

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

**Seventy-Sixth Session  
May 13, 2011**

The Joint Assembly Committee on Ways and Means and the Senate Committee on Finance was called to order by Chairwoman Debbie Smith at 8:36 a.m. on Friday, May 13, 2011, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/76th2011/committees/](http://www.leg.state.nv.us/76th2011/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**ASSEMBLY COMMITTEE MEMBERS PRESENT:**

Assemblywoman Debbie Smith, Chairwoman  
Assemblyman Marcus Conklin, Vice Chair  
Assemblyman Paul Aizley  
Assemblyman Kelvin Atkinson  
Assemblywoman Maggie Carlton  
Assemblyman Pete Goicoechea  
Assemblyman Tom Grady  
Assemblyman John Hambrick  
Assemblyman Crescent Hardy  
Assemblyman Pat Hickey  
Assemblyman Joseph M. Hogan  
Assemblyman Randy Kirner  
Assemblywoman April Mastroluca  
Assemblyman John Ocegüera

**SENATE COMMITTEE MEMBERS PRESENT:**

Senator Steven A. Horsford, Chair  
Senator Sheila Leslie, Vice Chair

Minutes ID: 1163

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Senator David R. Parks  
Senator Moises (Mo) Denis  
Senator Dean A. Rhoads  
Senator Barbara K. Cegavske  
Senator Ben Kieckhefer

**COMMITTEE MEMBERS EXCUSED:**

Assemblyman David P. Bobzien

**STAFF MEMBERS PRESENT:**

Rick Combs, Assembly Fiscal Analyst  
Mark Krmpotic, Senate Fiscal Analyst  
Mike Chapman, Principal Deputy Fiscal Analyst  
Rex Goodman, Principal Deputy Fiscal Analyst  
Terri Sulli, Program Analyst  
Julie Waller, Program Analyst  
Janice Wright, Committee Secretary  
Cynthia Wyett, Committee Assistant

Chairwoman Smith welcomed everyone to the meeting and explained the Committee would work today to close some budgets beginning with the Department of Administration.

**DEPARTMENT OF ADMINISTRATION**  
**ADMINISTRATION-ADMINISTRATIVE SERVICES (716-1371)**  
**BUDGET PAGE ADMIN-14**

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the Administrative Services Division (ASD) provided administrative and financial services support to the Department of Administration (DOA). The Division was funded entirely through an administrative assessment charge to the other divisions within DOA and other agencies that used its services.

Ms. Waller said the two major closing items in budget account (BA) 1371 were the reorganization and consolidation plan and the elimination of a position. She noted that previous closing actions of the Committee supported the reorganization and consolidation plan.

Ms. Waller summarized the decision units related to the Governor's reorganization and consolidation plan recommended for ASD. The Governor

recommended one-time assessment revenue of \$99,981 over the 2011-2013 biennium for additional office and storage space, tenant improvements, and work stations.

Ms. Waller said Budget Amendment 256 revised the cost of anticipated tenant improvements downward by \$742 from \$7,839 to \$7,097 in fiscal year (FY) 2012 and added costs for data drops estimated at \$7,699, resulting in a net transfer of reserve funding totaling \$6,957 for FY 2012.

Ms. Waller said the proposed reorganization would transfer 16 full-time equivalent (FTE) positions from various state agencies to the ASD budget. The ASD would almost double in size with the proposed FTE position transfers and would assume the centralized fiscal and payroll functions for the following proposed new organizations within the DOA: the Division of Human Resource Management (currently the Department of Personnel), the Division of Enterprise IT Services (currently the Department of Information Technology), the State Public Works Division (currently the State Public Works Board and the Building and Grounds Division), and the Division of State Library and Archives.

Ms. Waller said that the 16 FTE positions would perform similar support services for the entire DOA to current duties after the transfer. The ASD staff acknowledged that the management structure of ASD was sufficient to handle the recommended increase in size of the Division.

Ms. Waller said that the Subcommittee expressed concern about staff training, but DOA indicated it conducted a review of the skill sets of incoming staff in January 2011. The Department planned to provide training for all the deficiencies identified by the review and complete the training by the end of FY 2011 or early FY 2012.

Ms. Waller said that under the Governor's reorganization plan, the Division would establish a Management Analyst Unit and a Contracts Unit. The Management Analyst Unit would include three full-time equivalent (FTE) positions consisting of a supervising management analyst and two other management analyst positions to perform the following duties:

- Develop, monitor, and modify cost accounting and billing rates for all agencies serviced by the Division.
- Develop, monitor, and report performance measures.
- Oversee the preparation of the Statewide Cost Allocation Plan.

- Develop, analyze, and monitor workflow systems and procedures.
- Assist with fiscal note preparations during legislative sessions.
- Prepare ad hoc reports, research, and analysis as needed.

Ms. Waller noted that the Contracts Unit would centralize and process all contracts and purchase orders internally for the newly reorganized DOA. The unit would include five full-time equivalent (FTE) positions consisting of a supervisor and four staff. The creation of the Contracts Unit within DOA would not affect the role or function of the Purchasing Division.

Ms. Waller said ASD testified that three of the five FTE positions recommended for transfer to the Contracts Unit would be reclassified with no change to the existing funding but with a realignment of the proposed duties and responsibilities.

Ms. Waller said that based on the information and testimony provided and the Committee's prior closing actions related to the recommended reorganization and consolidation of DOA, these recommendations appeared reasonable to Fiscal staff. She asked whether the Committee wished to approve decision units Enhancement (E) 230, E500 through E504, E805, E902, E905, and E909 through E911, including Budget Amendment 256, related to the Governor's reorganization and consolidation plan recommended for the ASD.

SENATOR PARKS MOVED TO APPROVE THE GOVERNOR'S  
RECOMMENDATIONS AND REORGANIZATION AND  
CONSOLIDATION PLAN, INCLUDING BUDGET AMENDMENT 256.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and  
Assemblymen Bobzien and Conklin were not present for the vote.)

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Ms. Waller said the second major closing item was the position elimination in decision unit Enhancement (E) 606. The Executive Budget proposed the elimination of a vacant accountant technician 2 position. The result of the elimination would be a reduction of assessment revenue totaling \$40,975 in FY 2012 and \$56,870 in FY 2013. According to ASD staff, an existing position transferring to ASD from one of the reorganized agencies would

assume the duties and responsibilities of this position proposed for elimination. Based on this information and previous action by the Committee, this recommendation appeared reasonable to Fiscal staff. Ms. Waller asked whether the Committee wished to approve the Governor's recommendation to eliminate a vacant accountant technician 2 position.

ASSEMBLYWOMAN MASTROLUCA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE VACANT POSITION.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblymen Bobzien and Conklin were not present for the vote.)

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Ms. Waller said there were three minor closing items for the Committee's consideration. The first item was replacement equipment in decision unit Enhancement (E) 710. Assessment revenue of \$6,401 in FY 2012 and \$6,883 in FY 2013 was recommended by the Governor for replacement of antivirus software and 10 desktop computers to replace ASD's obsolete equipment in accordance with DoIT's replacement guidelines. This recommendation appeared reasonable.

Ms. Waller said The Executive Budget recommended reserve funding of \$20,186 in FY 2012 and \$26,585 in FY 2013 for ASD's share of DOA's proposed centralized personnel services and personal computer/local area network technician cost allocations. Based on prior closing actions of the Committee supporting the centralized personnel services proposal, this recommendation appeared reasonable.

Ms. Waller noted that FY 2010 actual statewide and Attorney General (AG) cost allocations assessed to ASD totaled \$37,545 and \$5,454, respectively. The Executive Budget excluded assessments for these cost allocations in ASD's budget for the 2011-2013 biennium. The Administrative Services Division (ASD) staff confirmed that The Executive Budget was correctly stated, and ASD should not be assessed the AG or statewide cost allocations for the 2011-2013 biennium, as each cost allocation reflected a credit for this account. No action was required by the Committee regarding this informational item.

Ms. Waller said Fiscal staff recommended the remainder of the account be closed as recommended by the Governor. Fiscal staff requested authority to make any necessary technical adjustments for final department cost allocations.

ASSEMBLYMAN HOGAN MOVED TO CLOSE THE REMAINDER OF BUDGET ACCOUNT 1371 AS RECOMMENDED BY THE GOVERNOR AND APPROVE AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblyman Bobzien were not present for the vote.)

BUDGET CLOSED.

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**DEPARTMENT OF BUSINESS AND INDUSTRY**  
**B & I INDUSTRIAL RELATIONS (210-4680)**  
**BUDGET PAGE ADMIN-114**

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the Division of Industrial Relations had four budget accounts and was organized under the Department of Business and Industry. The Division of Industrial Relations (DIR) regulated workers' compensation insurance to ensure injured workers received the benefits to which they were entitled; enforced federal and state health and safety standards; assisted employers with workplace safety programs; and provided safety training and inspections for all active mines in the State. The Division's programs were primarily funded through assessments of workers' compensation insurers, with a smaller portion of funding received from licenses and fees and federal grants from the United States Department of Labor, Occupational Safety and Health Administration (OSHA), and the Mine Safety and Health Administration.

Ms. Waller said the two major issues in the Administrative account included the centralization of functions within the Department of Business and Industry (B&I) and the position transfer. She noted the Committee approved the Governor's recommendation to centralize certain functions within the Department including fiscal, personnel, and information technology functions.

Ms. Waller said the Governor's centralization recommendation for this account included the transfer of four full-time equivalent (FTE) positions from DIR to the B&I Administration account effective October 1, 2011, which included three information technology professional FTE positions and one fiscal position.

Ms. Waller said there were some concerns noted regarding the federal OSHA Net computer system. The Division indicated that the transfer of the information technology (IT) positions to the Director's Office could cause delays in service of the OSHA Net computer system, as well as other agency-specific computer systems. The federal government tightly controlled the administration of the program. During the March 18, 2011, budget hearing, the agency testified that the IT positions would still be authorized by federal OSHA to administer the system as long as the positions continued to be assigned as administrators of the federal OSHA Net computer system.

