

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

**Seventy-Sixth Session
May 19, 2011**

The Committee on Ways and Means was called to order by Chairwoman Debbie Smith at 4:58 p.m. on Thursday, May 19, 2011, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 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/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Debbie Smith, Chairwoman
Assemblyman Marcus Conklin, Vice Chair
Assemblyman Paul Aizley
Assemblyman Kelvin Atkinson
Assemblyman David P. Bobzien
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

GUEST LEGISLATORS PRESENT:

Assemblywoman Teresa Benitez-Thompson, Washoe County Assembly District
No. 27

STAFF MEMBERS PRESENT:

Rick Combs, Assembly Fiscal Analyst
Mike Chapman, Principal Deputy Fiscal Analyst
Janice Wright, Committee Secretary
Cynthia Wyett, Committee Assistant

Chairwoman Smith welcomed everyone to the meeting and explained there were a number of bills that the Committee wanted to hear. She asked to have Bill Draft Request 15-1294 introduced.

BDR 15-1294—Revises provisions governing prohibitions on smoking tobacco. (Later introduced as [Assembly Bill 571](#).)

ASSEMBLYMAN ATKINSON MOVED TO INTRODUCE
BILL DRAFT REQUEST 15-1294.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Conklin and Hogan were not present for the vote.)

Chairwoman Smith opened the hearing on [Assembly Bill 171 \(1st Reprint\)](#).

[Assembly Bill 171 \(1st Reprint\)](#): Revises provisions governing charter schools. (BDR 34-812)

Assemblywoman Teresa Benitez-Thompson, Washoe County Assembly District No. 27, presented [Assembly Bill 171 \(1st Reprint\)](#) and explained the bill revised charter school provisions. The revised provisions addressed the membership of a committee to form a charter school, the governing body of a charter school, and permitted parents to become members of the school governing body. The provisions governing the employment of licensed educational professionals by a charter school were also revised. [Assembly Bill 171 \(R1\)](#) permitted the sponsor of a charter school to revoke the written charter before its expiration if the sponsor determined that the charter school failed to comply with the material terms and conditions of the written charter. Charter school application compliance was also addressed.

Assemblywoman Benitez-Thompson said one specific section of [A.B. 171 \(R1\)](#) resulted in a fiscal impact. An amendment was drafted to remove that section

of the bill so the fiscal note would not be required. Section 9, subsection 4, paragraph (b) of A.B. 171 (R1) proposed a change to the administrative fee from 1.5 percent to 1 percent. The effect of that change was about \$366,000 over the 2011-2013 biennium. Assemblywoman Benitez-Thompson proposed to strike the 1 percent fee and return to the original language of a 1.5 percent fee.

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, said the Department supported A.B. 171 (R1). Many of the provisions in this bill were in a prior bill that was not approved by the 75th Session (2009). He was in agreement with the amendment proposed by Assemblywoman Benitez-Thompson, and the Department was in full support of the bill. The bill had no fiscal effect to the Department and would be implemented upon approval.

Chairwoman Smith asked whether anyone else wished to testify on this bill, and hearing none, she closed the hearing on A.B. 171 (R1) and opened the hearing on Senate Bill 38 (1st Reprint).

Senate Bill 38 (1st Reprint): Revises provisions governing apportionments to school districts, charter schools and university schools for profoundly gifted pupils. (BDR 34-507)

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, said Senate Bill 38 (1st Reprint) was requested by the Department of Education. The intent of the bill was to provide authority in statute for the Department and the Superintendent to withhold payments from the State Distributive School Account to school districts and charter schools under certain conditions. As an example, if a charter school did not pay the administrative fee to the school district, the Department could withhold payments for that cause.

Dr. Rheault said that during the hearing before the Senate Committee on Finance, the most controversial item involved section 2, subsection 3 of S.B. 38 (R1) that addressed the authority of the Superintendent to withhold funding from school districts or charter schools that failed to submit reports that were required by statute. Currently, there was no authority for the Department to take any action if a school did not submit a required report. This bill would allow the Department to withhold money until it received the report.

Dr. Rheault said there were some safeguards contained in the bill. The Superintendent must provide adequate notice to the school that the report was due and give the school the opportunity to submit the report. If the school

failed to submit the report, the Superintendent could withhold funds. If the school disagreed with the withholding of funds, the school could appeal to the State Board of Education at its next meeting.

Dr. Rheault said no fiscal note was submitted, but the bill was referred to the Committee because it could affect the amount of funding going to school districts if required reports were not submitted by the schools.

