in nutrition, nursing, social work, public health, and aging populate the health and human service networks that serve our communities. In addition to serving Nevada's citizens, these health and human service professionals and the services they provide are part of the fabric of socially responsive, healthy communities needed to attract new businesses, professional services, and industries to the state.

Business, Gaming

Students who graduate with degrees from the University's College of Business provide a wide range of skills essential to all Nevada businesses, from 21st century knowledge based economy to legacy industries. Knowledge of business processes such as contracting, marketing, financing, management and accounting is critical to the future success and growth of all business types. Great ideas, inventions, and discoveries cannot be translated into economic activity unless a workforce educated and trained in basic and advanced business processes is in place.

Engineering, Technology, Renewable Energy

The College of Engineering educates engineers and computer scientists who will play critical roles in the expansion of business and industry in Nevada. Graduates are typically employed by city, state and federal agencies, private industry and in many cases they start their own companies. The college prepares students in all of the majors for the challenges of developing and or expanding a business or product line through a senior design capstone course that stresses innovation and entrepreneurship, which includes development of a business plan.

Particularly related to the state's economic development in renewable energy, the College of Engineering also offers a renewable energy minor within Electrical and Biomedical Engineering

department and participates with other colleges in a University-wide minor in renewable energy. Plans are underway for the development of a professional certificate program in renewable energy targeting the enhancement of the background of professionals needing enhanced knowledge in the area of renewable energy.

Education

The University's programs prepare individuals for various positions in the state's educational institutions. These include teachers (preschool through high school), administrators, counselors, and human development and family specialists. In addition, there are advanced programs and educational opportunities for the state's professional educational work force.

Outreach

In addition to educational programs, the University's colleges, departments and offices are heavily engaged in outreach to Nevada entities and individuals. For instance, many academic programs engage students in internships and other supervised experiences in the community. These programs provide supervised students who assist in such activities as providing services to individuals and families through the Early Childhood Autism and Psychological Services Center, offering Spanish translator/interpreter services in local public agencies, and providing student interns or volunteers to Nevada's public schools and nonprofit agencies.

The University's colleges and departments also continue to provide programs of interest to the public. Speakers on topics of interest to community members have been offered through the College of Liberal Arts Great Conversations series, with public sessions in both Reno and Las Vegas, as well as the College of Science Discover Science Lecture series. These are just two of many such events offered which enrich the lives of Nevada's workforce.

The School of the Arts engages in extensive outreach to the community, enhancing quality of life through performances and exhibitions, and preparing majors for careers in the arts and arts education. The arts bring on the order of 75 guest artists to the Reno area each year, and faculty and students participate in community arts organizations such as the Reno Philharmonic Orchestra, Chamber Orchestra, and Artown. The economic impact has recently been calculated at more than \$13 Million annually in northern Nevada. The School's public events range in attendance from 235 to more than 7,000 community members.

In addition, research and outreach services are provided to the state through the many outreach centers and programs, such as the Latino Research Center, School of Social Research and Justice Studies, Nevada Center for Excellence in Disabilities, and Nevada Small Business Development Center.

Economic Impact of Health Research

Investment: Funding sources for overall research and development (2007)

Source of R&D Funding	Investment	State Rank
Federal Government	\$230,000,000	41
Industry	\$516,000,000	33
Universities	\$35,000,000	43
Non-profit	\$4,000,000	44
Other *	\$9,000,000	45
Total	\$794,000,000	42

* Other represents funding from state and local governments and funding for Federally Funded Research and Development Centers from non-federal sources.

Source: National Science Foundation, National Patterns of R&D Resources, 2008

Population (2008)

Nevada	Residents	State Rank
Population, July 1, 2008	2,615,772	35

Source: U.S. Census Bureau, Annual Population Estimates, 2009

Economic Impact: Statistics for research-driven health industries (2008)

Industry	Employment	Annual Salary
Pharmaceutical	427	\$44,595
Medical Device	1,002	\$42,752
Research, Testing, and Laboratories	3,365	\$58,119
Overall Private Sector	1,096,830	\$41,808

Source: Battelle and Biotechnology Industry Organization (BIO), BIO State Bioscience Initiatives, 2010

Highlights from local economic impact studies

A 2007 study by FamiliesUSA, *In Your Own Backyard*, shows that NIH funding for Nevada generated \$41,000,000 of business activity and 283 new jobs. The report also highlights why global health matters to Nevada.

The University of Nevada, Reno (UNR) had an economic impact of \$611.3 million in 1999-2000. The University directly employed 5,700 people and induced nearly 10,800 jobs in the local economy.

According to a report from BIO and Battelle, Nevada legislation included \$5.4 million for a Biotechnology and Genomics Research Facility at UNR and \$10.15 million for start-up research expenditures at the Nevada Cancer Institute.

Nevada State College

Through accessible education and training programs and by actively meeting with and soliciting input from the local business community and emerging industry clusters, Nevada State College is an integral component within the Nevada System of Higher Education's broader workforce development and economic diversification strategies. Nevada State College's primary focus is producing qualified human capital for Nevada's business interests as quickly and efficiently as possible. Our mission is to successfully put people into the workforce, which means that, given Nevada's hard-hit economy, considerable attention is now spent retooling unemployed and dislocated workers. Nevada's unemployment rate demands that we increase our efforts and become more strategic in our actions.

Nevada State College has developed and refined academic programs, procured equipment, and established facilities that provide access, education, and training for established as well as up-and-coming industries. For example, our physical and life sciences division teaches students using the state-of-the-art equipment employed by leading biotechnology firms such as Genentech and Amgen, and our nursing program has expanded its reach to sophisticated medical equipment. Our recently constructed Finance Center, complete with a 38-foot stock ticker and 12 high-definition LCD displays, provides live financial information and a compelling real-world learning environment found nowhere else in Nevada. Later this year, the college will implement a cutting-edge lecture capture system to help promote the success of and increase access for students in challenging nursing and science courses and invigorate online courses with dynamic multimedia content. Supporting these and other efforts is a series of academic workforce initiatives designed to address several of the developmental areas targeted in the Nevada Science and Technology Plan approved by the Board of Regents. Listed below is a brief synopsis of each initiative.

Biotechnology/Biomedicine

- As part of the IDeA Network of Biomedical Research Excellence (INBRE) governed by UNR, Nevada State College recently offered the first training session in an extended program that certifies future biomedical professionals in the use of an advanced Beckman Coulter Capillary Electrophoresis (CE) device. The training sessions, scheduled to run twice annually for at least five years, help address unmet demand in the biomedical industry and, according to the CE Program Manager at Beckman Coulter, provide undergraduate students with a level of access that is unmatched at any college or institution in the country.
- NSC also is leveraging INBRE support to provide training in the use of an advanced Flow Cytometer device. Though training will be provided mainly to NSC students, members of the Nevada Cancer Institute also will use the equipment to pursue essential research efforts. The mutually beneficial relationship will give the Cancer Institute access to previously

unavailable resources while opening the door to planned internship opportunities for NSC students.

Nursing

- The NSC nursing program has worked diligently to provide exceptional training to a wide range of students and consequently address a statewide shortage of qualified professionals. The success and impact of our program hinges largely on the development of specialized degree tracks that vastly improve student access to a Bachelor of Science in Nursing. In addition to our traditional, four-year BSN track, the college also offers: 1) a 1-year accelerated track for students who already possess a bachelor's degree, 2) a part-time track for students who face outside obligations (e.g., work, family) that can be completed in eight consecutive semesters, and 3) a fully online RN to BSN track that serves licensed nurses who have earned an associate's degree from an accredited nursing program.

Climate Change

- NSC was awarded a grant of \$400,000 across five years to facilitate the professional development of in-service middle school teachers in the Las Vegas/Henderson and Reno/Sparks regions. As such, NSC will host a summer institute for in-service teachers on the latest climate change science and will organize additional on-site training sessions at area middle schools.
- As part of our degree program in Environmental & Resource Science, NSC students develop the expertise needed to address a water shortage concerns in Southern Nevada. Guided field experiences (e.g., regular trips to the Las Vegas Wash to assess soil samples and measure vegetation quality) provide students with an opportunity to hone crucial practical skills while they apply disciplinary expertise acquired in the classroom.

Education

- The School of Education offers Alternative Route to Licensure (ARL) coursework for individuals earning an initial teaching license in NV. The individuals are recruited by the CCSD school district due to their expertise in a critical need content area such as science, math, or special education. Most of the individuals recruited through ARL, a collaborative program between CCSD and local colleges and universities, are seeking a second career due to job loss or career changes. The courses they take at NSC meet licensure requirements in secondary education math or science and K-12 special education. The coursework taken by ARL students at NSC have been approved for state licensure in a specified teaching area as well as for recertification or retraining needs for practicing teachers. The same is true for pedagogy and content courses offered in the NSC PB initial licensure program, known as the Teacher Education Program (TEP).

Speech Pathology

- In close collaboration with the Nevada Coalition on Related Special Education Services, NSC has played an important role in addressing shortage and retraining needs of speech and language, school-based, pathologists. Nevada State College prepares speech pathologists at the undergraduate and post-baccalaureate (PB) level as well as offers courses for recertification credits. NSC's undergraduate program in speech and language pathology is one of three in the nation that leads to licensure and school-based practice upon graduation.

Nevada school districts continue to face a shortage of speech and language pathologists and the NSC Speech and Language Pathology program offers courses that meet initial licensure retraining needs for new and practicing SLP's across the state.

Business

- Truckee Meadows Community College and NSC are jointly developing a fast-track online degree programs in business and management to cohorts of community college students who have earned an associate's degree in business or criminal justice. This innovative, cross-state agreement establishes a seamless transition between the two institutions on several levels (curricular format, advising) while providing educational and career advancement to a traditionally underserved student population.
- A planned partnership with the City of Las Vegas is designed to give working professionals an opportunity to pursue degrees in Business and Public Administration through online offerings and courses taught on-site in training facilities at City Hall.

College of Southern Nevada

Current workforce development activities in CSN's Division of Workforce and Economic Development target three specific areas:

- Assessment, gap fill and retooling for displaced workers in Southern Nevada.
- Adult basic skills targeting the 20% of the workforce without a high school diploma
- Workforce technical programs for career entry and continuing education for incumbent workers.

CSN's Workforce Division also provides customized training to support local businesses and industry based on demand. This element of workforce education responds with program development based the "just in time" skills training needs of local industry.

Finally, the Workforce Division continues to drill for data utilizing an economic modeling tool to forecast industry labor needs in the short and long term. Based on this data programs are vetted for development based on cost recovery, sustainability, and employment prospects for program completers.

Additional details on CSN's efforts in these areas are as follows:

Assessment, gap fill and retooling for displaced workers in Southern Nevada

CSN's Division of Workforce offers a work skill assessment that is utilized nationally to determine skill levels and occupational matches based on the assessment results. Additionally, gaps in skill levels are addressed through an on-line remediation program that expedites learning delivery and results.

Additional courses have been revamped and implemented to address the needs of displaced workers in job readiness, computer skills and job search skills. Courses have been utilized by DETR and other agencies.

Adult basic skills targeting the approximately 20% of the workforce without a high school diploma

Clark County Workforce Ages 25 and above	2009 Population	Less Than High School	High School Diploma	College Degree
Total	1,238,507	216,338	666,917	355,252

Our GED classes have been redeveloped to target specific knowledge gap fill and broken out by subject area. Students are able to receive targeted instruction. Due to the high volume of students coming in needed basic skills before entering GED preparation courses, additional support classes in basic skills have been developed.

The English as a Second Language population requires courses in language learning and much of the population also needs the GED preparation. Efforts in meeting the needs of the ESL population have been to target employment goals. Pilot of a course blending customer service skills and ESL has been successfully received and an additional pilot is being conducted.

Workforce technical programs for career entry and continuing education for incumbent workers

CSN's Workforce Division offers a number of workforce programs developed with employer input on competencies and certifications required. Examples of programs range from healthcare programs to industrial programs.