Ms. Waller said the fiscal effect of the centralization reflected an additional cost over the 2011-2013 biennium. Under the original proposed centralization plan, DIR would transfer four full-time equivalent (FTE) positions to the B&I Director's Office, which would eliminate the dedicated service provided by these FTE positions. The net additional cost to DIR, after consideration of the savings from the recommended position transfers, would be \$513,044 over the upcoming biennium.

At the February 11, 2011, Joint Subcommittee on General Government budget hearing for B&I's Administration account (BA 4681), the Subcommittee requested B&I provide additional information related to the advantages of the recommended centralization and develop a plan to centralize fiscal functions for all Divisions within the Department, including the Housing Division and DIR. The Department provided a revised plan that included the transfer of seven fiscal FTE positions from DIR and one fiscal position from the Housing Division. The fiscal effect of the revised centralization plan to the Department was estimated to increase by \$112,003 over the 2011-2013 biennium.

Ms. Waller noted that the existing structure within the Division centralized fiscal duties (Administrative Services Unit) to enable DIR's staff to focus on the Division's core mission and regulatory functions. At the closing of the B&I Administration account (BA 4681), the Committee approved the plan to centralize fiscal, IT, and licensing functions within B&I as recommended by the Governor and revised on April 22, 2011.

Ms. Waller asked whether the Committee wished to approve the revised recommendation to transfer 11 FTE positions from the Division to the Director's Office, as recommended by the Governor consistent with the closing action taken on B&I's Administration account (BA 4681).

SENATOR RHODES MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO TRANSFER 11 FULL-TIME EQUIVALENT POSITIONS.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblyman Bobzien were not present for the vote.)

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Ms. Waller said The Executive Budget recommended the transfer of an industrial relation's personnel analyst position effective April 1, 2012, as part of the Governor's plan to centralize personnel services for certain agencies within the Division of Human Resource Management, a new division proposed within the Department of Administration. Projected cost savings to DIR from the position transfer were \$18,336 for FY 2012 and \$73,506 for FY 2013. The total cost savings resulting from the Governor's personnel services centralization proposal in this account, net of the cost allocation totaling \$37,629, was \$54,213 over the 2011-2013 biennium.

Ms. Waller said that once transferred, the personnel analyst would continue to service DIR accounts but from a different location. No specific concerns with the recommended position transfer were noted by the agency. She said that the budget of the Department of Administration was closed with decision units supporting the centralized personnel services and personal computer/local area network technician recommendation.

Ms. Waller said based on the information and testimony provided, this recommendation appeared reasonable. She asked whether the Committee wished to approve the transfer of a personnel analyst position effective April 1, 2012, to the Division of Human Resource Management.

ASSEMBLYMAN HOGAN MOVED TO APPROVE THE TRANSFER OF THE PERSONNEL ANALYST POSITION.

SENATOR KIECKHEFER SECONDED THE MOTION.



THE MOTION CARRIED. (Senator Horsford and Assemblyman Bobzien were not present for the vote.)

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Ms. Waller said the next closing item was elimination of two vacant full-time equivalent (FTE) positions that were part of the reduction approved during the 26th Special Session (2010). The elimination resulted in a reduction of workers' compensation assessment funding totaling \$157,877 over the 2011-2013 biennium. This recommendation appeared reasonable.

Ms. Waller said that the Governor recommended workers' compensation assessment funding in the amounts of \$67,872 in fiscal year (FY) 2012 and \$43,842 in FY 2013 for replacement of equipment including one vehicle, one laptop, four printers, four servers, antivirus software, and various other software and licenses. The equipment replacement complied with the State's recommended replacement guidelines.

Ms. Waller said that Budget Amendment 204 eliminated the purchase of the vehicle recommended in decision unit Enhancement (E) 710 and replaced it with a leased Motor Pool vehicle, resulting in a net savings of \$14,072 over the 2011-2013 biennium. The transfer of nonmanaged fleet vehicles to State Motor Pool was recommended in the findings of an audit performed by the Division of Internal Audits. The transfer of nonmanaged fleet vehicles would consolidate resources and management oversight of the fleet, establish economies of scale to reduce costs, create uniformity in policies and maintenance practices, and ensure vehicles were managed by experienced fleet staff. This recommendation appeared reasonable.

Ms. Waller explained the increase in the statewide cost allocation. The Attorney General (AG) cost allocation assessed in FY 2010 was \$35,338. The Governor recommended increasing the assessment to \$126,686 in FY 2012 and \$100,986 in FY 2013. After review of the AG cost allocation, Fiscal staff determined the cause of the recommended assessment increase was that the agency's actual AG expenditures for FY 2009 and FY 2010 exceeded the amount charged to the agency. The AG cost allocation included unrecovered costs carried forward to be recovered in the 2011-2013 biennium. Based on the information provided, the recommended AG cost allocation appeared reasonable. No action was required by the Committee regarding this informational item.

Ms. Waller said the Fiscal staff recommended approval of the other closing items as recommended by the Governor, including approval of Budget Amendment 204 that replaced the purchase of a vehicle with a leased Motor Pool vehicle. Fiscal staff requested authority to make necessary technical adjustments for final department cost allocations.

SENATOR CEGAVSKE MOVED TO APPROVE THE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND APPROVE AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblyman Bobzien were not present for the vote.)

BUDGET CLOSED.

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**DEPARTMENT OF BUSINESS AND INDUSTRY**  
**B&I-OCCUPATIONAL SAFETY & HEALTH ENFORCEMENT (210-4682)**  
**BUDGET PAGE ADMIN-122**

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Occupational Safety and Health (OSHA) enforced occupational safety and health standards promulgated under the Nevada Occupational Safety and Health Act. The agency ensured safe and healthy working environments by conducting inspections and investigations of boilers, elevators, pressure vessels and other mechanical equipment. Offices were located in Henderson, Reno, and Elko. The primary source of funding was assessments of workers' compensation insurers and smaller amounts of funding came from license and inspection fee revenue and federal grants from the United States Department of Labor.

Ms. Waller said that the Governor recommended nine new full-time equivalent (FTE) positions to take corrective actions resulting from a federal OSHA study. She said the new positions would be funded from a combination of federal grant funding and worker's compensation assessment funding. The Governor recommended adding five full-time equivalent (FTE) positions in fiscal year (FY) 2012 and four FTE positions in FY 2013, with two positions

being based in northern Nevada and the remainder being based in the Henderson office.

Ms. Waller said that a comprehensive evaluation of the state's OSHA program was conducted by federal OSHA and released in October 2009. The federal study, titled the *Review of the Nevada Occupational Safety and Health Program*, was commissioned to address concerns after Nevada experienced 25 workplace fatalities that were investigated by state OSHA from January 1, 2008, through June 1, 2009. The special study of the OSHA program resulted in a number of recommendations for improvement. The Division indicated that both leadership and staff were committed to resolving the deficiencies identified in federal OSHA's report.

Ms. Waller said that the Division indicated all but 8 of the 57 audit recommendations for improvement included in the federal OSHA report had been completed. The Division advised that the federal OSHA area director had requested the corrective actions be completed by September 30, 2011, and requested a joint audit of the Henderson and Reno offices be conducted by federal and state OSHA at that time.

Ms. Waller said the Committee may wish to issue a Letter of Intent directing the Department of Business and Industry (B&I) to provide semiannual reports to the Interim Finance Committee (IFC) during the 2011-2013 biennium. The reports should include the findings resulting from the joint audit and an update on the implementation of corrective actions required in the federal OSHA special report.

Ms. Waller said the duties and responsibilities of the new full-time equivalent (FTE) positions included a program coordinator to perform duties previously performed by the district office staff, safety positions to create the training function, and industrial hygienist safety specialist positions to inspect casino and condominium projects.

Ms. Waller said despite the completion of several large-scale hotel/casino and condominium projects, state OSHA had not added new FTE positions since the 2007-2009 biennium. The 74th Session (2007) approved 12 new FTE positions to assist OSHA with increased workloads, and federal- and state-mandated requirements. The Division advised that without the additional FTE positions, the agency would be limited in its ability to meet its mission to enforce occupational safety and health regulations at workplaces throughout the state.

Ms. Waller said that the Division confirmed that an internal training plan had been developed and would be implemented should the FTE positions be approved. The Division advised that sufficient office space was available to house all nine recommended FTE positions. Based on the recommendations for corrective actions contained in the federal OSHA report, as well as the information and testimony provided, this recommendation appeared reasonable.

Ms. Waller asked whether the Committee wished to approve the addition of nine new full-time equivalent (FTE) positions and related costs in the Henderson and Reno offices, as recommended by the Governor.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR NINE NEW POSITIONS AND ISSUE A LETTER OF INTENT FOR SEMIANNUAL REPORTS.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblyman Bobzien were not present for the vote.)

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Ms. Waller said The Executive Budget recommended four new full-time equivalent (FTE) positions in FY 2012 to address the increased workload related to growth on the Las Vegas strip, increased photovoltaic activity, and a backlog of elevator inspections. The Governor recommended workers' compensation safety funding totaling \$180,825 in fiscal year (FY) 2012 and \$225,008 in FY 2013 to fund the following new FTE positions:

- Safety Specialist 3 - Mechanical Inspectors (2-Henderson).
- Safety Specialist 3 - Mechanical Inspector (1-Reno).
- Administrative Assistant 3 (1-Henderson).

Ms. Waller said that Division representatives indicated the new FTE positions would reduce the inspection backlog and handle the increased workload in the state. Growth had occurred primarily in Clark County, but also in northern Nevada, which increased the number of items to be inspected. Photovoltaic activity, because of the increased number of solar energy projects, and asbestos activity continued to grow in southern Nevada.