In response to a question from Chairwoman Smith, Dr. Rheault said this bill applied to all public schools and affected school districts, charter schools, and the university school for profoundly gifted pupils. It was a general belief that the Department had authority to withhold funding but that belief had been challenged. This bill clarified that authority existed to withhold funding when statutory reports were not submitted as required. This bill would provide the impetus to schools to submit reports, and the Department would provide schools the opportunity to submit the reports before funds were withheld. If schools did not want money withheld, the schools could submit the reports.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the bill contained the word apportionment and he believed that was why the bill was referred to this Committee.

Chairwoman Smith said the bill appeared to provide a good accountability measure that was probably overdue. She asked whether others wished to testify on the bill, and hearing no one, she closed the hearing on Senate Bill 38 (R1) and opened the hearing on Senate Bill 441.

Senate Bill 441: Revises provisions governing the processing at self-service terminals or kiosks of certain transactions with the Department of Motor Vehicles. (BDR 43-1184)

Bruce Breslow, Director, Department of Motor Vehicles (DMV), said the goal of the Department was to expand the efforts of the kiosk program, improve customer service, and reduce costs to the state through the provisions of this bill. The advantage would be a person could go to a centrally located kiosk to transact business. The alternative was a customer could drive 40 minutes through congested urban corridors to a DMV office, wait at the DMV office for 45 minutes, transact the business, and then drive back to the work or home location. The Department wanted to improve the convenience and put kiosks where customers lived, worked, played, and studied. The Department wanted to put kiosks at 24/7 convenience stores in local neighborhoods and at work locations. Senate Bill 441 would remove the kiosk program from the State Highway Fund and put the kiosk program into a self-funded program.

Mr. Breslow said the state currently paid a transaction fee to a private vendor that provided, paid for, and maintained the kiosk program. The proposed legislation would allow the state to do a "pass through" of the transaction fee directly to the self-funded kiosk program. The cost of the transaction fee ranged from about \$1 to \$4.95 for a registration. The state paid that amount per transaction out of the Highway Fund. The vendor purchased these kiosks for about \$30,000 apiece and serviced the kiosks in rural and urban areas. The service fee was calculated to amortize the cost of the kiosks.

Mr. Breslow said the Department issued a request for proposal (RFP) through the Purchasing Division, opened bids a couple of weeks ago, and would entertain negotiations with one of the vendors that the evaluation committee selected. Based on those bid openings, the fees appeared to be lower for the future. The Department hoped to negotiate a longer-term contract that would further reduce the fees. If the contract was for a shorter term, the fees would not decrease as much as anticipated.

Mr. Breslow said S.B. 441 would save the state money. If the bill passed, it would save the Highway Fund \$700,943 in fiscal year (FY) 2011-12 and \$2,765,760 in FY 2012-13. If this bill failed and the state maintained the kiosks that it currently had, the additional cost to the state not included in The Executive Budget was \$2.466 million in FY 2011-12 and \$2.765 million in FY 2012-13.

Mr. Breslow said if S.B. 441 passed, the Department could add more functions to the kiosk machines. Currently there was a small transaction fee for each of the different functions, and Department funding was capped at 22 percent of the fees collected. The Department could not add things such as four-year renewals for driver's licenses, and other web-based programs that it wished to add to the kiosks. The Department wanted users to have five to ten different types of transactions that could be completed at the kiosks when this self-funded program was created.

Chairwoman Smith said the Committee had considerable discussion about this program at the joint budget hearings.

Assemblyman Grady said DMV placed one of the kiosks by the Leadership Office in the Legislative Building, and he was able to operate the programs. He said if he could do it, then anyone could do it because it was an efficient machine and easy to operate.

Chairwoman Smith asked whether there were any others to testify on this bill. Hearing no one, she closed the hearing on Senate Bill 441 and opened the hearing on Senate Bill 483 (1st Reprint).

Senate Bill 483 (1st Reprint): Authorizes the Department of Motor Vehicles to enter into certain agreements relating to advertising. (BDR 43-1185)

Bruce Breslow, Director, Department of Motor Vehicles (DMV), said the passage of Senate Bill 483 (1st Reprint) would allow DMV to enter into a request for proposal (RFP) process to find a vendor to provide flat-screen televisions to the DMV metropolitan offices at no cost to the State of Nevada. He wanted to issue an RFP and see whether there was a vendor willing to bring a program to the state to pay for all the flat-screen televisions. In the other states that had adopted this type of program, the content typically was 75 percent public service announcements (PSAs) and 25 percent advertising that was provided by the sponsors of PSAs. There was no audio component to this program and no distracting sound.