- Patient Care Technician (Dialysis)
- Health Unit Coordinator
- Certified Nursing Assistant
- EKG
- Facilities Technicians
- Welding
- Building Energy Auditor
- OSHA Trainer

Incumbent workers receive training and certification required to continue their jobs and enhance skill levels:

- CPR/ PALS
- Lifeguard Certification
- IV Certification for LPN's
- Ultrasound-Guided PICC Placement
- EMT Basic and Intermediate Refresher
- Disaster Site Worker Train-the-Trainer
- Forklift Operator Train-the-Trainer
- OSHA Hazwoper Train-the-Trainer

- Customer Service
- Supervisor / Manager Series

Great Basin College

1. Efforts on Economic Development must focus on favorable investment climate, tax structure, labor force and Nevada's unique resources for solar and geothermal power.
 - a. GBC: WORKFORCE DEVELOPMENT
 - i. GBC is heavily engaged in workforce development in many areas. Most notably is the Maintenance Training Cooperative (MTC). MTC partners with local business and industry in providing scholarships and training in Electrical, Diesel, Welding, Industrial Millwright and Instrumentation technologies. Over 60 students receive scholarships for these Career and Technical Education (CTE) training programs, with enrollments of up to 120 students. The scholarships also provide an opportunity for students to work one or two days each week at their sponsor company in their field of study. Students are often preferred candidates for jobs at their sponsor company once their training is completed. The CTE programs are "accelerated program." Students complete their studies in a forty-eight week period and are awarded either a Certificate of Achievement or an Associate of Applied Science in their discipline. The training opportunities are open to all students, not just MTC scholarship students. The job placement rate for CTE students is 94%, generally in well paid jobs.
 - ii. In addition to the MTC program, GBC has developed partnerships with local companies to train their existing workforce. In 2006, Newmont Gold Corporation and GBC partnered to develop a "skills standard assessment" that would establish a baseline skill level for maintenance personnel. The initiative took 6 months to establish and the first employee was assessed in December, 2006. The assessment is called the Recognition of Prior Learning (RPL), and is currently being used to assess Mobile Maintenance Technicians and Industrial Millwright Technicians. Newmont Gold Corporation and Barrick Gold of North America have assessed over 1,200 employees using this model. Once an employee has been assessed, a customized training plan is developed outlining the skills classes each employee needs to improve their proficiency. The assessment data has resulted in the development of many classes. To date, the program has helped enhance the skills of 950 employees. The RPL is also used to assess GBC technical students to determine their level of technical competence at the end of their own course of training
 - iii. GBC Education Program is another example of workforce development. In response to critical shortages and challenges in recruiting and retaining elementary education, GBC developed bachelor degree programs in education. The program has graduated more than 200 teachers. Most have been hired in rural Nevada school districts. Because GBC contributed to

“home grown” educators, school districts enjoy talented and dedicated teachers who are committed to careers in rural Nevada communities.

- iv. Health Care Programs. Qualified health care professionals are in high demand in rural Nevada. GBC has for many years had a quality RN Nursing program that has supplied a significant proportion of the needs for rural Nevada hospitals and other health care facilities. In recent years GBC developed a Bachelor of Science in Nursing program (BSN) to provide higher levels of training for registered nurses. The training provides RN's with advanced knowledge of health care provision, most of it focused on the unique demands of a rural setting. The most recent additions to health care programs are in Radiology Technology and Human Services. Both of these programs are providing much needed trained professionals for high demand jobs.

- b. Renewable energy

The Great Basin College service area enjoys an abundance of renewable energy resources. All of GBC's CTE programs have components with applications in most renewable energy systems. GBC has responded to these opportunities by training students enrolled in existing programs in skills related to renewable energies. GBC is also developing programs specific to the renewable energy opportunities in the service area. Most notable are current opportunities available in solar energy in Nye County. GBC is developing curriculum with solar energy stakeholders in that part of its service area.

2. Nevada Jobs Unlimited

- a. A public private partnership

GBC's MTC program, described above, is an excellent example of the sort of public/private partnerships of Nevada Jobs Unlimited.

- b. Growing jobs within existing Nevada businesses

GBC's CTE programs continue to develop a workforce for the existing Nevada mining industry. Students enter into one of the five CTE programs and have an excellent chance of obtaining employment once their training is complete. These programs are in high demand and with good reason. Entry level employment for these graduates range from \$45,000 to \$60,000 per year. Many students enter these technical programs with little or no technical skills. GBC's CTE programs provide the necessary training for students to become successful and gain the necessary skills to be employed in a high-demand high-skill job. Programs in these fields provide a trained workforce for many types of industries, not just mining, and increase the attractiveness for new industries to locate here.

3. Expanded Broadband Access

- a. GBC: Distance Learning Technologies

GBC already demands more than 50% of the Nevada System of Higher Education (NSHE) broadband. GBC is heavily engaged in providing instruction using interactive video (IAV) and online instruction technologies. The expansion of

broadband access in rural Nevada communities will dramatically increase higher education opportunities for thousands of rural Nevada residents.

b. Health care provision/training

Many rural Nevada residents, especially military veterans, are reliant on broadband technologies for health care in what is referred to as "telemedicine." Clinics in rural Nevada link to hospitals throughout the region to provide diagnosis and treatment to place-bound patients in remote communities. GBC has been a partner in this area of health care provision.

4. Nevada Retrofit Initiative

a. GBC: Solar hot water systems, Pahrump

Great Basin College partnered with Valley Electric Cooperative in Pahrump to train displaced workers in the installation and maintenance of solar hot water heating systems in the Pahrump Valley.

b. Weatherization programs

GBC developed weatherization programs to train students in weatherizing homes and businesses across rural Nevada.

5. Rural Manufacturing Workforce Development

a. GBC: Dream It Do It

GBC has partnered with the Elko County Economic Diversification Authority (ECEDA) in this program. The program begins with students in secondary education and provides them with a path of study that can lead to good and satisfying work in manufacturing. GBC, through its dual credit and associate level training programs, can assist students in gaining these skills.

b. GBC: Partnerships with state agencies

GBC has partnerships with DETR and JOIN, providing training opportunities in Career and Technical Education and Health Sciences.

c. Existing Programs with Future Potential

Programs delivered by GBC that assist the development of a trained workforce for the mining industry will train a workforce for many industries. Mechanical and electric training programs benefit the attractiveness of the region for a wide range of industrial and manufacturing jobs. The current mining industry can serve as the basis to launch future manufacturing opportunities

Truckee Meadows Community College

Workforce Training in Renewable Energy and Energy Efficiency

Upon passage of SB152 in 2008, TMCC organized the Northern Nevada Green Jobs Training Coalition, in compliance with the new state law. The group is comprised of TMCC employees, labor organization officials, and community service representatives. The Coalition also extended

an invitation for Great Basin College to join the group since the labor organizations also represented the entire northern tier of the state. College of Southern Nevada also participated in our first grant application for weatherization funding from the Department of Employment Training and Rehabilitation (DETR).

Since its inception in June 2009, the Coalition has advised the college as we pursued grant funding for training that falls under SB152's jurisdiction, as well as any closely related grant opportunities not directly related to federal stimulus funds. To date, the college has received five grants:

1. DETR Low-income Weatherization grant (ARRA)
2. Community Services Agency (CSA) Energy Efficiency grant (Exxon Mobil)
3. Solar Energy Institute Instructor Training (NSF)
4. NSOE Nevada Retrofit Initiative (DOE)
5. Geothermal Plant Operator (DOE)

At this time, TMCC has trained 79 basic weatherization installers under the DETR weatherization and ExxonMobil grants. Twelve students completed intermediate weatherization training under the DETR grant, consisting of five returning students and seven incumbent workers. Three of the returning students have advanced to the current series of courses leading to national certification as residential energy auditors. At least two other individuals from the original group have returned to TMCC to pursue the Renewable Energy AAS degree emphasis. By December 2010, the college trained over 110 individuals in energy efficiency technologies, from basic weatherization to certified residential auditors.

TMCC partnered with Nevadaworks to train students in energy efficiency and sustainable energy techniques. Conducted by industry professionals the training is designed to help local businesses and organizations perform on-going energy efficiency audits of their physical plants and understand the advantages and savings derived from implementing sustainable energy technologies. Students who completed the 45-hour course received three credits from TMCC. Of the 24 students originally enrolled, 17 completed the course and earned passing grades, two officially withdrew prior to the conclusion, and the remainder failed to meet the course requirements.

Complementary to the programs developed with funding from DETR and ExxonMobil, the College has also been selected to provide workforce development training for the Nevada Retrofit Initiative. Funded by a grant obtained by the Nevada State Office of Energy, NRI has set the ambitious goal of retrofitting 5% of all single-family residences in the state with energy saving technologies that meet the Home Performance with Energy Star (HPwES) standards by 2021. To help achieve this objective, the College may train as many as 200 individuals as energy auditors, contractors, and verifiers between 2011 and 2015.

Besides the training directly funded by these grants, the College has leveraged these resources to develop traditional curriculum as part of its renewable energy, HVAC, and architecture programs. For example, a full-time instructor attended solar photovoltaic and thermal training funded by the National Science Foundation and provided by the Solar Energy Institute. As a

result of his upgraded skills, the instructor is updating our existing solar energy curriculum and developing a new course in solar thermal technologies that will enhance our Renewable Energy and HVAC emphases. Energy efficiency workforce development courses have been adapted as credit courses for Renewable Energy, HVAC, Architecture, and Construction Technologies. The College is also developing plans to market certification training and professional workshops to contractors throughout the western United States utilizing the facilities developed under these grants. If successful, TMCC will become a major training center in energy efficiency technologies in the United States.

TMCC has received a U.S. Department of Energy Grant to develop training for Geothermal Plant Operators. The Certificate of Achievement for Geothermal Plant Operator (GPO) will serve a demand for highly-trained professionals needed in the growing geothermal energy industry in Nevada, nationally, and internationally. This program will allow graduates to enter the workforce prepared to begin working immediately and provides a critical cost saving solution to the shortage of qualified Geothermal Plant Operators needed to address the world's increasing demand for clean energy such as geothermal power. This program would be the first of its kind in the United States and only the second worldwide. Courses are being prepared for Fall 2011.

Renewable Energy Emphasis in Construction Technologies AAS

TMCC is now offering twelve new or revised courses that cover the solar, wind, geothermal, and energy efficiency sectors of renewable energy. In January 2009, TMCC launched a Renewable Energy emphasis as part of the Construction Technologies Degree.

The following table includes the number of students enrolled in courses specific to renewable energy and all courses within the emphasis including supporting courses. The headcount is duplicated when students register from more than one renewable or supporting course.

Headcount of Students Enrolled in Renewable Energy Courses

<u>Semester</u>	<u>Number of Majors</u>	<u>Renewable Energy</u>	<u>All Classes</u>
Fall 2009	28	95	138
Fall 2010	42	112	178

Nevada Retrofit Initiative

In his State of the State address, Governor Sandoval specifically identified the Nevada Retrofit Initiative as "a ground-breaking partnership with higher education, nonprofits, and local banks for the construction and financing of residential energy efficiency retrofits." TMCC is the primary higher education partner for training energy auditors in this effort. Under this initiative, TMCC will train 80 auditors over a three-year period. These individuals will be available to perform the necessary analysis work in homes across northern Nevada to increase energy efficiency and subsequently qualify for special low-interest financing.

Number of Auditors to be Trained	2011	2012	2013
	40	30	10

The goal of the Nevada Retrofit Initiative is to implement Home Performance with Energy Start (HPwES) and ultimately retrofit at least 5% of all single-family residences in Nevada by 2021. Overall, the Nevada State Office of Energy projects the creation/preservation of nearly 500 jobs in northern Nevada in the construction, auditing, and finance industries, as well as an economic impact of \$44 million.

Manufacturing

TMCC offers a variety of training programs that support of the emerging manufacturing industry in Nevada, including machining, production systems, drafting, fabrication, and industrial systems.

The machining program trains students in both manual and computer numeric controlled (CNC) machining techniques. These are critical skills for a large variety of industries, from slot machine manufacturers to biomedical equipment. Our fabrication emphasis trains students in multiple processes from welding, sheet metal, and machining.

The production systems program focuses on training workers to manage the assembly line environment. It focuses on quality control, just-in-time materials supplies, and computer aided manufacturing process. The Industrial Systems Certificate of Achievement trains technicians who maintain and operate the sophisticated automated equipment in a modern manufacturing facility. More than 260 students per year enroll in these manufacturing-related programs.

Transportation

TMCC trains automotive and diesel mechanics to the Automotive Service Excellence master technician level established by the National Automotive Technicians Education Foundation (NATEF). Beyond automotive dealers and repair shops, a large variety of industries require qualified transportation mechanics, such as construction, distribution, and utilities. TMCC trains 240 students per year in transportation programs.