Ms. Waller said that based on the total number of required inspections of 27,583 per year, the Division indicated the FTE positions were needed to handle the increased work volume, as well as maintain the existing work volume. During the budget hearing, the Division testified that if the positions could be hired by October 2011, the backlog for inspections and data entry should be eliminated by the middle of FY 2012. Based on the information and testimony provided, this recommendation appeared reasonable.

Ms. Waller asked whether the Committee wished to approve four new full-time equivalent (FTE) positions to address increased workload related to growth and inspection backlogs, as recommended by the Governor.

Assemblyman Conklin said the new staff positions proposed were desperately needed. The state had underserved the OSHA duties for some time. Not only had the state underserved this area, but the pay rates traditionally used for the OSHA staff were low and put the state at a huge disadvantage in the market place. The Committee heard testimony on this matter before. Assemblyman Conklin held meetings with several large developers and construction companies in Las Vegas. The developers were candid about hiring state employees away after they were trained. The private companies paid the former state employees about twice what they earned as state employees. The state employees were the ones who wrote the regulations. At some point in time, the state must employ more staff and provide competitive pay to attract and maintain qualified staff in this Division. Workplace safety was important, and the talented persons employed by the state could easily go into the private market and command significantly more money. The state must continue to monitor this and should make OSHA safety a priority for the future.

ASSEMBLYMAN CONKLIN MOVED TO APPROVE FOUR NEW  
FULL-TIME EQUIVALENT POSITIONS TO ADDRESS THE  
INCREASED WORKLOAD AS RECOMMENDED BY THE  
GOVERNOR.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and  
Assemblymen Bobzien and Hardy were not present for the vote.)

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Ms. Waller said the Department of Business and Industry (B&I) Director's Office existing cost allocation was recommended to increase by \$187,840 in FY 2012

and \$226,741 in FY 2013 as a result of the Governor's proposal to centralize fiscal, information technology (IT), and licensing functions within B&I. There was a new cost allocation for the Human Resource Management Division resulting from the Governor's proposed centralization of personnel and payroll services for select smaller to midsize agencies, including B&I.

Ms. Waller noted the decision units supporting the centralized personnel services and personal computer/local area network technician recommendations were approved. Based on prior closing actions of the Committee, this recommendation appeared reasonable.

Ms. Waller said The Executive Budget recommended workers' compensation assessment funding totaling \$17,124 over the 2011-2013 biennium for replacement equipment, including two portable multigas detector kits and five color printers. The replacement of the printers was in accordance with the Department of Information Technology (DoIT) guidelines. This recommendation appeared reasonable.

Ms. Waller said the 74th Session (2007) approved funding totaling of \$295,015 over the 2007-2009 biennium to replace an existing mechanical object database system. Although the project was completed, the Division claimed it did not function as intended, resulting in workload and account receivable/payable backlogs, and requested replacement of the system. The Division identified several problems resulting from the new mechanical object database system including the loss of productivity, safety concerns, and delayed billings and collections. The Interim Finance Committee (IFC) did not take action on the Division's request, but instead requested additional information be provided, including an estimated cost from the vendor to correct the deficiencies identified by the Division

Ms. Waller said the Division provided Fiscal staff all of the information requested by the IFC except for a cost estimate from the vendor to correct the deficiencies of the new database system. The Division informed Fiscal staff that the vendor sent representatives to the Division's Henderson office to evaluate, identify, or estimate repair costs of the deficiencies.

Ms. Waller said the Division testified that since the mechanical object database was not functioning as intended, the Division had received approval to work overtime and use temporary staff. The additional work hours allowed the Division to make substantial progress in eliminating the backlog. The Division advised that although no repair cost estimate was available at this time, the

Division continued to work with the vendor to determine the additional costs required for software changes to improve the functionality of the database.

Ms. Waller said the Committee may wish to issue a Letter of Intent directing B&I to provide semiannual reports to the IFC over the 2011-2013 biennium regarding improvements to the functionality of the Division's mechanical database system and any plans developed to repair or replace the system.

Ms. Waller provided a brief summary of the pending legislation that would affect the agency. The Legislative Commission's Subcommittee to Review the United States Department of Labor's Report on the Nevada Occupational Safety and Health Program was created to assess the findings of the federal OSHA study during the 2009-2010 interim. The Subcommittee consisted of three members of the Legislative Commission, which reviewed federal OSHA's findings and submitted recommendations for legislation to the 76th Session (2011).

The legislation included:

Assembly Bill 253, revising assessments, fees, fines, and settlements relating to occupational safety and health.

Assembly Bill 254, authorizing Nevada OSHA to cite employers for workplace safety violations based on the presence of a hazardous condition, regardless of whether a state safety inspector observed an employee being exposed to the hazard.

Assembly Bill 255, providing for communications with family members of workers injured or killed in occupational accidents.

Ms. Waller said the Division testified that A.B. 253, which addressed the Division's ability to enforce a settlement offer and penalties, and A.B. 254, which addressed the Division's ability to enforce citations in the workplace, were important in improving agency operations.

Ms. Waller said Fiscal staff recommended the remainder of the budget account be closed as recommended by the Governor. She requested approval for Fiscal staff to make any necessary technical adjustments for final department cost allocations based on the outcomes of legislation.

Chairwoman Smith added a comment about the vendor contract for the mechanical object database system. The IFC expressed concerns about

contracts that failed to protect the state, and the use of "holdback funding" to ensure that the state was protected and the vendor completed the work. She said the Committee should pursue solutions to this problem and check with the Purchasing Division to determine what provisions had been enacted to protect the state. The lack of holdback funding cost the state money, and the vendor contract for the mechanical object database system was not completed according to the required standards.

Assemblyman Hogan expressed similar concerns. He said there was a benefit in requiring a review of the process before awarding a contract that lacked holdback funding or some other type of contractual device to protect the state. He worried that the state would contract with the same vendor. He suggested there may be ways of avoiding that problem from happening again.

Chairwoman Smith asked whether there was anything further that the Committee could do to provide some protection and whether a Letter of Intent might help regarding contracts or purchasing that generally covered these types of situations.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said he was not aware of anything else that could be done. He thought the agency should have done a better job of monitoring this contract when it was originally put into place. The persons that could be blamed were no longer employed by the state. It would not be fair to blame the current administrator or the staff. There were lessons that could be learned from this situation, and the current administrator was committed to making sure that this problem was corrected. Mr. Combs said he could not promise this would never happen again, but he believed the Division had recognized the problem and was doing what it could to ensure it would not happen again.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION ON OTHER CLOSING ITEMS, ISSUE A LETTER OF INTENT FOR SEMIANNUAL REPORTS, AND AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Cegavske and Horsford and Assemblymen Bobzien and Hardy were not present for the vote.)

BUDGET CLOSED.



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**DEPARTMENT OF BUSINESS AND INDUSTRY**  
**B&I-SAFETY CONSULTATION AND TRAINING (210-4685)**  
**BUDGET PAGE ADMIN-129**

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the Division of Industrial Relations included the Safety Consultation and Training Section that assisted employers in developing and implementing effective safety and health programs to reduce and prevent workplace hazards. There were no major closing issues.

Ms. Waller said that the Director's Office and Personnel Department's centralization cost allocation appeared reasonable based on the prior actions of the Committee. The Executive Budget recommended workers' compensation assessment funding of \$8,350 in fiscal year (FY) 2012 to purchase *Patty's Industrial Hygiene & Toxicology* reference books for the Henderson and Reno offices. The 13-volume set would be used to research hazards, controls, chemicals, and health concerns. This recommendation appeared reasonable.

Ms. Waller said The Executive Budget recommended workers' compensation assessment funding of \$7,723 in FY 2012 and \$3,442 in FY 2013 for one fax machine, two liquid-crystal-display projectors, and three laser jet printers. The equipment replacement was in accordance with the Department of Information Technology's replacement guidelines, and this recommendation appeared reasonable.

Ms. Waller said Fiscal staff recommended this budget be closed as recommended by the Governor and requested authority to make necessary technical adjustments for final department cost allocations.

SENATOR RHOADS MOVED TO APPROVE THE GOVERNOR'S  
RECOMMENDATION AND CLOSE BUDGET ACCOUNT 4685 WITH  
AUTHORITY FOR THE FISCAL STAFF TO MAKE TECHNICAL  
ADJUSTMENTS.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Cegavske and Horsford and  
Assemblymen Bobzien and Hardy were not present for the vote.)

BUDGET CLOSED.

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**DEPARTMENT OF BUSINESS AND INDUSTRY**  
**B&I-MINE SAFETY & TRAINING (210-4686)**  
**BUDGET PAGE ADMIN-135**

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Fiscal staff was responsible for developing closing recommendations for budget account (BA) 4686. The Committee had not previously reviewed this budget. The Division of Industrial Relations included the Mine Safety and Training Section that provided mine inspections, technical assistance, consultation and safety, and health training to prevent mine accidents and occupational illness. There were no major closing issues.

Ms. Waller said the Governor recommended the elimination of one administrative assistant 1 position held vacant during the 2009-2011 biennium as part of the reductions approved during the 26th Special Session (2010). The position elimination resulted in a reduction of workers' compensation assessment funding totaling \$78,939 over the 2011-2013 biennium and appeared reasonable.

Ms. Waller said The Executive Budget recommended workers' compensation assessment funding of \$35,552 in FY 2012 and \$31,501 in FY 2013 for replacement equipment including two trucks, two camper shells, six mobile printers, and various industrial hygiene equipment. This recommendation appeared reasonable.

Ms. Waller said The Executive Budget recommended workers' compensation assessment funding of \$5,851 in FY 2012 to purchase an industrial hygiene, accident investigation animation program and a Draeger Chip Measurement System. The animation program would enhance and modernize the agency's industrial training programs and enable miners to visualize how chemicals entered the body and caused harm to internal organs.

Ms. Waller said the agency described the Draeger Chip Measurement System as an accurate and reliable portable detection system for spot gas measurements. The agency indicated the benefit was the system would identify gas and airborne chemicals in underground and surface mines. The Governor's recommendation for new equipment appeared reasonable.