Diesel technicians are especially valuable in northern Nevada's strong distribution and logistics industries. With its centralized location, the region is well suited for on-going growth in this industry. Technicians trained by TMCC help maintain the equipment used in distribution and manufacturing plants and are critical for maintenance of over-the-road vehicles that carry products and materials from warehouses in the area to points across the western United States.

Computer Technologies

The Computer technology department provides degrees and certificate programs that are responsive to two main driving forces: the latest trends in computer technologies, and the demands of students and regional employers.

Employment data nationally and for the state predict there will be strong demand (41% projected increase) for Computer Specialists (labor code 151000) through 2018. These specialists include computer programmers, software engineers, computer support specialists, network administrators, and others. The CT Department teaches courses leading to degrees in all of these areas.

Logistics Management

Governor Sandoval stated: "Finally, we need to improve ground connections by linking Las Vegas to Phoenix via Interstate 11 and to Southern California via high-speed rail. Both are critical for transportation and logistics, as well as tourism. ".....We are uniquely situated for logistics and transportation."

This statement shows the important role that logistics continues to plan in northern Nevada. Logistics management is a fast-growing business field nationally and internationally. In the Reno area, the expected growth is about 30 percent over the next 10 years. Careers in logistics include positions in purchasing, manufacturing, distribution, and transportation. Logistics management is well suited for students who enjoy solving mysteries, international travel and working on the front lines building relationships with industry partners. The degree options at TMCC allow the student to incrementally increase their knowledge base and are designed for either the working adult or the traditional student. Students may earn a Certificate of Achievement in Logistics Management, an Associates of Arts with an emphasis in Logistics Management, and an Associate of Applied Science in Logistics Management.

Entrepreneurship

Governor Sandoval stated: "For businesses already operating in Nevada, we want you to know that our focus is on your growth. Roughly 80 percent of new jobs will be created by local businesses, and we need every one of them to put Nevadans back to work."

This statement emphasizes the need for locally grown entrepreneurs as well as well-trained business professionals to meet the demands of the new jobs that will be created by existing local companies, companies moving into northern Nevada as well as those new enterprises resulting from nurturing local entrepreneurship.

In the "Rise of the Creative Class" Richard Florida discusses and elaborates on the ways in which creative workers are changing the economy. He goes on to stress how the entrepreneurial spirit and endeavors create economic growth. Among cities that have been successful in this are Austin, TX, Seattle, WA and Sacramento, CA. Sacramento's focus on creativity and creating a community that supports creativity now has them listed as one of the top ten places to live in the US by Kiplinger's magazine. Included in the top 10 are all cities that Florida rates as high on the Creativity index. TMCC's entrepreneurship program makes it easier and more affordable for residents of Reno/Sparks to obtain the skills and knowledge that they need to be successful. Create or Die has become the new credo of businesses. The development of this program provides another path to developing creativity in the workplace and provides another tool to grow employees. Students may earn a Certificate of Achievement in Entrepreneurship or an Associates of Arts with an emphasis in Entrepreneurship.

Business

Truckee Meadows Community College provides business studies courses that reflect leading edge practices in use in the community. The required courses include Business, Accounting, Economics, Marketing, Management, and elective courses from a number business disciplines. The degree offerings enable students to enter the business arena at a number of different levels or

to transfer to a four-year institution to achieve a Baccalaureate degree. Students may earn a Certificate of Achievement in Business, an Associates of Arts with an emphasis in Business, or an Associate of Applied Science in Business.

Western Nevada College

- Provide customized training for employers in WNC service area. Employers primarily come from the manufacturing, energy, and healthcare sectors. Training topics include a variety of machine tooling, computer technology, industrial safety, and leadership customized for the size and needs of the company.
- Act as a training partner with Nevada Industry Excellence to administer Train Employees now grants received through NCED.
- Maintain representation with manufacturing community through participation in the Carson Area Manufacturers Forum. This activity included working with the group to establish a 15 credit training program which specifically addresses the needs of the manufacturing community.
- Providing input to NNDA on the Dream It Do It initiative as well as input to the NNDA Workforce and Education committee on improving the pipeline of skilled workers from WNC.
- Provide non-credit training for the community to improve employment skills as demand requires within the service area.
- Provide OSHA training for construction companies and individuals who need to improve their employability skills within the WNC service area.

The following are workforce development initiatives originating from the WNC Fallon Campus:

- Specialty Crop Institute – The SCI provides workshops and seminars dealing with such topics as season extension techniques (hoop houses), orchard and berry production, cut flower production, organic farming, viticulture, marketing and strategically planning for small farm businesses, and a variety of other subjects to assist the small farmer. More than 1,000 people have received training in 16 workshops over the past 2 ½ years.
- Industrial Safety Program - The ISP courses include the following: 10-hour Construction Safety, 30-hour Construction Safety, Lockout-Tag out, Confined Space, Forklift Training, 1st Aid/CPR/AED Training, 40 hour Hazwoper, 8-hour Hazwoper Refresher, Manual Lifting, Ergonomics Awareness, and Workplace Violence Prevention.

- Advanced Truck Driving School – The partnership of WNC and the Advanced Truck School has prepared more than 90 individuals to successfully complete the CDL licensure process and become truck drivers over the past 2 years.
- Geothermal Entry-level Training – WNC partnered with Churchill County Social Services to conduct the Geothermal Entry-level Training program in the spring and summer of 2010. This program trained nearly 45 individuals to enter the geothermal industry in Churchill County or the drilling industries throughout the country.
- Workforce Academy – The Workforce Academy provides pre-employment training for individuals attempting to enter the job market with an emphasis on work ethic. Job Connect, JOIN, Vocational Rehabilitation and other agencies partner with WNC to assist students in Churchill, Lyon, and Pershing counties to enter and be successful in the world of work. Over the past 3 years, WNC has conducted more than 30 workshops for nearly 300 people.
- Job Club – As a partner with Churchill and Lyon counties, WNC offers this class to people who are searching for jobs. Students learn how to search and apply for jobs on the web, and learn positive interview techniques. This program has been in existence for the past year.
- Computer Applications – For many years, WNC has provided hands-on instruction in various computer applications designed to prepare individuals for the workplace. Most specifically we provide training in MS Word, Excel, Access, Powerpoint, Basic Internet, Outlook Express, Publisher, and Quickbooks.
- Information Protection Manager – The IPM program prepares students and businesses to ensure the security of privacy information when collected and disposed of. This short-term course has been offered at the Fallon campus for the past year.
- Welding Technology – This credit bearing program prepares students for American Welding Society certification for testing. Welding courses have been a part of the Fallon Campus curriculum for 35 years, and has become an important part of our onsite contract training at various companies.

QUESTION 5

Projected Impacts to Student Access: The testimony provided by the NSHE institution Presidents indicated that the General Fund appropriation funding levels contained in The Executive Budget would result in reduced access overall and reduced availability of classes in particular. To better understand the projected impact of the Governor's recommended budget on prospective and current students in the 2011-13 biennium, the Subcommittee requested that the NSHE provide information which quantifies current access limits encountered by students and the access limits or impacts projected to occur at the funding levels recommended by the Governor.

To the extent that data is available for FY 2009, FY 2010 and FY 2011, for each teaching institution, please provide the total number of unduplicated students for two broad categories of students: new students who were unable to register for a particular course; and enrolled, continuing students who were unable to register as a result of the particular course or course sections already reaching the maximum number of registrants. Additionally, if available, please provide the total number of instances in which unsuccessful course registrations occurred for FY 2009, FY 2010 and FY 2011. For each institution, please portray the information in the table format shown below with accompanying narrative or notes which explain the information. Finally, if possible, please quantify the projected impacts that the Governor's recommended budget reductions will have on graduation rates and the average length of time to graduation.

INSERT INSTITUTION NAME HERE					
Access Impact	FY 2009 Actual (Total)	FY 2010 Actual (Total)	FY 2011 Actual (Total)	FY2012 Projected (Total)	FY2013 Projected (Total)
Unduplicated Number of New Students Unable to Register for a Course.					
Unduplicated Number of Existing/Continuing Students Unable to Register for a Course.					
Total Number of Instances in Which a Failed Course Registration Occurred.				n/a	n/a

RESPONSE

For the purposes of this response, each institution provided figures, to the extent available, based on academic year, rather than fiscal year. Therefore, you will see that adjustment in each column heading of the tables to follow.

Any assumptions that the institutions made in providing the requested figures have been documented in the narrative. There are a number of factors that may contribute to a student's inability to access a desired section that vary by institution, including but not limited to, the number of sections offered, popularity of the course or program, the day and time the section is offered, etc. Failure to enroll in a particular section does not mean that the student did not enroll in an alternate section. One cannot assume that the number of students who could not access a particular section could enroll in no alternate courses.

University of Nevada, Las Vegas

UNIVERSITY OF NEVADA LAS VEGAS (UNLV)					
Access Impact	2008-09 Actual (Total)	2009-10 Actual (Total)	2010-11 Actual (Total)	2011-12 Projected (Total)	2012-13 Projected (Total)
Unduplicated Number of New Students Unable to Register for a Course (<i>Waitlisted but could not register</i>).	180	129	377	N/A	N/A
Unduplicated Number of Existing/Continuing Students Unable to Register for a Course (<i>Waitlisted but could not register</i>).	457	450	1,027	N/A	N/A
Total Number of Instances in Which a Failed Course Registration Occurred.	67,198	55,105	368,486	n/a	n/a

Prior to the installation of the iNtegrate (PeopleSoft) student services module, the former Student Information System only recorded one (1) course registration attempt per student per each day. Consequently, the difference between AY09 and AY10 is significant.

The data do not include the Summer Terms.

The waitlist data include only those students who requested to be waitlisted. When students register in the iNtegrate System, typically, they only view the course sections that are open. Thus, unless they are aggressively seeking to enroll in a particular section of a course, they tend not to select the waitlist option. Conversely, if a student has specific time requirements for taking classes (e.g., course schedule constraints, work, personal commitments, etc.), rather than select the waitlist option, s/he may opt to enroll in another class to ensure a final confirmed schedule.

The impact for AY 12 and AY 13 cannot be projected until the extent of the program and faculty elimination is known. What is known is that the change shown in student access to course registration over the last two academic years indicates a significant impact.

Projected impacts of reduced course offerings on student retention and graduation rates

We anticipate that the program eliminations and faculty losses resulting from the Governor's recommended budget reductions will result in a lower number of students being retained and an increase in the time needed to complete a degree. For those who persist to a degree, another year will be likely added to their time.

The reduction in offerings available has and will continue to increase the competition among students to meet course requirements. More students will wait at least one semester and up to a year to enroll in a required course, depending on their academic level. While departments have historically accommodated students nearing graduation by providing needed courses, the flexibility available for these late adjustments is no longer possible with the current and proposed reductions.

Competition among new students to meet their pre-major course requirements will increase as the number of course offerings available declines. Upper division and graduate students have even less flexibility because the courses offered at the higher levels are staggered to ensure that the number of faculty in the discipline can provide full coverage of the subject matter to meet

program requirements. There are also few, if any options, for meeting upper division requirements at another local institution, and none for graduate students.

These delays will affect students who already have less flexibility in their schedules: student with limited financial resources, who carry student loans, who work, and who are supporting a family. As the time required to complete a degree is extended, the cost of attendance increases, both in terms of higher tuition rates and the financial opportunity costs of extended college attendance. The likelihood that students will experience changes in marital status, become parents, and lose external financial support increases with time in college. Older students who already have household and financial obligations are more likely to drop out when there are interruptions in their schedules.

University of Nevada, Reno

UNIVERSITY OF NEVADA, RENO					
Access Impact	FY 2009 Actual (Total)	FY 2010 Actual (Total)	FY 2011 Actual (Total)	FY 2012 Projected (Total)	FY 2013 Projected (Total)
Unduplicated Number of New Students* Unable to Register for a Course.	229	331	363	400	1,500
Unduplicated Number of Existing/Continuing Students **Unable to Register for a Course.	1,099	951	1,056	1,200	4,500
Total Number of Instances in Which a Failed Course Registration Occurred.	1,328	1,282	1,419	1,600	6,000

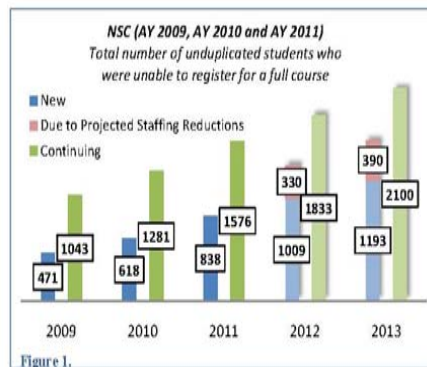
The number of unduplicated failed course registrations remained fairly constant from Fiscal 2009 through Fiscal 2011. We do expect the number to increase somewhat as a result of earlier budget reductions associated with the elimination of Animal Biotechnology, Resource Economics, and Supply Chain Management. The uptick in failed course registrations is expected to increase dramatically for Fiscal 2013 as the elimination of courses, and entire academic departments stemming from the funding levels included in the Governor's recommended budget, are fully realized.