Ms. Waller said The Executive Budget recommended workers' compensation assessment funding totaling \$28,619 in FY 2012 and \$36,044 in FY 2013 for cost allocation of the Director's Office and centralized personnel services unit.

Ms. Waller said the Fiscal staff recommended this budget be closed as recommended by the Governor and requested authority to make necessary technical adjustments for final department cost allocations.

ASSEMBLYMAN KIRNER MOVED TO CLOSE BUDGET ACCOUNT 4686 AS RECOMMENDED BY THE GOVERNOR AND AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Cegavske and Horsford and Assemblymen Bobzien and Hardy were not present for the vote.)

BUDGET CLOSED.

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**COLORADO RIVER COMMISSION**  
**CRC-COLORADO RIVER COMMISSION (296-4490)**  
**BUDGET PAGE COLORADO RIVER COMM-1**

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the Colorado River Commission (CRC) was responsible for acquiring, managing, and protecting Nevada's allocation of hydropower and water resources from the Colorado River for the residents of southern Nevada. The CRC was not supported by any federal funds or General Funds.

Ms. Waller said The Executive Budget recommended the elimination of three vacant, unclassified, full-time equivalent (FTE) positions including one power facilities communications technician, one senior power facilities electrician, and one natural resources technician. Elimination of these three FTE positions and associated costs would generate savings of \$288,145 in fiscal year (FY) 2012 and \$292,663 in FY 2013 and reduce power and water administrative fees assessed to CRC customers.

Ms. Waller said that during the Joint Subcommittee on Natural Resources & Transportation budget hearing on March 15, 2011, the agency confirmed that

elimination of three vacant FTE positions would not adversely affect the agency's operations. The agency advised that it would be able to request the restoration of any of the FTE positions through the Interim Finance Committee should the need arise. Based on the information and testimony provided, this recommendation appeared reasonable.

Ms. Waller asked whether the Committee wished to eliminate three full-time equivalent positions as recommended by the Governor.

ASSEMBLYMAN HAMBRICK MOVED TO APPROVE THE  
GOVERNOR'S RECOMMENDATION TO ELIMINATE  
THREE FULL-TIME EQUIVALENT POSITIONS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and  
Assemblymen Bobzien and Hardy were not present for the vote.)

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Ms. Waller said the Governor recommended reserve funding of \$46,634 over the 2011-2013 biennium for replacement of office furniture, computer software and hardware, and funding for minor equipment repair. The replacement equipment included laptop computers, desks, chairs, and software. The original request also included one vehicle, but the agency withdrew the request for the vehicle, and Fiscal staff removed \$24,718 from the proposed budget. The recommendation for the remaining equipment appeared reasonable.

Ms. Waller said there were two items that were informational only and required no action by the Committee. The CRC's reserve level appeared to be low based on the Governor's recommendation. The agency testified it would adjust its billings to meet the required reserve levels and believed the reserve level recommended provided sufficient cash flow to maintain agency operations for the 2011-2013 biennium.

Ms. Waller said there was a lack of performance indicators in this budget account. The agency agreed to work with the Budget Division and Fiscal staff to develop new performance measures.

Ms. Waller said Fiscal staff recommended closing this budget account as recommended by the Governor, as adjusted by the Fiscal staff.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 4490 AS RECOMMENDED BY THE GOVERNOR WITH THE ADJUSTMENTS OF THE FISCAL STAFF.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblymen Bobzien and Hardy were not present for the vote.)

BUDGET CLOSED.

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**COLORADO RIVER COMMISSION**  
**CRC-RESEARCH AND DEVELOPMENT (296-4497)**  
**BUDGET PAGE COLORADO RIVER COMM-7**

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the Fiscal staff was responsible for developing closing recommendations for this budget account, and the Committee had not previously reviewed this account. The Research and Development fund accounted for the costs of engineering studies, analyses, negotiations, and other efforts to protect the interests of Nevada in the development of any resources under the control of the Colorado River Commission (CRC). The fund was primarily used to administer the Lower Colorado River Multi-Species Conservation Program, a regional environmental project to comply with the Endangered Species Act. Funding for this budget was provided primarily through administrative charges in accordance with the multispecies funding contracts between CRC and its water and power customers. The Executive Budget recommended cost-share funding of \$525,501 in fiscal year (FY) 2012 and \$500,000 in FY 2013 for CRC's contribution pursuant to the agreement. There were no closing items in the account, and Fiscal staff recommended this account be closed as recommended by the Governor.

ASSEMBLYMAN HOGAN MOVED TO CLOSE BUDGET ACCOUNT 4497 AS RECOMMENDED BY THE GOVERNOR.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblymen Bobzien and Hardy were not present for the vote.)

BUDGET CLOSED.

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**COLORADO RIVER COMMISSION**  
**CRC-POWER DELIVERY SYSTEM (502-4501)**  
**BUDGET PAGE COLORADO RIVER COMM-9**

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the Fiscal staff was responsible for developing closing recommendations for this budget account, and the Committee had not previously reviewed this budget account. The Power Delivery System fund accounted for all of the costs associated with the Colorado River Commission's (CRC) high-voltage power delivery system for the Southern Nevada Water Authority's (SNWA) water delivery system. Funding was provided through monthly billings to SNWA in accordance with the approved operational budget. There were no major closing issues.

Ms. Waller said The Executive Budget recommended power sales revenue of \$21,116 each year of the 2011-2013 biennium to allow for purchases of equipment to maintain the electrical substations and for the replacement of two Cisco Ethernet 48 port switches. This recommendation appeared reasonable, and Fiscal staff recommended closing this budget as recommended by the Governor.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 4501  
AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and  
Assemblymen Bobzien and Hardy were not present for the vote.)

BUDGET CLOSED.

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**COLORADO RIVER COMMISSION**  
**CRC-POWER MARKETING FUND (502-4502)**  
**BUDGET PAGE COLORADO RIVER COMM-12**

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Fiscal staff was responsible for developing closing recommendations for this budget, and the Committee had not previously reviewed this account. The Power Marketing Fund was used to record purchases and sales of power and other power-marketing-related activities. Funding was provided from monthly billings to hydropower customers. There were no major closing issues. The Fiscal staff recommended this account be closed as recommended by the Governor.

ASSEMBLYMAN KIRNER MOVED TO CLOSE BUDGET  
ACCOUNT 4502 AS RECOMMENDED BY THE GOVERNOR.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and  
Assemblymen Bobzien and Hardy were not present for the vote.)

BUDGET CLOSED.

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**CHILD AND FAMILY SERVICES**  
**HHS-DCFS-CLARK COUNTY INTEGRATION (101-3142)**  
**BUDGET PAGE DHHS DCFS-32**

Rex Goodman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the Clark County Integration budget account (BA) 3142 contained several closing items, and the first item was normal caseload growth. The Executive Budget recommended funding increases of approximately \$6.4 million in fiscal year (FY) 2012 and \$9.1 million in FY 2013 for caseload increases in adoption subsidies, foster care placements, and specialized care placements. The agency recalculated the adoption subsidy caseload to resolve an error in the projections used to build The Executive Budget but it did not propose to increase funding based on the recalculation because all child welfare funding was proposed to be included in the block grant to the county.

Mr. Goodman said because all of the caseload was now included in the block grant concept plan that was approved yesterday, there were no adjustments needed for the decision units for caseload amounts. Decision units Maintenance (M) 201 and M202 appeared reasonable to Fiscal staff.

Mr. Goodman said the next closing item was the expiration of Federal Medical Assistance Percentage (FMAP) rate enhancements that were increased through the American Recovery and Reinvestment Act of 2009. This would add General Funds totaling \$1,014,875 in fiscal year (FY) 2012 and \$315,977 in FY 2013. There would also be an adjustment for FMAP rates recalculated for FY 2013, but there was no adjustment recommended for these decision units because all of this funding would be included through the Block Grant. Fiscal staff believed this item appeared reasonable.

Mr. Goodman said the next closing item was a funding change to remove Temporary Assistance for Needy Families (TANF) funding totaling \$1,503,392 in each year of the 2011-2013 biennium. The TANF funding was eliminated and replaced with General Funds because of a Department-wide decision to not transfer TANF funds to divisions outside the Division of Welfare and Supportive Services where the TANF Block Grant was received. This recommendation appeared reasonable.

Mr. Goodman said new Medicaid revenue was the next closing item. Clark County identified Medicaid Targeted Case Management revenue of \$303,335 each year of the 2011-2013 biennium with a corresponding reduction of General Funds in the same amount. The revenue was based on its experience in the last two fiscal years of beginning to collect Targeted Case Management revenue. The Division worked with the counties to identify additional Targeted Case Management revenue that had been collected by the counties directly since FY 2010. That revenue was related to expenditures of state funding and should be reimbursable to the State.

Mr. Goodman said the Division and Clark County identified a portion of the revenue that may be required for reimbursement to the federal Centers for Medicare and Medicaid Services for a projected overpayment of expenses. Another amount of approximately \$2.4 million appeared to be reimbursable to the State. The Division and County discussed requesting that the Interim Finance Committee (IFC) allow Clark County to retain up to \$2.3 million of funding, as provided in section 28 of Senate Bill No. 431 of the 75th Session (2009), the Authorizations Act. Mr. Goodman anticipated when Clark County determined how much of this funding was reimbursable to the state, Clark County would come to IFC and request to retain \$2.3 million.

Mr. Goodman said Fiscal staff did not have any recommendation regarding the Medicaid Targeted Case Management revenue. The block grant concept was approved; therefore, Targeted Case Management revenue would be received directly by the County outside of the state budget. Mr. Goodman wanted to



bring this to the attention of the Committee to ensure the Committee was aware that the County received more Medicaid Targeted Case Management revenue. Clark County may appear at a future IFC meeting to request to retain some of the funding it received.