It is unclear what the impact of the Governor's recommended budget reductions will have upon graduation rates. It is likely that graduation rates will decline, at least in the short-term, as students who were admitted as part of prior year cohorts opt to leave the university as a result of program elimination. Time to degree should be expected to increase somewhat as a result of the loss of course options in academic units contributing to the Core Curriculum requirements.

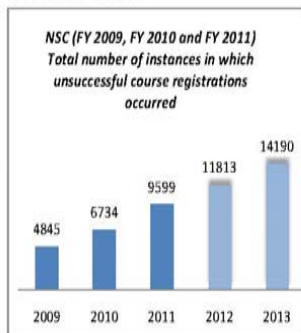
Nevada State College

NEVADA STATE COLLEGE					
Access Impact	2008-09 Actual (Total)	2009-10 Actual (Total)	2010-11 Actual (Total)	2011-12 Projected (Total)	2012-13 Projected (Total)
Unduplicated Number of New Students Unable to Register for a Course.	471	681	838	1,339	1,583
Unduplicated Number of Existing/Continuing Students Unable to Register for a Course.	1,043	1,281	1,576	1,833	2,100
Total Number of Instances in Which a Failed Course Registration Occurred.	4,845	6,734	9,599	n/a	n/a

The table above, Figure 1, and Figure 2 demonstrate the increasing trend of unsuccessful registration attempts at Nevada State College and the number of unduplicated students who were unable to register for a full course for each academic year. Based on a linear projection of the trend that has existed in the previous three academic years (2009-11) plus the anticipated reduction in FTE due to projected budget cuts, NSC projects a total of



3,683 unduplicated new and continuing students who will be unable to register for classes in AY 2013 because demand for NSC courses will exceed capacity. NSC has already maximized every available resource to accommodate additional students despite significant budget cuts in the last several years, and we have increased the average number of students per section by 22 percent in the last two years. Despite all of those efforts, the College is simply unable to meet the student demand.



In order to meet the Governor's recommended budget reduction, NSC will be forced to freeze an additional 32 positions on campus. This additional reduction in staffing will result in an increase in unsuccessful student enrollment attempts, and we project that we will be unable to accommodate 260 new student FTE over and above what would have occurred without additional budget cuts (see Figure 1).

As the average length of time to graduate depends on the availability of classes, the disruption in the normal sequencing of course

Figure 2.

offerings due to budget cuts will have a significant impact on graduation rates. Given that the average NSC student enrolls in 9.5 credits per semester (based on 2008 -2010 data), NSC's average enrollment to FTE is a ratio of 1.6. The projected reduction in FTE of 220 and 260 in 2012 and 2013, respectively, will shift this ratio to 1.8 and will decrease the average number of credits per student to 8.2. This reduction translates to an increased length of time to graduation of 12.2 months (2 – 3 semesters). This trend will also impact continuing students as they would discover that many of the required courses remaining for degree completion will not be offered as traditionally sequenced (i.e., during a traditional Fall, Spring & Summer scheduling cycle) therefore forcing an extension of their time to graduation at NSC as well.

College of Southern Nevada

COLLEGE OF SOUTHERN NEVADA					
Access Impact	2008-09 Actual (Total)	2009-10 Actual (Total)	2010-11 Actual (Total)	2011-12 Projected (Total)	2012-13 Projected (Total)
Unduplicated Number of New Students Unable to Register for a Course	5,476	5,493	6,090	6,273	6,461
Unduplicated Number of Existing/Continuing Students Unable to Register for a Course	26,778	27,438	26,404	26,668	26,935
Total Number of Instances in Which a Failed Course Registration Occurred	348,959	344,659	328,376	n/a	n/a

All "actual" figures above are based on SIS student data as of the final census date. AY 2010-11 data contains Fall 2010 final data and Spring 2011 mid-term census data.

Methodology

Students counted in rows one and two attempted to enroll at least one time into any class. These figures do not take into consideration whether or not the student was successful in enrolling into a different section of the same class or a different class altogether. Students who were not able to enroll into any class may also be included here.

For example: In AY 2008-09, there were 3,486 (64%) of the 5,476 new "attempt" students who were able to enroll in any class. The remaining 1,990 students did not enroll in any class during that fiscal year. The table below shows the comparison of attempts to successful enrollments.

	AY 2008-09 Actual			AY 2009-10 Actual			AY 2010-11 Actual		
	Total Attempts	Enrolled in any class	% of Tot Attempts Enrolled	Total Attempts	Enrolled in any class	% of Tot Attempts Enrolled	Total Attempts	Enrolled in any class	% of Tot Attempts Enrolled
New	5,476	3,486	64%	5,493	3,211	58%	6,090	3,832	63%
Returning	26,778	22,755	85%	27,438	22,416	82%	26,404	21,265	81%

The values in the third row simply count the number of unique attempts on any unique offering, or "section", of a class. These counts are unduplicated by class sections, so multiple attempts for a specific class section are only counted once. Attempts made for the same course (discipline and level) but different sections are counted once per section.

Future attempts will depend heavily on the number of sections offered and the number and proportion of new and returning students. In addition, new enrollment methods in the PeopleSoft student system will most likely affect attempt patterns beginning in AY2011-12.

Great Basin College

GREAT BASIN COLLEGE					
Access Impact	2008-09 Actual (Total)	2009-10 Actual (Total)	2010-11 Actual (Total)	2011-12 Projected (Total)	2012-13 Projected (Total)
Unduplicated Number of New Students Unable to Register for a Course.	n/a	n/a	n/a	Below	Below
Unduplicated Number of Existing/Continuing Students Unable to Register for a Course.	n/a	n/a	n/a	3,000	4,500
Total Number of Instances in Which a Failed Course Registration Occurred.	1,576	2,220	2,379	n/a	n/a

For FY 2009, FY 2010, FY 2011 (academic years), only the total number of students who attempted to enroll in a course is available. In the current Student Information System, we cannot determine if the people who attempted to enroll are new or continuing students. Likewise, we cannot determine for the academic year if the number reflects duplicated students. The projected totals for FY 2012 and FY 2013 academic years are based on the potential loss of faculty, classes, sections, etc. in light of the Governor's recommended budget reductions. It is difficult to quantify the projected impact on graduation rates and the average length of time to graduation; however, we have seen this past fall and spring that an increase in student fees correlates to students taking fewer credits (more students are attending college; however, FTE has decreased). This along with decreased course offerings, will increase time to degree and graduation rates.

Truckee Meadows Community College

TRUCKEE MEADOWS COMMUNITY COLLEGE					
Access Impact	2008-09 Actual (Total)	2009-10 Actual (Total)	2010-11 Actual (Total)	2011-12 Projected (Total)	2012-13 Projected (Total)
Unduplicated Number of New Students Unable to Register for a Course.	1,346	1,338	3,060	3,917	4,774
Unduplicated Number of Existing/Continuing Students Unable to Register for a Course.	6,338	6,383	8,227	9,172	10,116
Total Number of Instances in Which a Failed Course Registration Occurred.	27,638	28,035	28,513	n/a	n/a

Methodology Notes

Academic Year (AY) = Fall term + Spring term

Unduplicated Number of Students Unable to Register for a Course represents a count of students who attempted to get into a particular course (for e.g. CH 201), but were unable to register for any section of that particular course. If a student attempted to get into a particular section of the course, was not able to get into that section, but ended up enrolling in another section of the same course, such student was NOT counted as being unable to get into the course, since they ended up enrolling in the course.

NEW students unable to register for a course are only counted once for a fiscal year, even if they had unsuccessful enrollment attempts in fall AND spring terms (i.e. a student is NEW in the fall and unable to register for a course in the fall; the same student is now CONTINUING in the spring and unable to register for a course; such student only counted once as NEW for the fiscal year count)

Total Number of Instances in Which a Failed Course Registration Occurred represents a count of unsuccessful enrollment attempts unduplicated to the course (i.e. a student attempted to register for section 1 of CH 201 and was unable, attempted to register for section 2 of CH 201 and was unable, etc. this was counted as one instance of a failed course registration.

Projected figures for AY12 and AY13 were derived based on the rate of change in the data for AY09, AY10 and AY11.

There is a spike in applicants of almost 100% in Fall 2010. This results in a spike in the number of new applicants with unsuccessful enrollment attempts. The spike in applicants is a result of PS conversion and the requirement for many students to apply who in the past, had not been required to reapply in order to attend TMCC.

Please note that this document details that as the budget is reduced and course sections will have to be eliminated, the number of students who will not be able to get into college courses will grow dramatically. Overall and well into the future, the impact on students who choose to attend TMCC will be that they have a much greater challenge in meeting their education and career goals. This impact on students will directly affect the level of educational and skill attainment which will then negatively affect the development of our local and regional workforce which anchors the economy.

Western Nevada College

WESTERN NEVADA COLLEGE					
Access Impact	2008-09 Actual (Total)	2009-10 Actual (Total)	2010-11 Actual (Total)	2011-12 Projected (Total)	2012-13 Projected (Total)
Unduplicated Number of New Students Unable to Register for a Course	336	507	540	556	573
Unduplicated Number of Existing/Continuing Students Unable to Register for a Course	198	304	343	353	364
Total Number of Instances in Which a Failed Course Registration Occurred	1,201	2,853	3,769	n/a	n/a

At a minimum, WNC projects to lose 7% of our projected enrollment due to the reduction in class sections available to students. Academic year includes fall and spring only.

QUESTION 6

Per Student FTE Funding: The Subcommittee requested the General Fund appropriation funding level per student FTE for each NSHE institution. For each NSHE instructional budget account (excluding the professional schools), please provide this information for FY 2010 (actual), FY 2011 (projected), and as recommended in The Executive Budget for FY 2012 and FY 2013. Additionally, please provide this same information based upon the total funding contained in the budget. Finally, for the same time period and for each institution, please provide the total instruction functional area expenditures by student FTE. For UNR and UNLV, the Subcommittee requested that the information be separated for undergraduate and graduate student FTE.

RESPONSE

While NSHE budgets, as recommended in the Executive Budget, are not based on the current funding formula, in past biennia the formula has been utilized to determine the allocation of funds to each of the institutions. Therefore, while not directly utilized, the formula has greatly influenced the funding levels as recommended in the 2011-13 Executive Budget.

It should be noted that the funding formula does not determine funding levels based on a specific dollar amount being generated for each FTE student. Rather, there is a separate formula for each of five different functional areas (instruction, academic support, student services, institutional support and operation & maintenance of plant). For instruction, funding is determined by the number and types of courses being taught at each institution and whether each of the courses represents a clinical, high, medium or low cost (for example, an English course may be low cost, while an Engineering course may be high cost). Two institutions with the same number of FTE students could have different per student FTE funding as generated by the formula based on the programs and resulting courses being taught. If one institution provided only low cost programs and the other only high cost programs, the funding available by FTE student would, and should, be different.

Based on the way funding is determined by the current formula, it is difficult to draw any conclusions as to whether a specific institution is adequately or inadequately funded based solely on funding per student FTE. However, as requested, information is provided in the attached schedule on total funding per FTE student, General Fund support per FTE student and instructional amounts per FTE student for FY 2010 (actual), FY 2011 (projected) and as recommended in the Executive Budget for FY 2012 and FY 2013. Please note that the Executive Budget does not break out total expenditures recommended by functional area. Historically, NSHE has determined the allocation of funds by functional area after the legislatively approved budget is finalized. Therefore, the instruction cost per student FTE is not provided for FY 2012 or FY 2013.

The request also indicated that the information provided for UNLV and UNR should be separated for undergraduate and graduate FTE. Funding is neither provided by the Legislature nor budgeted by the Board of Regents based on these criteria. In addition, expense data within

the financial system is not identified based on whether a cost is provided to a graduate or undergraduate student. Therefore, information is not readily available, nor easily determined, to break out instructional costs by graduate and undergraduate student FTE.

This issue was discussed by representatives of UNLV, UNR and the System Office. While a methodology was discussed for allocating these costs, it was not endorsed since factors related to undergraduate and graduate students are not directly utilized in allocating funds nor are expenses tracked in this fashion within the financial system. The conclusion to this discussion was that development of this type of information would require a large set of assumptions which could bring into question the credibility of the information that was developed. It should be noted that information is provided for UNLV and UNR breaking out the number of undergraduate and graduate FTE students at each institution.

Nevada System of Higher Education
Funding per Full-Time Equivalent Student (FTE) Student
State Supported Operating Budget
Fiscal Years 2010 through 2013

	FY 2010	FY 2011	FY 2012	FY 2013
	<u>Actual</u>	<u>Budgeted</u>	<u>Exec Budget</u>	<u>Exec Budget</u>
University of Nevada, Las Vegas				
All Funding Sources-State Supported Operating Budget (1)	\$243,198,018	\$246,123,984	\$218,094,832	\$199,774,132
Funding per FTE Student	\$12,108	\$12,534	\$11,107	\$10,174
General Fund Support (2)	\$151,930,620	\$145,967,488	\$125,413,961	\$106,525,137
Funding per FTE Student	\$7,564	\$7,434	\$6,387	\$5,425
Instruction Funding	\$127,753,140	\$130,044,866		
Funding per FTE Student	\$6,360	\$6,623		
Undergraduate FTE Students	16,978	16,597	16,597	16,597
Graduate FTE Students	<u>3,108</u>	<u>3,039</u>	<u>3,039</u>	<u>3,039</u>
Total FTE Students (4)	20,086	19,636	19,636	19,636
University of Nevada, Reno				
All Funding Sources-State Supported Operating Budget (1)	\$174,880,681	\$178,329,116	\$146,802,658	\$132,295,864
Funding per FTE Student	\$13,694	\$13,490	\$11,105	\$10,008
General Fund Support (2)	\$121,032,008	\$117,925,883	\$95,632,792	\$81,409,408
Funding per FTE Student	\$9,477	\$8,921	\$7,234	\$6,159
Instruction Funding	\$81,713,748	\$81,791,696		
Funding per FTE Student	\$6,398	\$6,187		
Undergraduate FTE Students	10,920	11,303	11,303	11,303
Graduate FTE Students	<u>1,851</u>	<u>1,916</u>	<u>1,916</u>	<u>1,916</u>
Total FTE Students (4)	12,771	13,219	13,219	13,219
Nevada State College				
All Funding Sources-State Supported Operating Budget (1)	\$16,625,330	\$16,164,734	\$13,041,412	\$11,638,630
Funding per FTE Student	\$9,632	\$8,402	\$6,778	\$6,049
General Fund Support (3)	\$13,121,290	\$13,021,396	\$9,040,401	\$7,602,701
Funding per FTE Student	\$7,602	\$6,768	\$4,699	\$3,952
Instruction Funding	\$7,027,718	\$6,060,322		
Funding per FTE Student	\$4,072	\$3,150		
Number of FTE Students (4)	1,726	1,924	1,924	1,924

(1) The funding sources within the state supported operating budget include General Fund support, tuition and fees charged to students, investment income, and other miscellaneous revenues.

(2) Includes ARRA funds in FY 2010 and property tax revenues as recommended in the Executive Budget in FY 2012 and FY 2013.

(3) Includes ARRA funds in FY 2010

(4) FY 2012 & FY 2013 FTE enrollments based on preliminary annual FTE enrollment for FY 2011.

**Nevada System of Higher Education
Funding per Full-Time Equivalent Student (FTE) Student
State Supported Operating Budget
Fiscal Years 2010 through 2013**

	FY 2010	FY 2011	FY 2012	FY 2013
<u>College of Southern Nevada</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Exec Budget</u>	<u>Exec Budget</u>
All Funding Sources-State Supported Operating Budget (1)	\$131,435,327	\$130,843,839	\$117,044,219	\$105,688,364
Funding per FTE Student	\$5,967	\$5,897	\$5,275	\$4,763
General Fund Support (3)	\$95,791,740	\$91,430,100	\$75,944,918	\$64,667,849
Funding per FTE Student	\$4,349	\$4,120	\$3,422	\$2,914
Instruction Funding	\$70,203,982	\$69,314,962		
Funding per FTE Student	\$3,187	\$3,124		
Number of FTE Students (4)	22,027	22,190	22,190	22,190
<u>Truckee Meadows Comm College</u>				
All Funding Sources-State Supported Operating Budget (1)	\$48,064,801	\$47,987,023	\$42,194,961	\$37,661,214
Funding per FTE Student	\$6,578	\$6,687	\$5,880	\$5,248
General Fund Support (3)	\$37,289,646	\$35,748,021	\$29,890,760	\$25,418,350
Funding per FTE Student	\$5,103	\$4,982	\$4,165	\$3,542
Instruction Funding	\$23,275,828	\$23,856,601		
Funding per FTE Student	\$3,185	\$3,324		
Number of FTE Students (4)	7,307	7,176	7,176	7,176
<u>Western Nevada College</u>				
All Funding Sources-State Supported Operating Budget (1)	\$23,327,369	\$22,391,921	\$19,748,785	\$17,511,125
Funding per FTE Student	\$8,077	\$7,653	\$6,749	\$5,985
General Fund Support* (3)	\$19,251,676	\$18,472,126	\$14,941,033	\$12,621,694
Funding per FTE Student	\$6,666	\$6,313	\$5,106	\$4,314
Instruction Funding	\$9,329,981	\$10,080,885		
Funding per FTE Student	\$3,231	\$3,445		
Number of FTE Students (4)	2,888	2,926	2,926	2,926
<u>Great Basin College</u>				
All Funding Sources-State Supported Operating Budget (1)	\$19,842,495	\$19,613,999	\$17,332,602	\$15,187,998
Funding per FTE Student	\$9,951	\$10,048	\$8,879	\$7,781
General Fund Support (3)	\$16,961,405	\$16,510,575	\$13,941,066	\$11,793,317
Funding per FTE Student	\$8,506	\$8,458	\$7,142	\$6,042
Instruction Funding	\$9,308,320	\$8,763,508		
Funding per FTE Student	\$4,668	\$4,490		
Number of FTE Students (4)	1,994	1,952	1,952	1,952

(1) The funding sources within the state supported operating budget include General Fund support, tuition and fees charged to students, investment income, and other miscellaneous revenues.

(2) Includes ARRA funds in FY 2010 and property tax revenues as recommended in the Executive Budget in FY 2012 and FY 2013.

(3) Includes ARRA funds in FY 2010

(4) FY 2012 & FY 2013 FTE enrollments based on preliminary annual FTE enrollment for FY 2011.

QUESTION 7

Reorganization and Funding of Intercollegiate Athletics, Statewide Programs and Business Centers: The Subcommittee requested that the NSHE prepare scenarios for UNR and UNLV through which the existing budget accounts for intercollegiate athletics, statewide programs and the business centers would be eliminated and the recommended funding incorporated into each university's main instructional budget. The requested scenarios should identify any proposed change to the expenditure levels recommended in The Executive Budget for each of the aforementioned areas.

RESPONSE

The University of Nevada, Las Vegas (UNLV) and the University of Nevada, Reno (UNR) have submitted budget reduction plans for fiscal years 2012 and 2013. The templates provided for each budget account within NSHE are included in the response to question number 2. Institutions were not restricted to amounts recommended in the Executive Budget when developing General Fund support amounts within the templates that identify the budget reductions that would be necessary based on the Governor's funding recommendations in FY 2012 and FY 2013. Both UNR and UNLV reviewed each budget account under their responsibility and recommended General Fund amounts for each budget account in each year of the biennium.

The attached schedule compares the General Fund appropriations recommended in the Executive Budget in FY 2012 and FY 2013 to the amounts recommended in the budget reduction templates developed by each institution for the main instructional accounts as well as for athletics, statewide programs and the business centers. If the four accounts for each institution were combined the amounts that would need to be appropriated are provided for the two scenarios which are included in the columns titled Exec Budget – Gen Fund and Template – Gen Fund.

Nevada System of Higher Education
General Fund Support
Comparison of Executive Budget to Budget Reduction Templates
Instruction Accounts, Athletics, Statewide Programs and Business Centers
Fiscal Years 2012 and 2013

	General Fund Oper Budget FY 2011	Fiscal Year 2011-12			Fiscal Year 2012-13		
		Exec Budget	Template	Difference	Exec Budget	Template	Difference
		Gen Fund	Gen Fund		Gen Fund	Gen Fund	
University of Nevada, Las Vegas							
UNLV Instruction	\$145,967,488	\$125,413,961	\$125,806,348	\$392,387	\$106,529,137	\$106,755,060	\$229,923
Intercollegiate Athletics	\$7,465,366	\$6,457,744	\$6,457,744	\$0	\$5,424,714	\$5,424,714	\$0
Statewide Programs	\$1,233,971	\$1,054,642	\$662,255	-\$392,387	\$892,178	\$662,255	-\$229,923
Business Center South	\$1,839,433	\$1,566,041	\$1,566,041	\$0	\$1,332,134	\$1,332,134	\$0
Total	\$156,506,258	\$134,492,388	\$134,492,388	\$0	\$114,174,163	\$114,174,163	\$0
	General Fund Oper Budget FY 2011	Fiscal Year 2011-12			Fiscal Year 2012-13		
		Exec Budget	Template	Difference	Exec Budget	Template	Difference
		Gen Fund	Gen Fund		Gen Fund	Gen Fund	
University of Nevada, Reno							
UNR Instruction	\$117,925,883	\$95,632,792	\$99,485,476	\$3,852,684	\$81,409,408	\$78,074,809	-\$3,334,599
Intercollegiate Athletics	\$5,328,304	\$4,534,454	\$4,681,975	\$147,521	\$3,817,347	\$3,774,333	-\$43,014
Statewide Programs	\$5,229,267	\$4,245,788	\$3,936,380	-\$309,408	\$3,556,866	\$2,895,269	-\$661,597
Business Center North	\$2,139,664	\$1,805,133	\$1,802,278	-\$2,855	\$1,529,380	\$1,459,703	-\$69,677
Total	\$130,623,118	\$106,218,167	\$109,906,109	\$3,687,942	\$90,313,001	\$86,204,114	-\$4,108,887

QUESTION 8

UNR Preliminary Budget Reduction Plan: The Subcommittee heard testimony that UNR's preliminary budget reduction plan included reducing General Fund appropriations to the Cooperative Extension by amounts greater than recommended by the Governor's budget to mitigate the General Fund appropriation reductions budgeted for the School of Medicine. The Subcommittee requested additional information to understand the implications of UNR's preliminary plan. For both the cooperative Extension and the Medical School, please provide information that explains the projected impacts on the budget reductions at the levels recommended by the Governor as compared to the reduction levels contained in UNR's preliminary plan.

RESPONSE

The following table and narrative explains the impacts on the budget reduction for the Cooperative Extension and the Medical School at the levels recommended by the Governor as compared to the levels contained in UNR's preliminary plan.

<u>Revised General Fund Reduction</u>		
Budget Area	Governor's General Fund Reduction Recommendation	UNR's General Fund Proposed Reduction
University of Nevada School of Medicine	\$8,148,509	\$1,748,620
Cooperative Extension	\$2,414,027	\$5,641,278

School of Medicine: Since the budget reductions started in 2008, the University of Nevada, Reno has taken a strategic approach to budget reduction to prioritize programs to protect by disproportionately reducing or closing other programs. The University of Nevada School of Medicine is the only public medical school in the State. Nevada ranks 47th among states in the number of physicians per 100,000 population and the Medical School has a mission to educate physicians who likely will remain in Nevada to add to the medical workforce of the State. Secondly, teaching programs of the university have been given the top priority position for the University, including a broad range of bachelor's degree programs, a limited number of graduate programs, and medical and graduate-medical education. These programs have been affected by budget reductions to a lesser extent than other programs throughout the budget-cutting process because of the priority mission of teaching at the University. The medical school is especially sensitive to budget reductions. The University wishes to preserve medical education, graduate medical education, basic and clinical research, and clinical services for citizens. In order to protect these core functions of the medical school, a budget reduction much less than that contained in the Executive Budget is required.