Mr. Goodman spoke about the transfer of UNITY charges. The Division recommended removing all Department of Information Technology (DoIT) computing charges out of this account and putting the charges in the main Division UNITY account, which would consolidate all the DoIT charges for the Division. Because the block grant concept was approved, this recommendation appeared reasonable to Fiscal staff.

Mr. Goodman said because the 75th Session (2009) did not approve salary, merit, or longevity increases for state employees, those increases were not authorized for county employees either. Mr. Goodman said it appeared that the County paid those increases to its staff. If the block grant concept had not been approved, the Fiscal staff would have recommended removing those additions from the budget. But the block grant was approved, and the problem no longer existed. The Fiscal staff recommended approval of the other closing items as explained.

SENATOR LESLIE MOVED TO APPROVE THE OTHER CLOSING  
ITEMS AND AUTHORIZE TECHNICAL ADJUSTMENTS BY THE  
FISCAL STAFF.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and  
Assemblymen Bobzien, Hardy, and Oceguela were not present for  
the vote.)

BUDGET CLOSED.

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**CHILD AND FAMILY SERVICES**  
**HHS-DCFS-COMMUNITY JUVENILE JUSTICE PROGRAMS (101-1383)**  
**BUDGET PAGE DHHS DCFS-57**

Teri Sulli, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said there were two major closing items in budget account (BA) 1383. The first item was the elimination of General Funds for the Community Corrections

Partnership Block Grants. The second item was the transfer of General Funds from Division of Child and Family Services (DCFS) Administration account pursuant to Budget Amendment 322A.

Ms. Sulli said The Executive Budget recommended the elimination of the \$1.4 million in General Funds for each year of the 2011-2013 biennium. In decision unit Enhancement (E) 253, the Governor recommended consolidating all General Fund supported expenditures into one category to allow for better management of the funds. Funding for outpatient treatment totaling \$60,350 in each year of the 2011-2013 biennium and juvenile sexual offender evaluations totaling \$10,925 in each year of the 2011-2013 biennium would be consolidated in the Community Corrections Partnership Block Grants. Ms. Sulli noted that the consolidated funds were included in the \$1.4 million per year in the Community Corrections Partnership Block Grants that was recommended for elimination in the 2011-2013 biennium.

Ms. Sulli said this recommendation appeared reasonable. She asked whether the Committee wished to approve the consolidation of the outpatient treatment and juvenile sexual offender evaluation categories in the Community Corrections Partnership Block Grants.

ASSEMBLYWOMAN MASTROLUCA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR CONSOLIDATION OF THE OUTPATIENT TREATMENT AND JUVENILE SEXUAL OFFENDER EVALUATION CATEGORIES IN THE COMMUNITY CORRECTIONS PARTNERSHIP BLOCK GRANTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblymen Bobzien and Hardy were not present for the vote.)

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Ms. Sulli said the Governor recommended reinvesting General Fund savings of \$267,031 in fiscal year (FY) 2012 and \$270,550 in FY 2013. The General Fund savings were the result of the Governor's recommendation to reduce the number of beds and staff at the Nevada Youth Training Center (NYTC). The reinvested General Funds would be placed in the Community Corrections Partnership Block Grants that were recommended for elimination in the 2011-2013 biennium.

Ms. Sulli asked whether the Committee wished to approve the Governor's recommendation to reinvest NYTC General Fund savings of \$267,031 in FY 2012 and \$270,550 in FY 2013 in the Community Corrections Partnership Block Grants Contract Services/Subgrant category.

Senator Leslie said the state would save money by reducing beds in Elko. She recommended that the Committee not approve elimination of the Community Corrections Partnership Block Grants. The result was a shift of money into the Block Grants that enabled the counties to provide alternative services and enabled the state to keep the children closer to their own families and communities. This shift of funding was a solution agreed upon by the state, the Juvenile Courts, and the juvenile probation officers.

SENATOR LESLIE MOVED TO APPROVE THE GOVERNOR'S  
RECOMMENDATION TO REINVEST GENERAL FUND SAVINGS OF  
\$267,031 IN FISCAL YEAR 2012 AND \$270,550 IN  
FISCAL YEAR 2013 IN THE COMMUNITY CORRECTIONS  
PARTNERSHIP BLOCK GRANTS CONTRACT SERVICES  
SUBGRANT CATEGORY.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and  
Assemblymen Bobzien and Hardy were not present or the vote.)

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Ms. Sulli said decision unit Enhancement (E) 699 was the Governor's recommendation for the elimination of \$1.4 million in General Funds in each year of the 2011-2013 biennium for the Community Corrections Partnership Block Grants. During the Division of Child and Family Services (DCFS) budget hearings, the Subcommittee expressed concerns about the elimination of these funds and recommended the agency meet with juvenile justice stakeholders to develop an alternative plan to the Governor's recommendation. The Subcommittee heard details of alternative plans for reductions across the juvenile justice accounts from the Nevada Association of Juvenile Justice Administrators, district court judges, and county juvenile justice representatives. No specific changes to the Governor's recommendations were endorsed by the Subcommittee in the budget hearing or work session. The Department of Health and Human Services (DHHS) provided an add-back list in the event General Funds became available. The restoration of the General Fund support

for the counties' judicial districts was included in both the alternative plan submitted by stakeholders and the Department's add-back list.

Ms. Sulli asked whether the Committee wished to approve the Governor's recommendation to eliminate \$1.4 million in General Funds in each year of the 2011-2013 biennium. She said the General Funds would be eliminated in the Governor's recommendation and then she would explain the budget amendment that added \$3 million to the budget. The \$3 million was not earmarked for the Community Corrections Partnership Block Grants but was money allocated to the counties.

In response to a question from Chairwoman Smith, Ms. Sulli said it was not a loss of \$1.4 million in funds but a redistribution of funds from the Administration account.

Rex Goodman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said this was related to yesterday's action on the mental health room and board rates. The money for those rates was included in another account and would now be transferred to this account. The result would be a reduction in funding for one of those programs, either the mental health room and board rates, or the Community Corrections Partnership Block Grants. One program or the other was going to reduce its funding to pay for the other program because there was \$1.4 million reduced in this item and there was \$1.5 million reduced in the Administration account. There was only \$3 million being added here.

Senator Leslie explained that the advantage was the counties believed they could manage this money and make it more specific to the needs of the children. The result was less money, but the money would be spent more efficiently in a system that was closer to home for the children.

Mr. Goodman agreed with Senator Leslie's explanation and said his understanding about the mental health room and board funding was that it would be better handled directly by the counties.

Senator Leslie said she knew the funding was not adequate and wished the Committee could increase the funding, but she thought this was the best that the Committee could do. The appropriate motion would be to accept the Governor's recommendation on this particular decision unit and eliminate the funding knowing the Committee would take a different action later.

SENATOR LESLIE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE \$1.4 MILLION IN GENERAL FUNDS IN EACH YEAR OF THE 2011-2013 BIENNIUM.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblymen Bobzien and Hardy were not present for the vote.)

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Ms. Sulli said the next major closing item was the transfer General Funds from DCFS Administration account. Budget Amendment 322A was submitted on April 27, 2011, to transfer General Funds of \$3,029,615 in each year of the 2011-2013 biennium from the DCFS Administration account to this account for payments to the counties/judicial districts for noncustody county probation youth. This decision unit was discussed in the DCFS Administration account (BA 3145) included in yesterday's meeting. Fiscal staff had included \$3,029,615 in each year of the 2011-2013 biennium in this closing document.

Ms. Sulli asked whether the Committee wished to approve Budget Amendment 322A to transfer General Funds of \$3,029,615 in each year of the 2011-2013 biennium for the support of the county/judicial district's noncustody probation youth.

In response to a question from Chairwoman Smith, Ms. Sulli said if there were any amendments or changes to Senate Bill 476, the Fiscal staff requested authority to adjust the Community Juvenile Justice Programs account, as necessary, based on the final action on Senate Bill 476.

SENATOR LESLIE MOVED TO APPROVE BUDGET AMENDMENT 322A TO TRANSFER GENERAL FUNDS OF \$3,029,615 IN EACH YEAR OF THE 2011-2013 BIENNIUM AND APPROVE ADJUSTMENTS OF FISCAL STAFF BASED ON THE FINAL ACTION ON SENATE BILL 476.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblymen Bobzien and Hardy were not present for the vote.)

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Ms. Sulli said there was one other closing item in this account involving the economic working environment. The Executive Budget recommended the consolidation of several federal expenditure categories within this account. The Division indicated that the requested consolidations would allow for better program and fiscal monitoring and management of funds. The Executive Budget did not recommend any funding increase or decrease through the consolidations. These recommendations appeared reasonable and Fiscal staff recommended approval of the other closing item as recommended by the Governor.

ASSEMBLYMAN CONKLIN MOVED TO APPROVE THE OTHER  
CLOSING ITEM AS RECOMMENDED BY THE GOVERNOR.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and  
Assemblymen Bobzien and Hardy were not present for the vote.)

BUDGET CLOSED.

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**CHILD AND FAMILY SERVICES**  
**HHS-DCFS-YOUTH ALTERNATIVE PLACEMENT (101-3147)**  
**BUDGET PAGE DHHS DCFS-65**

Teri Sulli, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the major closing item for budget account (BA) 3147 was the elimination of General Fund support for the youth camps, but Budget Amendment 323 would restore these funds to this account.

Ms. Sulli said decision unit Enhancement (E) 699 recommended the elimination of \$1,381,033 in General Funds in each year of the 2011-2013 biennium as a cost-saving measure and to assist in meeting projected General Fund shortfalls. During the Division of Child and Family Services (DCFS) budget hearings, the Joint Subcommittee on Human Services and Capital Improvements expressed concerns about the elimination of these funds and recommended DCFS meet with juvenile justice stakeholders to present an alternative plan to the Governor's recommendation. An alternative plan was submitted to address reductions across all of the juvenile justice accounts, and the Department of

Health and Human Services provided an add-back list in the event General Funds became available. The restoration of the General Fund support for the youth camps was included in both the alternative plan and the add-back list.

Ms. Sulli said Budget Amendment 323 was submitted on April 27, 2011, to restore General Funds of \$1,381,033 in each year of the 2011-2013 biennium based on General Fund savings identified through the revised Federal Medical Assistance Percentage (FMAP) rates.

Ms. Sulli said Fiscal staff included the restoration of the \$1,381,033 in each year of the 2011-2013 biennium on the Committee's closing documents. She asked whether the Committee wished to approve Budget Amendment 323 to restore General Funds of \$1,381,033 in each year of the 2011-2013 biennium for support of the youth camps.

Senator Leslie said the youth camps were one of the ways to keep the state commitments lower, and the state needed more options. This was the minimal amount that should be added. She was concerned that this funding may not be sufficient to maintain the Aurora Pines Girls Facility. Senator Leslie said this was the least the state could do, and in the future, this was an area where the state needed to provide more resources to develop alternatives and more placement options for Nevada's youth.

SENATOR RHOADS MOVED TO APPROVE BUDGET AMENDMENT 323 TO RESTORE GENERAL FUNDS OF \$1,381,033 IN EACH YEAR OF THE 2011-2013 BIENNIUM FOR SUPPORT OF THE YOUTH CAMPS.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblymen Bobzien and Hardy were not present for the vote.)

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Ms. Sulli said the next item was decision unit Maintenance (M) 160. During the 26th Special Session (2010), the Legislature approved a 10 percent General Fund reduction of \$170,498 in FY 2011 as a budget reduction measure. The Governor recommended continuing the 10 percent General Fund reduction of \$170,498 in each year of the 2011-2013 biennium. She noted

that restoration of the 10 percent reduction of \$170,498 was excluded in the \$1,381,033 recommended for restoration in Budget Amendment 323.

Ms. Sulli said DCFS indicated that Spring Mountain Youth Camp would be able to absorb the 10 percent reduction through budget savings, and there would be no effect on operations. The Director of China Spring Youth Camp and Aurora Pines Girls Facility indicated that through two vacancies and the freezing of salaries, the facilities could meet the 10 percent reduction with no reduction in capacity to either program.

Ms. Sulli said based on the additional information, this recommendation appeared reasonable. She asked whether the Committee wished to approve the Governor's recommendation to continue the 10 percent General Fund reduction of \$170,498 in each year of the 2011-2013 biennium.

In response to a question from Senator Leslie, Wendy Garrison, Director of Camp Services for China Springs Youth Camp and Aurora Pines Girls Facility, said the girl's program cost \$1 million to operate and the boy's program cost about \$2 million. The 10 percent reduction would be applied to both camps. The camps had two full-time equivalent (FTE) positions that must remain vacant as a result of actions of the 26th Special Session (2010). The agency experienced some restructuring and retirements that created four vacancies that must remain vacant. The agency would continue the merit freezes, the 5 percent salary cut as of July 1, 2011, and the PERS reduction. All of those adjustments totaled a 6.125 percent cut and would be necessary to achieve the mandated 10 percent reduction.

Ms. Garrison said she was concerned about the four vacancies. Any reduction to line staff resulted in a decrease of security and noncompliance with the staffing ratios. The agency was currently in compliance with a ratio of 1:15 at the girl's facility. The boy's facility ratio was at a ratio of 1:20 that exceeded the staffing ratio standards. The girl's facility would not see a reduction of staff, but the boy's facility would continue with the staff reduction that affected security and may result in a reduction of beds at the boy's facility.

Senator Leslie said that she was concerned about the decrease in security. She wondered whether Ms. Garrison was concerned about security for the children, the staff, or the community.

Ms. Garrison said she was concerned about security on all levels. The boy's dormitory was a volatile place because the boys at times were violent and aggressive. It housed boys who committed delinquent acts that would have



been called felonies if the boys were charged as adults. She assigned male youth between the ages of 12 and 18 to one dormitory and had multiple gangs in one dormitory. She said security was a big concern even when she had adequate staff. It was difficult to operate a 40-bed facility with two staff when a gang fight broke out. The agency did the best job possible with the funding and staff available. The residents of the youth camps were not normally aggressive to the staff but directed aggression to other resident youth. She said the girls did not tend to be aggressive.

Senator Leslie said this was a difficult add-back but she thought the Committee must adequately fund the program. The youth camps were thinly staffed, and the state housed youth that could be dangerous especially in an overcrowded situation. She praised the staff who worked with the youth. Senator Leslie believed the state had a responsibility to ensure the staff was adequate to provide safety for the youth, the staff, and the community. She would support restoring 10 percent of the funding.

Ms. Sulli explained that the Committee should be aware there were two 10 percent cuts that were proposed for this account. The next item she would discuss would include an additional 10 percent reduction.

Assemblyman Grady disclosed that his son was a juvenile probation officer in Winnemucca, and Winnemucca sent some of its clients to the China Springs Youth Camp. He would be voting on this budget because he did not believe he would be affected differently than anyone else.

Ms. Sulli said decision unit Enhancement (E) 660 included the Governor's recommendation for an additional 10 percent reduction of \$153,448 in each year of the 2011-2013 biennium as a budget reduction measure. The reduction was calculated from a balance of \$1,534,481, which represented the FY 2010 actual General Funds of \$1,704,979 minus the initial 10 percent reduction of \$170,498. She noted that restoration of the additional 10 percent reduction of \$153,448 was excluded from the \$1,381,033 recommended for restoration in Budget Amendment 323.

Ms. Sulli said the Joint Subcommittee on Human Services and Capital Improvements heard testimony from the Director of Youth Services for China Spring Youth Camp and the Director of the Washoe County Department of Juvenile Services. Both individuals recommended the original 10 percent reduction and the additional 10 percent reduction be restored, indicating safety and security could be jeopardized by those cuts.

Ms. Sulli asked whether the Committee wished to approve the Governor's recommendation for an additional 10 percent General Fund reduction of \$153,448 in each year of the 2011-2013 biennium.

SENATOR LESLIE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION ON DECISION UNIT MAINTENANCE 160 TO CONTINUE THE 10 PERCENT GENERAL FUND REDUCTION OF \$170,498 IN EACH YEAR OF THE 2011-2013 BIENNIUM.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblymen Bobzien and Hardy were not present for the vote.)

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SENATOR LESLIE MOVED TO NOT APPROVE THE GOVERNOR'S RECOMMENDATION ON DECISION UNIT ENHANCEMENT 660 TO IMPOSE AN ADDITIONAL 10 PERCENT GENERAL FUND REDUCTION OF \$153,448 IN EACH YEAR OF THE 2011-2013 BIENNIUM.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED ON THE ASSEMBLY SIDE AND FAILED ON THE SENATE SIDE. (Senators Cegavske, Kieckhefer, and Rhoads and Assemblymen Kirner and Hickey voted no. Senator Horsford and Assemblymen Bobzien and Hardy were not present for the vote.)

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Ms. Sulli said that Senate Bill 476, referred to the Senate Committee on Finance on April 6, 2011, made various changes concerning the juvenile justice system. Fiscal staff requested authority to adjust the Youth Alternative Placement account as necessary based on the final action on S.B. 476.

ASSEMBLYMAN KIRNER MOVED TO APPROVE AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS TO THE YOUTH ALTERNATIVE PLACEMENT ACCOUNT BASED UPON FINAL ACTION ON SENATE BILL 476.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford and Assemblymen Bobzien and Hardy were not present for the vote.)

BUDGET CLOSED BY THE ASSEMBLY COMMITTEE ON WAYS AND MEANS ONLY.

[Transcriber's note: The Senate Committee on Finance approved the disputed closing item later in today's meeting.]

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**CHILD AND FAMILY SERVICES**  
**HHS-DCFS-NEVADA YOUTH TRAINING CENTER (101-3259)**  
**BUDGET PAGE DHHS DCFS-81**

Teri Sulli, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the major closing item for budget account (BA) 3259 was the reduction in residential units and staffing levels. The Governor recommended a reduction of \$1 million in General Funds and \$34,001 in federal funds transferred from the Department of Education in each year of the 2011-2013 biennium through the closure of three 20-bed residential units and the increase of one 20-bed residential unit to 30 beds. This action reduced the 160 bed facility to 110 beds. The Governor also recommended changing the staffing patterns at the Nevada Youth Training Center (NYTC) to accommodate an intensive supervision unit. This recommendation also included elimination of 18 full-time equivalent (FTE) positions.

Ms. Sulli said that during the 26th Special Session (2010), the Legislature approved 10 new group supervisor full-time equivalent (FTE) positions at NYTC to reopen a 20-bed residential unit at the facility, as a result of the Summit View Youth Correctional Center (Summit View) closure on May 1, 2010. According to the Human Resources Data Warehouse, NYTC was authorized for 80 group supervisor FTE positions, of which 26 were currently vacant, and included the 10 new group supervisor FTE positions approved during the 26th Special Session (2010). Ms. Sulli noted that the agency reverted \$797,504 to the General Fund at the end of FY 2010, the majority of which was the result of salary savings generated by the vacant FTE positions.

Ms. Sulli said Senate Bill 476 accomplished the Governor's goal of making various changes to the juvenile justice system.

Ms. Sulli asked whether the Committee wished to approve the Governor's recommendation to close three residential 20-bed units, decrease the bed capacity at NYTC to 110 beds, increase one 20-bed unit to 30 beds, and eliminate 18 full-time equivalent (FTE) positions. She asked for authority to adjust the NYTC account as necessary based on the final action on S.B. 476.