Cooperative Extension: The University of Nevada Cooperative Extension is an important, traditional part of the Land Grant mission of the University serving communities throughout Nevada, rural and urban. The total budget for Cooperative Extension exceeds \$19 million from federal, state, county, and self-supporting resources. Our Land Grant connection requires that state funds match federal funds at least one-for-one; the current allocation of federal funds is \$1,153,230 and the allocation of state funds is \$7,678,549. The University has chosen to reduce state funds to Cooperative Extension disproportionately because: 1) the federal match requirement can be met with far less overmatch than currently exists and maintain the Land Grant status, 2) the basic core of Extension can be preserved by keeping all county extension educators in place to maintain the cooperative agreements between each county and the University, manage county contributions and volunteers, and keep the core 4-H and educational programs viable for the foreseeable future, and 3) maintain a small specialist staff to support the six statutory program areas of horticulture, youth and families, agriculture, natural resources, economic development, and nutrition. The greatest loss of capacity will be among subject-matter specialists supporting county extension educators.

Rationale: During these unprecedented times of budget reductions, the University is forced into a position of choosing among important, productive programs to maintain core functions of each. The medical school has less flexibility in budget to maintain the central teaching, research and service functions than does Extension. Thus, the University has chosen to reduce the budget to the medical school by less than recommended in the Executive Budget and to reduce the budget to Extension by more than recommended in the Executive Budget.

QUESTION 9

Interim Funding Formula Study: As requested by the Subcommittee, please provide information on the estimated cost of an interim study of the funding formula and a copy of the suggested draft bill language to implement such a study.

RESPONSE

The last legislative interim study of the higher education funding formula was authorized by the 1999 Legislature through passage of Senate Bill 443. A General Fund appropriation of \$150,000 was approved by SB 443 (1999) for costs related to the study, which largely consisted of consultant costs. It seems reasonable that a General Fund appropriation of this amount would provide the funding necessary to hire any consultants who may be necessary to assist the legislative interim study committee in its review of the funding formula.

As Chancellor Klaich indicated it is NSHE's opinion that in order for the study to have the necessary independence and credibility it must be under the control of a legislatively authorized committee with staff support provided by the Legislative Counsel Bureau as was the case when the funding formula was last studied in 1999 and 2000. Therefore, it may be helpful for the subcommittee to also request input from Fiscal Analysis Division staff concerning the level of funding that would be necessary to conduct the interim study.

A copy of the suggested language for the bill draft that would authorize a legislative interim study of the higher education funding formula is attached.

BILL DRAFT INSTRUCTIONS
NSHE Formula Study

The following is language suggested for a measure creating an interim study of the funding formula of the Nevada System of Higher Education:

Section 1.

1. The Committee to Study the Funding of Higher Education, consisting of 12 voting members and 4 nonvoting members, is hereby created.
2. The following persons shall serve as voting members of the Committee:
 - (a) Three members of the Senate, appointed by the Majority Leader of the Senate;
 - (b) Three members of the Assembly, appointed by the Speaker of the Assembly;
 - (c) Three members of the Board of Regents, appointed by the Chairman of that board; and
 - (d) Three members appointed by the Governor.
3. The Governor shall appoint the following persons to serve as the nonvoting members of the Committee:
 - (a) One person who is employed in the Budget Division of the Department of Administration; and
 - (b) Three persons who are employed by the Nevada System of Higher Education.
4. The Chairman of the Legislative Commission shall designate one of the members as Chairman of the Committee.
5. The Director of the Legislative Counsel Bureau shall provide the necessary professional staff and a secretary for the Committee.
6. For each day or portion of a day during which they attend a meeting of the Committee or are otherwise engaged in the business of the Committee:
 - (a) The voting members of the Committee who are Legislators are entitled to receive the compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding regular session plus the per diem allowance provided for state officers and employees generally and the travel expenses provided pursuant to NRS 218.2207.
 - (b) The voting members of the Committee who are members of the Board of Regents are entitled to receive travel expenses and a per diem allowance at the rates established in NRS 396.070.
 - (c) The voting members of the Committee appointed by the Governor are entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

Sec. 2. The Committee shall:

1. Compare the existing method of funding higher education in Nevada with the methods used in other states;
2. Determine whether the other methods would be appropriate and useful in Nevada where by different missions of the universities, state college, community college and research institute are appropriately considered in the funding of public higher education in Nevada;
4. Review the funding of remediation in the context of instructional delivery methods;
5. Consider the retention of resident registration fees and non-resident tuition outside of the state supported operating budget;
6. Consider funding in the context of completed courses in contrast to the current method of funding enrollments; and

7. Consider rewarding institutions for achieving defined goals for graduating students (performance funding).

Sec. 3. The Committee may hold public hearings at such times and places as it deems necessary to afford the general public and representatives of governmental agencies and of organizations interested in higher education an opportunity to present relevant information and recommendations.

Sec. 4. The Committee may employ such educational and financial consultants as it deems necessary for this study.

Sec. 5. The Committee may accept and use all gifts and grants which it receives to further its work.

Sec. 6.

1. There is hereby appropriated from the state general fund to the Legislative Commission the sum of \$150,000 for the purpose of conducting a study of the funding of higher education as provided in this act.
2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after December 31, 2012, and reverts to the state general fund as soon as all payments of money committed have been made.

Sec. 7. The Committee shall submit to the Legislative Commission a report of its findings and recommendations for legislation before the commencement of the 77th (2013) session of the Legislature.

Sec. 8. This act becomes effective on July 1, 2011, and expires by limitation on January 1, 2013.

QUESTION 10

Private Sector Funding Received by Great Basin College (GBC): During the discussion of Great Basin College's preliminary budget reduction plan, the mining industry's support of GBC's career and technical education programs was mentioned. The Subcommittee requested information on the types of funding and amounts being provided to GBC in support of those programs.

RESPONSE

Northeastern Nevada Regional Hospital in Elko provided funding for 2 years for a nursing instructor position. This position including salary and fringe is \$73,000 per year. This funding allowed us to continue expanding our nursing program and provided not only the local hospital but other health care organizations in our service area with well qualified candidates for employment.

The mining industry has supported GBC's Career and Technical Education programs for many years. We provide the necessary skills to students so that the mining industry can hire better qualified employees in various maintenance areas, such as mill maintenance, electrical and instrumentation and diesel maintenance.

GBC provides contract workforce training to various companies. GBC has worked with companies such as Newmont, Barrick, Round Mountain Gold, Cashman Equipment Company and Boart Longyear to provide training to their employees. The contract training supports 4 teaching faculty positions, with \$314,600 in salary and benefits.

GBC works with employment related agencies such as JOIN, NevadaWorks and Workforce Connections to provide training and retraining for people looking to enhance their job skills and employability. Our CDL program is one program that has provided opportunities of employment to these students upon completion. Our CDL program has 2 instructors, one based in Elko and one based in Pahrump to provide training to our entire service area. This program is a self-supporting program without state funding and the 2 instructors and a part-time administrative assistant have a salary and fringe cost of \$141,000.

The Maintenance Training Cooperative (MTC) program was established in 1993 by local industries to provide scholarships to technical students. Past and present MTC Scholarship providers include Newmont, Barrick, Placer Dome, Pioneer Equipment Company, Eklund Drilling, Al Park Petroleum and D&D Tire to name a few. Over \$5.4 million dollars in scholarships and equipment has been awarded with an average of 60-70 scholarships per year. Here is a partial breakdown of scholarships since 1999:

COMPANY	YEAR	AMOUNT	NUMBER OF STUDENTS
BARRICK	1999	40,975.13	15
	2000	34,493.82	10
	2001	39,055.39	18
	2002	15,337.25	7
	2003	17,900.00	6
	2004	18,000.00	6
	2005	13,500.00	5
	2006	62,000.00	17
	2007	162,000.00	40
	2008	73,805.00	32
	2009	122,750.00	26
Estimate	2010	125,000.00	25
	SUB TOTAL	724,816.59	207
NEWMONT	1999	14,840.00	7
	2000	13,380.50	5
	2001	14,497.25	5
	2002	14,750.00	5
	2003	15,000.00	6
	2004	39,262.00	16
	2005	61,500.00	21
	2006	136,353.25	32
	2007	122,500.00	26
	2008	73,347.00	31
	2009	145,000.00	31
Estimate	2010	160,000.00	32
	SUB TOTAL	810,430.00	217
ROUND MOUNTAIN	1999	5,878.00	3
	2000	5,928.75	2
	2001	6,115.00	2
	2002	5,174.92	4
	2003	12,597.64	4
	2004	20,475.00	5
	2005	23,240.29	7
	2006	7,482.00	3
	2007	3,788.11	2
	2008	2,871.75	1
	2009	4,490.00	1
Estimate	2010	10,000.00	2
	SUB TOTAL	108,041.46	36

SANDVICK	2004	9,000.00	4
	2005	3,000.00	1
	2007	18,000.00	3
	2008	9,488.00	3
	2009	18,000.00	3
		57,488.00	14
	OVER ALL TOTAL	1,700,776.05	474

QUESTION 11

NSHE Health Sciences System Funding: The Subcommittee requested information on the organizational structure and an accounting of the funding and expenditures of the Health Sciences System (HSS). Please also provide an overview of the HSS's accomplishments to date as well as any future objectives.

RESPONSE

Overview

Health sciences education within NSHE is governed by the Board of Regents (through its Health Sciences Committee, whose mission is to "... promote quality education, research, patient care and community health across health care disciplines, driven by access, quality, value and the needs of the people of the State of Nevada," Board of Regents, Aug. 2009). The System's efforts are coordinated by the Executive Vice Chancellor of Health Sciences (EVCHS) who reports directly to the Chancellor. The EVCHS' role is to coordinate and facilitate comprehensive system-wide planning in the health sciences, facilitate and support cooperation among NSHE institutions and between NSHE institutions and external partners in education, research and provision by:

- "Promoting a Systems Approach: Work to promote a systems view/approach to enhancing NSHE's ability to meet Nevada's health care needs through education, research and training;
- Promoting Efficiency & Effectiveness: Work to increase effectiveness and efficiency of NSHE health sciences program;
- Promoting Program Development: Work to foster further development of NSHE health sciences programs;
- Promoting Collaborative Opportunities: Work to foster enhanced internal and external collaboration" (Board of Regents, Aug. 2009).

Current Organizational Structure

- The HSS currently funds 3 full-time equivalent (FTE) professional staff, .25 FTE letter of appointment (LOA) and 1 FTE classified staff member who also serves as the assistant to the chancellor and as office manager of the system office (organization chart attached).

Funding Structure-Historical

- Since its inception, the NSHE Health Sciences System (HSS) has received no state appropriations for operations. The following is a historical summary:
 - FY 2006/07: In the first year of HSS operations, staff hired to work on the HSS were paid from the System Administration's Self Supporting account. A transfer of \$167,500 from the Board of Regents' Self Supporting account into the HSS Self Supporting account was used to pay startup operating expenses (non-salary).
 - FY 2007/08: HSS was funded with \$1,500,000 investment income from the NSHE Banking and Investments operating reserve. The distribution was approved at the August 2007 Board of Regents meeting.
 - FY 2008/09 to Present: HSS has maintained its own Self Supporting account. Since its inception, HSS has received a total of \$11.2M in private and federal funding: 1) \$9.3M in private funding (includes a \$5M gift from the Lincy Foundation in 2008, of which \$1.8M was designated for HSS operations; the remaining \$3.2M is donor directed to support health sciences related initiatives); and 2) \$1.9M in federal earmarks.

Funding Structure-Current Operations (FY 2010/11)

Category	Budgeted
Salaries	760,640
Fringe Benefits	144,644
Travel	20,000
Host	5,000
Operations	106,000
Total	1,036,284

- Cash balance on hand to support HSS operations as of March 2011: \$1,373,733
- Remaining encumbrances (4/1-6/30/11): \$360,335
- Anticipated cash balance for FY2011/12: \$1,013,398

Accomplishments and Activities

1. Of the total non-state funds (private and federal) HSS has generated since 2006, HSS has spent or encumbered **\$6,967,097** on the following **major** initiatives.
2. Public Health Ph.D. Program: HSS participated in the development of a collaborative program led by the two research institutions (UNLV and UNR); program was designed in response to public needs; program meets students' and State's needs efficiently and effectively.

3. Doctor of Nursing Practice Program: HSS assisted in the development of a collaborative program led by the two research institutions (UNLV and UNR); program was designed in response to public needs; program meets students' and State's needs efficiently and effectively.
4. Developed a strategic, comprehensive communications plan: Produce and distribute monthly e-newsletters which have received strong participation from institutions to highlight accomplishments in health sciences on each campus. Distribution of the newsletter, electronic push pages, and press releases is significant and covers all aspects of public, private health stakeholders in Nevada.
5. CIP Highlights (Detail attached). HSS has been charged with System-level management of planning and development of three CIP projects, totaling \$104.13M in project costs and 161,000 square feet, to promote interdisciplinary health sciences program growth and development in Las Vegas and Reno:
 - ACADEMIC, CLINICAL, TRAINING AND RESEARCH CENTER: The design is 100% complete and considered "shovel ready" pending funding. It is 2011 Regents CIP request priority #3.
 - HSS CLINICAL SIMULATION CENTER OF LAS VEGAS: Opened fall 2009 and is actively utilized by UNLV & NSC Nursing, and UNSOM.
 - PENNINGTON MEDICAL EDUCATION LEARNING LABORATORY: Under construction; 90 % completed; due to open July 1, 2011. This project is a combination of state funding and private philanthropy.
6. Shadow Lane Campus Area Planning Project
 Goal: Develop programmatic and facilities plan for the development of an inter-institutional, interdisciplinary health center for the Shadow Lane campus area to promote programmatic synergy across NSHE programs and provide much-needed educational, research, administrative and clinical space. **Status:** Temporary funding provided for staff and training required to open the Clinical Simulation Center of Las Vegas. In addition, a Master Planning Committee was formed and met several times to discuss programmatic, research and facilities needs. Consultants were hired and presented a comprehensive plan to the committee on various scenarios of space development and utilization. In addition, consultants were hired to establish a practical method to plan and manage the Shadow Lane Campus, accounting for the investment, operational support and overhead and the availability of funds to achieve capital improvement goals. The affected institutional business officers reviewed and approved the analysis.

7. NSHE Nursing Project

Goals: a) Promote interaction/collaboration among NSHE nursing programs and with external stakeholders state-wide, to improve student success in relation to state-wide nursing education. **Status:** Facilitated the formation of the NV Nursing Educational Practice Alliance (NNEPA). Convened by HSS to foster improved state-wide collaboration in nursing education and practice with the goal of addressing the nursing workforce capacity of Nevada; NNEPA has developed and approved its Charter, has elected officers. This group meets regularly and is working on choosing and implementing a statewide student clinical placement system and facilitating a uniform state-wide student nurse clinical orientation program.

- b) NSHE Nursing Leadership Team. **Status:** Facilitated the formation of the NSHE Nursing Leadership Team. This team meets regularly to discuss system-wide nursing education issues and identify strategic solutions. Continue the recently initiated effort to engage the NSHE institutions in a joint strategic planning on how the current resources can be leveraged to expand and strengthen the educational and research mission. This group worked together and as a result UNLV and NSC announced a joint RN to BSN program; UNLV and UNR developed a joint DNP program.

8. Health Research Development Project

Goal: Develop infrastructure to support inter-institutional and interdisciplinary research collaborations, i.e., health research within NSHE institutions and with external partners.

- Work collaboratively with NSHE institutions to enhance the Institutional Review Board (IRB) process, in order to facilitate inter-institutional (internal and external) and interdisciplinary collaborations. **Status:** Conducted needs assessment on resources spent at all NSHE institutions on the IRB process. Assembled an IRB Task Force to review streamlining of processes. Facilitated an agreement between UNR and UNLV and a subsequent MOU on a collaborative process.
- The HSS created a research initiative in which \$250,000 was used to fund five Inter-institutional Biomedical Research grants among our institutions and includes our research partners of Nevada Cancer Institute and the Whittmore Peterson Institute for Neuro-Immune Disease. **Status:** Funds expended. HSS will continue to monitor and analyze progress of the funded grants and identify funding opportunities for program continuation and continue to foster external collaboration.

- Developed and conducted a faculty research interest survey for the purpose of identifying research interests. **Status:** Registered faculty now receive personalized research announcements according to their research interests. A searchable database is currently being worked on by the EPSCOR Office which will allow NSHE faculty to find potential internal research partners to collaborate on grants.

9. American Recovery and Reinvestment Act (ARRA) Federal Funding Project

Goal: Coordinate system-wide health sciences education-related efforts in response to opportunities created by the Federal ARRA funds to promote development of Health and Technology Education and pursue health workforce development opportunities throughout Nevada. **Status:**

- Convened an NSHE-wide Health Information Technology (HIT) Task Force to develop a web-based HIT educational program(s) that can be shared by multiple institutions within the System and across the state.
- Supported CSN's successful application to the Community Consortia to Education IT Professionals in Health Care.
- Playing a leading role in the State application (through the Workforce Investment Board) to the Health Resource and Service Administration for a grant to increase the primary care health care workforce in Nevada.

10. NSHE-wide Health Sciences Programmatic Strategic Planning Project

Status: Consultant was hired to lead the NSHE-wide strategic planning effort with special focus on the School of Medicine and the establishment of an Academic Health Center in Las Vegas. HSS and the consultant worked extensively with UNSOM in strategic planning for the expansion of graduate medical education (GME) in collaboration with Nevada Hospital Association and its members and the VA Hospital. Extensive conversations with external stakeholders have taken place, i.e., met with hospital CEO's. Report presented to the Board of Regents in September 2009.

11. UMC/NSHE Academic Joint Venture

Status: As a follow-up to a request from former Clark County Commission Chair Reid to former Chancellor Rogers to investigate ways to transform UMC into a "true teaching hospital"; HSS has led the NSHE effort to investigate ways to strengthen the academic relationship between UMC and the University of

Nevada School of Medicine (UNSOM) and other NSHE health sciences programs and schools.

In January of 2010, Chairman Leavitt, Chancellor Klaich, Chancellor Emeritus Rogers and Clark County Commissioner Reid participated in a press conference at which they announced an effort to investigate the potential opportunities for enhancing the relationship between the Nevada System of Higher Education and University Medical Center of Southern Nevada (UMC), and related opportunities for transforming UMC into a more robust academic health center. Chancellor Klaich asked Executive Vice Chancellor Trevisan to serve as the lead in coordinating NSHE's involvement in these efforts.

The Clark County Commissioners, sitting as the Board of Hospital Trustees, took action to establish two new groups to help enhance UMC's partnership with NSHE and to make changes to the current UMC governance structure.

UMC Joint Venture Working Group—the first new group is called the UMC Joint Venture Working Group board. Its purpose is to help oversee the efforts to enhance the joint venture between Clark County/UMC and NSHE. The participants from NSHE participating in this Working Group include: Executive Vice Chancellor for HSS, Dean of University of Nevada School of Medicine (UNSOM), CFO of UNSOM, and Dean of UNLV School of Dental Medicine. In addition, the Clark County Manager, Clark County CFO, UMC CEO, the UMC Chief of Medical Staff and the CEO of the Nevada Cancer Institute (NVCi) were also asked to participate. This group is chaired by the CEO of NVCi (Dr. John Ruckdeschel).

UMC Hospital Advisory Board—the second new group is called the UMC Hospital Advisory Board and its purpose is to serve as a new hospital governing board. The members of this group will be appointed by the Clark County Commissioners. Members of the community, not currently serving in an elected office, were invited to apply for one of the eleven positions on this new Advisory Board. Over 100 individuals applied for this Board. The County Commissioners finalized the membership of the Advisory Board on August 18, 2010. The Executive Vice Chancellor of HSS serves on the board as an ex-officio member.

Two-project concurrent study was initiated. Project 1 was a joint venture between NSHE and Clark County/UMC and it involves an analysis of "Transitioning of hospital to Academic Health Center (AHC) and recommendation of potential governance structure options." Project 2 involved an "Update

existing analyses of UMC's financial operations and operational efficiencies with a focus on comparison to similarly situated academic medical center." NSHE HSS and UNSOM representatives were involved in the solicitation and selection of the consultant (FTI) hired to conduct both studies and helped to draft the scope of work.

FTI reported on the outcome of the projects on February 2, 2011. One of the three major recommendations was to support the strengthening of the academic relationship between UMC, UNSOM and NSHE. At the moment discussions are taking place regarding the details of the academic relationship and how this effort will intertwine with the other important and critical administrative organizational and financial changes that need to be implemented in order to make the future of UMC viable.

12. Activities: NSHE is being/has been represented by the Executive Vice Chancellor on the following local and state-wide initiatives and committees:

Nevada Academy of Health
Health Care Reform Policy Council, State Senate of Nevada
Convener, Electronic Health Records Nevada Statewide Initiative
Governor's Health Information Technology Blue Ribbon Task Force
Nevada Advisory Committee to Prevent Infections in Health Facilities
Planning Committee and Speaker, Office of the Attorney General Health Care Summit
Nevada Department of Employment, Training & Rehabilitation, Workforce Solutions Unit
Governor's Workforce Investment Board: Health Care Sector Council (Chairman)

13. University of Nevada Health Sciences Center Foundation (UNHSCF): UNHSCF trustees and the HSS leadership have decided to change their approach to providing fund raising and support and will work on a project-by-project basis with existing institutional foundations. In the spirit of efficiency and effectiveness and reevaluating the function of the HSS Foundation, its trustees voted to dissolve the Foundation on April 19, 2010. The Nevada Board of Regents approved this action on June 4, 2010. In accordance with the provisions of the University of Nevada Health Sciences Center Foundation (hereinafter "UNHSCF" or the "Foundation") Articles of Incorporation, Article XVI, the UNHSCF Bylaws, Article VII.E and Nevada Revised Statutes 82.451, the Foundation ordered all current obligations and liabilities of the Foundation be

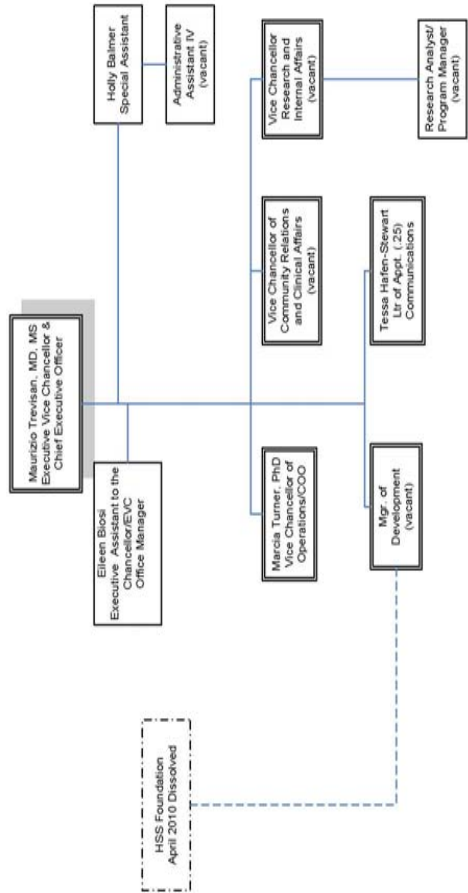
immediately paid and all assets distributed exclusively for and in accordance with the charitable and educational purposes of the Foundation.

Future Objectives:

- Support the expansion of the University of Nevada School of Medicine (UNSOM) throughout Nevada emphasizing class size growth, expanded hospital relationships with clinical service and graduate medical education growth, and enhanced basic and clinical research. The current opportunity to enhance the relationship between NSHE, UNSOM, UNLV School of Dental Medicine and the University Medical Center, in Las Vegas, represents one example of possible expansions of education, research and clinical services in medicine, nursing, dentistry, social work, and public health, as well as with other community partnerships. This enhanced relationship and mission integration with UMC is the single most important issue facing health sciences within the System at the current time and should be the focus for the most intense effort of the Committee (see UMC/NSHE Joint Venture above).
- Develop a Shadow Lane Campus programmatic strategic plan in collaboration with UNLV, UNR, NSC, and CSN to identify program needs and collaborative opportunities in the areas of education, training, research and clinical services.
- Develop a Shadow Lane Campus facilities plan in collaboration with UNLV, UNR, NSC, and CSN to support the functions identified in the programmatic strategic plan (including an analysis of actual space requirements, and program placement to best maximize space utilization and facilities development). This plan will also include investigation of potential adjacent property acquisition and/or partnership opportunities.
- Develop a financial funding plan (federal, state and philanthropy resources) to support the programmatic and strategic master plans, and related management and governance support plans.
- Expanding applied, translational and clinical research collaboration between the NSHE research institutions, and with other regional research universities, based on mutually agreed upon specializations or fields (e.g., support for neurodegenerative diseases, geriatrics, molecular medicine, biomedical engineering, novel chemotherapeutic treatments, etc.).
- Developing a mutually agreed upon roadmap for critical faculty and clinical staffing to support the education, research, and clinical service directions of NSHE, and plans for developing resources to implement the roadmap.