Senator Leslie expressed concern about the closure of youth facilities. She believed that the state was cutting too much at Elko, and the end result would be that if judges committed youth and there were no beds at Elko, the youth would be backing up in the local juvenile detention centers. There were problems in previous years when youth stayed too long in detention centers rather than being able to go to the youth training centers simply because there were no beds. On the other hand, the trend in juvenile justice was to keep youth out of long-term state facilities to keep the youth close to their communities.

Senator Leslie said youth camps were as important as the Community Corrections Partnership Grants. The original budget cut funding drastically at the county level, the youth-camp level, and the commitment level. She met with many persons to develop some alternative plans, and those discussions were ongoing. The Supreme Court had a new juvenile justice task force. Assemblyman Hambrick and Senator Leslie had been appointed to serve on the task force. These discussions would continue over the next two years to work on improving the juvenile justice system for the future.

Senator Leslie said she had state staff testify on the record during Subcommittee hearings that these reductions were acceptable. She was concerned about the cuts and the add-back was large. She recommended the Committee accept the Governor's recommendation because there was not enough money to do everything. She would rather put funds into the youth camps and the Community Corrections Block Grants, but she remained concerned.

Chairwoman Smith wondered whether the Committee should issue a Letter of Intent asking for frequent reports from the detention centers about the capacity numbers and staffing ratios at the facilities.

Assemblyman Conklin expressed some dissatisfaction with the reductions, the priorities of the state, and the priorities of the state's population. The Legislature tried to make things better and assist persons in need. A cut such as this made him wonder about the order of the priorities, including money, persons that citizens cared about, and persons that citizens entrusted with their

families, communities, and belongings. Assemblyman Conklin believed that the reduction should make a person reevaluate his priorities.

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION WITH A LETTER OF INTENT REGARDING THE RATIOS AT THE DETENTION CENTERS.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Hogan voted no. Senator Horsford and Assemblymen Bobzien and Hardy were not present for the vote.)

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Ms. Sulli said there were three other closing items for this budget. Decision unit Maintenance (M) 425 contained deferred facilities maintenance items. The Executive Budget recommended \$214,500 in General Funds over the 2011-2013 biennium for facility maintenance costs related to safety issues identified by the Public Works Board. This recommendation appeared reasonable.

Ms. Sulli said decision unit M101 recommended a General Fund increase of \$20,615 over the 2011-2013 biennium representing a 5.3 percent inflationary increase each year in the cost of medical services. This recommendation appeared reasonable.

Ms. Sulli said decision unit Enhancement (E) 904 recommended the transfer of two agency-owned vehicles and \$964 in General Funds over the 2011-2013 biennium for insurance costs. The agency indicated the vehicles were no longer needed at Summit View because of the closure of that facility. This recommendation appeared reasonable.

Ms. Sulli requested authority to make technical adjustments to this account based on the final closings of the applicable Division of Child and Family Services accounts, and staff recommended approval of the other closing items as recommended by the Governor.

ASSEMBLYWOMAN MASTROLUCA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION AND AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Horsford and Rhoads and Assemblymen Bobzien and Hardy were not present for the vote.)

BUDGET CLOSED.

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Chairwoman Smith recessed the meeting briefly and reconvened the meeting at 10:58 a.m. She asked the Committee to reconsider decision unit E660 in budget account 101-3147 to see whether the Committee could resolve its differences.

**CHILD AND FAMILY SERVICES**  
**HHS-DCFS-YOUTH ALTERNATIVE PLACEMENT (101-3147)**  
**BUDGET PAGE DHHS DCFS-65**

SENATOR LESLIE MOVED TO RECONSIDER DECISION UNIT ENHANCEMENT 660 IN BUDGET ACCOUNT 101-3147.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

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SENATOR LESLIE MOVED TO NOT APPROVE THE GOVERNOR'S RECOMMENDATION ON DECISION UNIT ENHANCEMENT 660 TO IMPOSE AN ADDITIONAL 10 PERCENT GENERAL FUND REDUCTION OF \$153,448 IN EACH YEAR OF THE 2011-2013 BIENNIUM.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Rhoads and Kieckhefer voted no.)

BUDGET CLOSED.

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Chairwoman Smith said based on that action, the Senate concurred with the Assembly on decision unit Enhancement 660.

**CHILD AND FAMILY SERVICES**

**HHS-DCFS-RURAL CHILD WELFARE (101-3229)**

**BUDGET PAGE DHHS DCFS-39**

Rex Goodman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the budget contained one major closing item which was the allocation of child protective services costs to the rural counties. The Governor recommended allocation of \$2.4 million each year to the rural counties for child protective services costs. This was a recommendation of the Legislative Committee for the Fundamental Review of Base Budgets of State Agencies for consideration by the 76th Session (2011). He noted that this was the way Clark County and Washoe County funded the costs of child protective services and the state funded the back-end services. There was concern about this matter during the Subcommittee hearings. Budget Amendment 346 was submitted to restore the funding of \$2.4 million of General Funds to eliminate that allocation of costs to the counties.

Mr. Goodman presented the following options for the Committee's consideration:

A. Approve the Governor's original recommendation to allocate child protective services costs to the rural counties, totaling approximately \$2.4 million in each year of the 2011-2013 biennium.

B. Approve Budget Amendment 346 to restore \$2.4 million of General Funds for child protective services costs in the rural counties and eliminate funding transferred from the counties.

Senator Rhoads asked whether that equaled 100 percent of the funding for rural counties or was there a required match.

Mr. Goodman said he did not believe there was a required match. This recommendation would restore everything that was proposed to be eliminated from the Governor's budget. This would return funding in the rural counties to normal.

Senator Leslie said she was sympathetic about not dumping these issues on counties and especially the smaller rural counties that were really having a difficult time, but she could not support the Governor's budget.

Washoe County and Clark County subsidized child welfare and picked up the cost of the front-end for a long time. When May Shelton was the Director of Social Services for Washoe County, she led a community campaign, and Washoe County citizens agreed to impose an ad valorem tax dedicated to child welfare services. Washoe County was in the unique position of having agreed to an extra tax on every citizen in Washoe County to fund the front-end of child welfare. Senator Leslie thought this was a matter of urban versus rural and the state was treating the citizens of Washoe County differently than the citizens of the rural communities. Her reluctant suggestion was to approve the Governor's recommendation provided in option A.

Assemblyman Goicoechea said that the bottom line was the rural counties could not afford to pay for these child welfare services. He wondered if the rural counties could not afford to pay for the child welfare services, whether the agencies would be forced to put the youth out on the streets.

Assemblyman Conklin wondered what the urban counties were going to do. He said the urban counties could not afford to pay for the child welfare services and wondered whether the urban counties would be forced to put the youth out on the streets. The costs were difficult for any county to absorb and that was the problem.

Assemblyman Goicoechea said unfortunately the state was in severe economic times. The urban counties had been bearing this burden. This was going to be another additional cost to the rural counties that the counties could not afford. This cost was in combination with a significant number of other costs being unloaded on the rural counties. At some point, there were going to be services that the rural counties could not afford. One other option for a rural county was to declare a severe economic hardship and have the state come and run the county similar to what occurred with White Pine County which had declared a severe economic hardship.

Senator Leslie said she was sympathetic to a severe economic hardship. When the Committee discussed the next youth parole matter, she would suggest the Committee add money back to all the counties because she did not think it fair to unload youth parole on every single county in the state. The distinction for her was that Washoe County and Clark County already contributed to child welfare, and rural citizens did not contribute to child welfare. That was why she supported the Governor's original recommendation but could not support the recommendation to unload youth parole costs on all the counties.



SENATOR LESLIE MOVED TO APPROVE THE GOVERNOR'S ORIGINAL RECOMMENDATION TO ALLOCATE THE CHILD PROTECTIVE SERVICES COSTS TO THE RURAL COUNTIES TOTALING APPROXIMATELY \$2.4 MILLION IN EACH YEAR OF THE 2011-2013 BIENNIUM.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Cegavske, Kieckhefer, and Rhoads and Assemblymen Goicoechea, Grady, Hambrick, Hickey, and Kirner voted no. Assemblymen Bobzien and Hardy were not present for the vote.)

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Mr. Goodman explained there were seven other closing items in budget account 3229. The Executive Budget recommended funding increases of \$591,783 in fiscal year (FY) 2012 and \$761,078 in FY 2013 for caseload increases in adoption subsidies, foster care placements, and specialized care placements. He said the Governor's budget included projections based on historical growth in these areas. Through some additional projections and recalculations by the agency, there was an error discovered in the adoption subsidy calculation. The Budget Division submitted Budget Amendment 263 that would add \$172,977 in FY 2012 (\$90,113 of General Funds) and \$333,895 in FY 2013 (\$154,125 of General Funds) to correct errors in the calculations used to project adoption subsidy caseload. With those adjustment amendments, these decision units appeared reasonable to Fiscal staff. He asked whether the Committee wished to approve the decision units as amended with the additional General Funds of \$244,238 over the 2011-2013 biennium.

SENATOR LESLIE MOVED TO APPROVE THE DECISION UNITS AS AMENDED.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Bobzien and Hardy were not present for the vote.)

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Mr. Goodman said the next item was the elimination of two full-time equivalent (FTE) positions. The Governor recommended eliminating two FTE positions, a

mental health counselor and a part-time administrative aid, to produce General Fund savings of \$68,897 in FY 2012 and \$70,488 in FY 2013. Minimal detail was provided about how these two full-time equivalent (FTE) positions were selected for elimination, but he believed it was for budget reduction. The Human Resources Data Warehouse system indicated the Administrative Aid position was vacant, but that the Division recently filled the Mental Health Counselor position. The Division indicated that if the position eliminations were approved, the newly hired individuals would be transferred to other vacant positions and would not be laid off. Based on the Division's response, this recommendation appeared reasonable.