- Encouraging faculty in the research institutions to identify a set of core health care policy initiatives for which inter-institutional, inter-disciplinary programs can be developed. Such issues could include: early intervention, elder care, health care in immigrant communities, health care infrastructure, and developing statewide databases. Interactions between academic departments, community health programs, and centers, such as the UNLV Lincy Institute; the Brookings Mountain West Initiative; the UNR Sanford Center for Aging; and the Center for the Application of Substance Abuse Technologies, can support these efforts and should be encouraged and maximized.
- Promoting collaboration through sponsoring meetings, workshops and conferences between the various governmental, non-profit, and private health care entities to promote broader regional and state-wide collaboration, to exchange results from clinical studies and research efforts, and to develop a more vigorous biomedical and health care economy.

NSHE-Health Sciences System
March 2011





NEVADA SYSTEM OF HIGHER EDUCATION
HEALTH SCIENCES SYSTEM

HEALTH SCIENCES SYSTEM
CAPITAL IMPROVEMENTS PROJECTS

2011 OVERVIEW



PROJECT:
ACADEMIC, CLINICAL, TRAINING AND RESEARCH CENTER
(SPWB CIP 2007 C-91; 2009 C-06)
STATUS:
100% DESIGNED, 2011 Regents CIP Request Priority #3

Total Project:

➤ \$50.93
(as of 8/10)

Planning & Design:

➤ State: \$4.47m

Construction & FFE

➤ Total: \$46.64m

➤ State: \$24.78m

➤ Match: \$21.68m

Note:

➤ \$29.48m was funded by the State in the 2007 CIP for construction and FFE, but funds were reverted due to State budget shortfalls.

➤ **Building Size:**

➤ The HSS Academic, Clinical, Training and Research Center (ACTC) Project is planned as a 72,000 GSF building.

➤ **Occupants:**

➤ The project will support the relocation of the entire UNLV Nursing program from the UNLV Maryland Campus as well as the expansion of UNSOM educational and operations space in Las Vegas.

➤ **Function:**

➤ Specific program space will be dedicated to classrooms, wet lab research and support space, clinical research space, student and faculty space.

➤ **Status:**

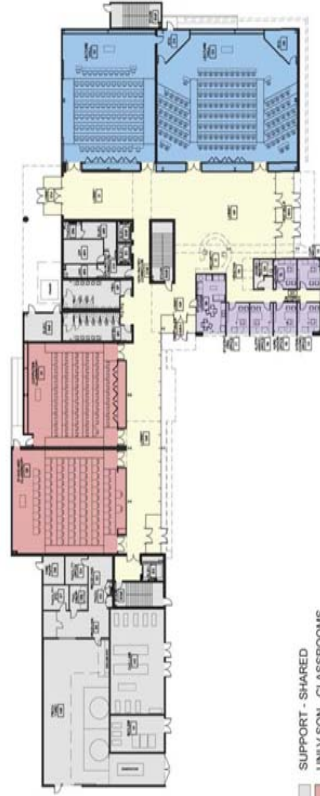
➤ The design for ACTC is 100% complete, and considered "shovel ready" pending funding.



HEALTH SCIENCES SYSTEM
ACADEMIC, CLINICAL, TRAINING AND RESEARCH CENTER



*Located on the Shadow Lane Campus
in Las Vegas*



**1st Floor
Design**

- SUPPORT - SHARED
- ONLY SON - CLASSROOMS
- ONLY SON - SUPPORT
- UNSOM - CLASSROOMS
- CIRCULATION/ COLLABORATIVE



**HEALTH SCIENCES SYSTEM
ACADEMIC, CLINICAL, TRAINING AND RESEARCH CENTER**





**HEALTH SCIENCES SYSTEM
ACADEMIC, CLINICAL, TRAINING AND RESEARCH CENTER**



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PROJECT:
HSS CLINICAL SIMULATION CENTER OF LAS VEGAS
(SPWB CIP 2007 C-89)
STATUS:
OPENED FALL 2009

Total Project Cost:

- State funding
\$15.75 M

➤ **Square Feet:**

- The NSHE HSS Shadow Lane Clinical Simulation Center of Las Vegas involved the renovation of approximately 31,000 gsf of space within an existing building on the Shadow Lane Campus.

➤ **Occupants:**

- This project houses the clinical skills and simulation educational programs in Las Vegas for the University of Nevada School of Medicine, the UNLV School of Nursing and the NSC School of Nursing.

➤ **Function:**

- This project supports interdisciplinary, inter-institutional clinical skills and simulation education. The Center includes highly technical computerized mannequins used to simulate emergent and life-threatening clinical scenarios, and provide students the opportunity to become proficient in skills sets along the continuum of health services from drawing blood to laparoscopic surgical procedures, among other skills and simulations. The Center includes a mock-hospital with 6 high-tech simulation rooms and 12 hospital skills rooms; three distinct surgical skills areas; a 12 room "mock doctor's office" patient simulation area; two 24- person skills demonstration classrooms; an 80-person lecture hall and other support services.

➤ **Status:**

- The Shadow Lane Clinical Simulation Center opened in the Fall of 2009 and is actively utilized by UNLV & NSC Nursing, and UNSOM

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HEALTH SCIENCES SYSTEM

CLINICAL SIMULATION CENTER OF LAS VEGAS Located in Shadow Lane Campus Building "B"



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HEALTH SCIENCES SYSTEM
CLINICAL SIMULATION CENTER OF LAS VEGAS
 Located in Shadow Lane Campus Building "B"



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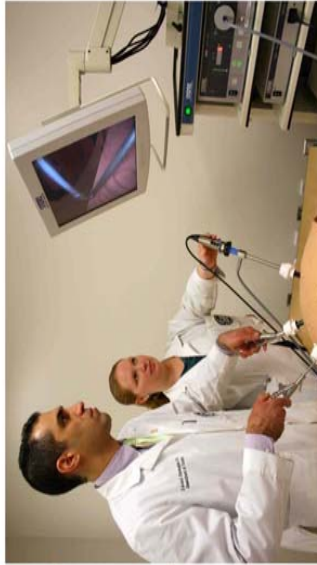
HEALTH SCIENCES SYSTEM

CLINICAL SIMULATION CENTER OF LAS VEGAS Located in Shadow Lane Campus Building "B"



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HEALTH SCIENCES SYSTEM**CLINICAL SIMULATION CENTER OF LAS VEGAS**
Located in Shadow Lane Campus Building "B"

PROJECT:
PENNINGTON MEDICAL EDUCATION LEARNING LABORATORY
(SPWB CIP 2007 C-90; 2009 C-05)
STATUS:
UNDER CONSTRUCTION, 90 % COMPLETED; DUE TO OPEN
July 1st 2011



Total Project Cost:
➤ \$37,494,151
State Funding:
➤ \$2,388,144 (Design)
➤ \$24,012,007 (Construction and FF&E)
Matching Funds:
➤ \$11,094,000

➤ **Square Feet:**
➤ The Medical Education Learning Lab Project is an approximately 58,000 gsf building.
➤ **Occupants:**
➤ It will include the University of Nevada School of Medicine and the UNR Orvis School of Nursing.
➤ **Function:**
➤ Specific program spaces include a new anatomy laboratory and lecture hall, a patient simulation center and standardized patient teaching labs, classrooms, support space, student and faculty space. This facility is intended to work in concert with the other buildings in the UNR Health Sciences Precinct.
➤ **Status:**
➤ The project is currently under construction and approximately 90 % completed. The building is slated for completion and occupancy in July of 2011.



**HEALTH SCIENCES SYSTEM/UNIVERSITY OF NEVADA, RENO
PENNINGTON MEDICAL EDUCATION BUILDING**



*Located within "Health Sciences Precinct"
on the UNR Campus*





**HEALTH SCIENCES SYSTEM/UNIVERSITY OF NEVADA, RENO
PENNINGTON MEDICAL EDUCATION BUILDING**



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On motion of Assemblyman Conklin, the committee did rise and report back to the Assembly.

ASSEMBLY IN SESSION

At 5:48 p.m.
Mr. Speaker presiding.
Quorum present.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Conklin moved that upon return from the printer, Assembly Bill No. 274 be taken from the General File and placed on the Chief Clerk's desk.

Motion carried.

Assemblyman Conklin moved that Assembly Bills Nos. 6, 56, 61, 72, 192, 196, 213, 237, 249, 253, 254, 289, 290, 291, 299, 321, 346, 368, 389, 396, 433, 441, and 538 be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

NOTICE OF WAIVER

A Waiver requested by Assemblyman Ocegüera and Senator Horsford.
For: R-1282 (AJR No. 9)
To Waive:

Subsection 1 of Joint Standing Rule No. 14 (2 BDRs from Assemblymen and 4 BDRs from Senators requested by 8th day).

Subsection 1 of Joint Standing Rule No. 14.2 (dates for introduction of BDRs requested by individual legislators and committees).

Subsection 1 of Joint Standing Rule No. 14.3 (out of final committee of house of origin by 68th day).

Subsection 2 of Joint Standing Rule No. 14.3 (out of house of origin by 79th day).

Subsection 3 of Joint Standing Rule No. 14.3 (out of final committee of 2nd house by 103rd day).

Subsection 4 of Joint Standing Rule No. 14.3 (out of 2nd house by 110th day).

Has been granted effective: Friday, April 22, 2011.

SENATOR STEVEN HORSFORD
Majority Leader

ASSEMBLYMAN JOHN OCEGUERA
Speaker

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Assemblywoman Carlton, the privilege of the floor of the Assembly Chamber for this day was extended to Grace Foley.

On request of Assemblyman Conklin, the privilege of the floor of the Assembly Chamber for this day was extended to James Woolsey.

On request of Assemblyman Grady, the privilege of the floor of the Assembly Chamber for this day was extended to Cady Cordes.

On request of Assemblyman Hansen, the privilege of the floor of the Assembly Chamber for this day was extended to the following students and chaperones from Marvin Moss Elementary School: Naomi Alvarez, Jessenia Araiza, Ana Ayala, Jose Barrera, Ty Carmack, Taesha Crain, Tyler Fairchild, Savannah Franz, Ana Gil, Andrew Gorum, Fay Guerrero, Sarah Kerney, Sam Legott, Bryan Oaxaca, Kaitlin Maher, Ibeth Molina, Adam Moore, Aylianna Partida, Nathaniel Pascual, Rueben Ruiz, Alexia Sanchez, Kameron Soubiea, Natasha Spalka, Heather Velazquez, Monica Villa, Jovannah Lefler-Beck, Kendyl Perkins, Kenia Aguirre, Taylor Anderson, Stephanie Baldwin, Alexander Contreras Ortega, Morgan Bennett, Garrett Davidson, Liberty Fleming, Alejandro Garcia, Brennan Gilmore, Trey Harry, Meredith Hoppe, Mikayla Hunt, Caitlyn Jones, Kendall Kantor, Aidan Keppel, Daniel Makoutz, Javonna Malizia, Moises Martinez Camarena, Coard McKim, Thomas Obacka, Manmit Parmar, Daniela Serratos Segura, Megan Sewell, Amy Jo Sitkoff, Jakob Sprague, Darius Vandyke, Dakotah Walters, Justin Wolcott, Hannah Anderson, Audrey Bautista, Gage Bennett, Teagan Ciesynski, Trinton Cook, Reece Davis, Tanner Dimmitt, Ryan Durbin, Sadi Floyd, Autumn Hicks, Nicholas Howe, Alesah Jim, Kevin Looc, Konstantina Mason, Ronalisa Nena, Shelby Petersen, Tyler Scott, Carolina Serrano, Donte Smith, Caleb Springmeyer, Kye Steiner, Trinty Sublett, Monica Valdez, Alyssa Wellesley, Taeshaun Crain, Christopher Mason, Michaela Gamboa, and Ashley Haynes.

On request of Assemblyman Kirner, the privilege of the floor of the Assembly Chamber for this day was extended to Linda Law.

On request of Assemblyman Livermore, the privilege of the floor of the Assembly Chamber for this day was extended to Kristie M. Traver and Brighton Traver.

Assemblyman Conklin moved that the Assembly adjourn until Monday, April 25, 2011, at 11 a.m.

Motion carried.

Assembly adjourned at 5:54 p.m.

Approved:

JOHN OCEGUERA
Speaker of the Assembly

Attest: SUSAN FURLONG

Chief Clerk of the Assembly