Mr. Goodman said the next item was the expiration of the American Recovery and Reinvestment Act of 2009 (ARRA) -related Federal Medical Assistance Percentage rate (FMAP). Additional General Funds totaling \$110,237 in FY 2012 and \$34,322 in FY 2013 were recommended to replace Title IV-E revenue because of reductions in FMAP rates related to the expiration of provisions of ARRA. Budget Amendment 265 requested adjustments based upon a higher estimate of the FMAP rate for FY 2013. The requested adjustment produced General Fund savings of \$48,355 in FY 2013. With the budget amendment adjustment, this decision unit appeared reasonable. Fiscal staff requested authority to make technical adjustments related to the FMAP rate in this and the other decision units in this budget.

Mr. Goodman said the next item was the combination of two expenditure categories. The Governor recommended combining two expenditure categories that paid for foster care placement costs and specialized care placement costs. The Division indicated some efficiency would be produced by combining these two expenditure groups. This recommendation appeared reasonable.

Mr. Goodman said the next item was elimination of eight full-time equivalent (FTE) positions in decision unit Enhancement (E) 630. The Governor recommended eliminating eight vacant family support worker full-time equivalent (FTE) positions that were approved by the 75th Session (2009) to be funded with increased Social Security revenues that the Division projected to generate, but did not realize. The Division had a plan to fund additional positions with additional federal Supplemental Security Income and/or Social Security survivor benefits for children in the Division's custody. The Division was not successful in increasing federal revenues. The two administrative assistant FTE positions were never filled and were eliminated in this decision unit. This recommendation appeared reasonable.

Mr. Goodman said the next item was the Department funding changes that eliminated the Temporary Assistance for Needy Families (TANF) funding totaling \$1.3 million in each year of the 2011-2013 biennium and replaced it with General Funds to consolidate the funding into the Division of Welfare and Supportive Services account. This recommendation appeared reasonable.

Mr. Goodman said the next item was the reallocation of Title XX funding. The Governor recommended transferring \$349,816 of federal Title XX funding each year from the Administration account and reducing General Funds in this account by the same amount. This recommendation appeared reasonable to Fiscal staff.

Mr. Goodman said that the other closing items appeared reasonable with the technical adjustment for Budget Amendment 263, and Fiscal staff recommended approval.

ASSEMBLYWOMAN MASTROLUCA MOVED TO APPROVE THE  
OTHER CLOSING ITEMS AS ADJUSTED BY FISCAL STAFF.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Bobzien and Hardy were  
not present for the vote.)

BUDGET CLOSED.

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**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**DCFS-YOUTH PAROLE SERVICES (101-3263)**  
**BUDGET PAGE DHHS DCFS-88**

Teri Sulli, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the major closing item for budget account (BA) 3263 was the assessment to county judicial districts for youth parole services. The Governor recommended replacing the youth parole service costs of \$5.4 million in General Funds in each year of the 2011-2013 biennium with county funds through an assessment to the counties. The agency indicated the proposed assessment would be determined based upon a percentage of the public school enrollment for youth in grades 7 through 12 in each judicial district.

Ms. Sulli said the Division of Child and Family Services (DCFS) provided details identifying the potential effect to each judicial district for its share of the assessment to support youth parole services and the Youth Parole Bureau. The Governor recommended eliminating General Funds of \$576,090 in each year of the 2011-2013 biennium that represented reimbursements to county detention facilities for the cost of housing youth who had their parole revoked and were awaiting trial or placement.

Ms. Sulli said the Joint Subcommittee on Human Services and Capital Improvements expressed concerns about shifting the responsibility and funding of youth parole services to the counties. The Subcommittee recommended the agency meet with juvenile justice stakeholders to present an alternative to the Governor's recommendation. The alternative plan presented by the Nevada Association of Juvenile Justice Administrators did not recommend that youth parole services become the responsibility of the counties. The add-back list provided by the Department of Health and Human Services (DHHS) included the \$5.4 million in each year of the 2011-2013 biennium for youth parole services as a priority. A budget amendment was not received from the Governor's Office to reinstate the General Funds of \$5.4 million in each year of the biennium for youth parole services or to reinstate the \$576,090 in each year of the 2011-2013 biennium for youth detention costs.

Ms. Sulli asked whether the Committee wished to approve the Governor's recommendation to eliminate \$576,090 of General Funds in each year of the 2011-2013 biennium that represented reimbursements to county detention facilities.

Senator Leslie said she believed the Committee should approve the Governor's recommendation to eliminate the \$576,090 knowing that the counties would not be reimbursed for that amount. The reimbursement was for the costs incurred while the youth were held in detention. The counties were reluctant to give up that reimbursement but believed the amount could be absorbed, and that was one way the counties could contribute toward the state's shortfall.

Senator Leslie said on the next item that would be presented to the Committee, she would recommend strongly that the Committee should not follow the Governor's recommendation, and the Committee should restore the \$5.4 million in each year of the 2011-2013 biennium. That funding would maintain youth parole as a state-funded responsibility. She suggested that the Committee study the details submitted by Fiscal staff showing that the effect to the rural counties was much greater than the effect to the rural counties on the child welfare item discussed previously. She said if the Committee members were

concerned about the rural counties not being able to pay, this item helped the rural counties more.

For those reasons, Senator Leslie said her recommendation was to approve the Governor's recommendation on the first item and reject the Governor's recommendation on the second item. The result of that action would be to restore \$5.4 million in state funds so the counties would not have to reimburse the state for those costs. This was discussed during last night's meeting, and the state would maintain youth parole services and send the counties a bill.

SENATOR LESLIE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE \$576,090 OF GENERAL FUNDS IN EACH YEAR OF THE 2011-2013 BIENNIUM THAT REPRESENTED REIMBURSEMENTS TO COUNTY DETENTION FACILITIES.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Bobzien and Hardy were not present for the vote.)

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Assemblyman Grady said that \$4.7 million of the \$5.4 million amount went to Washoe County and Clark County.

SENATOR LESLIE MOVED TO REJECT THE GOVERNOR'S RECOMMENDATION TO REPLACE YOUTH PAROLE SERVICE GENERAL FUNDS OF \$5.4 MILLION IN EACH YEAR OF THE 2011-2013 BIENNIUM WITH COUNTY FUNDS.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Cegavske, Kieckhefer, and Rhoads and Assemblymen Goicoechea, Grady, Hambrick, Hickey, and Kirner voted no. Assemblymen Bobzien and Hardy were not present for the vote.)

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Ms. Sulli said there were three other closing items in this budget account. The first item was decision unit Enhancement (E) 251. The Governor recommended

General Funds of \$7,500 in each year of the 2011-2013 biennium to purchase polo shirt uniforms with the Bureau insignia for youth parole officers. The agency indicated these shirts would assist youth parole officers in identifying themselves as officers and would assist in eliminating confusion with suspects. The agency indicated that staff had previously purchased these shirts using their own money. This recommendation appeared reasonable.

Ms. Sulli said the second item was decision unit E710 for replacement equipment. This decision unit recommended General Funds of \$30,849 in FY 2012 and \$9,075 in FY 2013 for replacement safety equipment for youth parole counselors and six mobile radios installed in agency vehicles. This recommendation appeared reasonable.

Ms. Sulli said the third item was decision unit E900. The Governor recommended increasing the Transitional Community Re-Integration category to \$1.5 million in each year of the 2011-2013 biennium through a transfer of General Funds of \$273,750 in each year from the Juvenile Correctional Facility account (101-3148) because of the closure of Summit View Youth Correctional Center. Ms. Sulli said this recommendation appeared reasonable.

Ms. Sulli said Fiscal staff recommended approval of the other closing items as recommended by the Governor and requested authority to make technical adjustments based upon the Committee's closing actions for the DCFS accounts. She noted that these were increases to the General Fund. When the Governor's recommended budget was originally built, these would have been funds that were included in that budget. The counties had paid for these amounts. But now this would be an increase to the General Fund that was not in the Governor's budget.

Assemblywoman Mastroluca wondered about the reintegration and whether those funds were included in the \$5.4 million included in the previous motion. She thought the amount was an increase in General Fund but not an increase in addition to the \$5.4 million.

Ms. Sulli confirmed that Assemblywoman Mastroluca was correct, and the increase was not in addition to the \$5.4 million approved.

ASSEMBLYWOMAN MASTROLUCA MOVED TO APPROVE THESE  
OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR  
AND AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL  
ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Bobzien and Hardy were not present for the vote.)

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Ms. Sulli asked for authority for Fiscal staff to make technical adjustments to the budget based on the final action on Senate Bill 476.

SENATOR LESLIE MOVED TO AUTHORIZE FISCAL STAFF TO MAKE BUDGET ADJUSTMENTS BASED ON THE FINAL OUTCOME OF SENATE BILL 476.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Bobzien and Hardy were not present for the vote.)

BUDGET CLOSED.

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Chairwoman Smith thanked the Fiscal staff for their good work on the budgets. She asked the Committee members to remain and discuss the next steps. She explained the Committee would reconvene tomorrow morning at 7:00 a.m. to make progress on several work matters.

Senator Horsford said there would be a meeting of the Senate Committee on Finance today upon adjournment of the afternoon committee meetings that should end around 3:00 p.m. or later. He asked the members to meet upon adjournment of the Senate Committees.

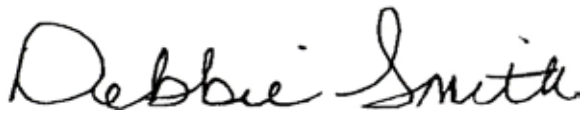
Chairwoman Smith reminded the members that the Committee would meet tomorrow in Room 4100 at 7:00 a.m. She asked for public comment, and there was none. There being no further business before the Committee, she adjourned the meeting at 11:29 a.m.

RESPECTFULLY SUBMITTED:

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Janice Wright  
Committee Secretary

APPROVED BY:



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Assemblywoman Debbie Smith, Chairwoman

DATE: \_\_\_\_\_

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Senator Steven A. Horsford, Chair

DATE: \_\_\_\_\_



**EXHIBITS**

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

**Date:** May 13, 2011

**Time of Meeting:** 8:36 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Sign-In Sheet