Mr. Breslow said the Department would also like to add the wait times to the screens instead of using those old boxes that were hanging from wires at the DMV offices. Adding the wait times to the screens would motivate the public to look at the screens and increase the viewing of the advertising. The Department would also include Amber Alerts and weather information on the screens. The goal was to entertain those who were waiting at DMV offices and distract them from the wait times. The Department had no interest in buying this equipment or spending any money to develop this program. The Department simply wanted to ask the industry whether it was willing to go forward and provide this as the industry had done in other states.

Chairwoman Smith said she was not supportive of the slippery slope of advertising, but she would see what the Committee members wanted.

In response to a question from Assemblywoman Carlton, Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said this bill was presented as part of the budget proposal from the Budget Division for DMV's budget. The previous bill and this bill were proposals that were included in The Executive Budget.

Assemblyman Hardy asked whether there was any concern about freedom of speech laws since the flat-screen televisions would be in public buildings.

Mr. Breslow said there were always concerns, but the Department had regulations about the content of license plates and other departments in the

state regulated content. This program would be created with regulations as specified in the bill. The advertising companies that provided this type of program assured the Department that advertising content would be provided a month ahead of time to the Department for review to ensure that anything deemed offensive could be removed. It was not easy to regulate the content of advertising and it was generally more of a cooperative effort.

Chairwoman Smith was concerned not with legislating the content but where the state would begin advertising next. She had seen advertising increase across the country in schools and other places. Some of the states had reined advertising in because the ad programs did not work well. She understood the concept but was worried about what might happen in the future.

Assemblyman Aizley said he believed that if the kiosks worked well then no one would have time to see the advertising.

Mr. Breslow said the day the kiosks worked so well that persons did not have time to look at the advertising, he would wear a bow in his hair and celebrate because the Department had succeeded in reducing wait times in DMV offices. The DMV offices generally did not have a homey atmosphere, especially at the older buildings at 305 Galletti Way in Reno and 2701 East Sahara Avenue in Las Vegas. Anything that the Department could do to spruce the offices up a little bit or distract the persons awaiting service to take their minds off waiting was an improvement. This was a customer service effort. The Department was not trying to make money by doing this but was hoping not to lose any money either. That was why the flat-screen televisions would be paid for by somebody else, not the Department.

Assemblywoman Carlton said these units cost a certain amount and wondered whether the sponsor would get an equivalent amount of free advertising equal to the cost of the unit. She recalled discussion about some bartering issues with the Nevada Magazine agency and a couple of other agencies. She would hate to see the vendor receive free advertising in perpetuity for the cost of a \$1,000 or \$2,000 flat-screen television. She wondered whether there would be some type of equation to calculate the amount of free advertising. Once the sponsor had gotten its fair share and the state had received the flat-screen units, then the deal should be terminated.

Mr. Breslow said that the proper amount of advertising would be a good idea to discuss during the drafting of the program regulations if any vendor responded to the RFP. The Department wanted to negotiate something in the future. The cost of flat-screen televisions in seven metropolitan offices was minimal compared to the sponsorships that the Department hoped to receive. The

number inserted in the budget was a pass-through number in case the Department received money from a vendor that would be passed through to purchase the flat-screen televisions. The number was a negotiable item. Mr. Breslow said he wished the Department was in a position to make money after the televisions were paid off, but right now the Department did not expect a profit and did not want to complicate this effort.

Mr. Breslow said DMV would issue an RFP and hope there was a vendor that was willing to pay for the televisions and develop the sponsorship program. There were a couple vendors that provided this program for other states. The American Association of Motor Vehicle Administrators provided some guidelines that DMV would use. Nevada was not the first state to implement this type of program. The Department was trying to take part in a program that had worked in other states and see if it would work in Nevada. The DMV user numbers were not very large compared to other states, and the Department did not know whether the vendors would respond as they did in other states, but Mr. Breslow hoped for a successful outcome.

Assemblywoman Carlton said she hoped that the Department would ensure this agreement was equitable to both parties. The vendor should receive an amount of free advertising comparable to the cost of the flat-screen televisions. The vendor should not be allowed to get something for free from the state without some other type of agreement.

Mr. Breslow said The Executive Budget provided that any additional money that was generated from this program would go toward public safety messages for DMV.

Chairwoman Smith asked whether anyone else wanted to testify on this bill, and hearing no one, she closed the hearing on S.B. 483 (R1) and opened the hearing on Assembly Bill 323 (1st Reprint).

Assembly Bill 323 (1st Reprint): Requires the establishment and maintenance of an Internet website to provide information concerning consumer fraud in this State. (BDR 52-313)

Assemblyman Marcus Conklin, representing Clark County Assembly District No. 37, said Assembly Bill 323 (1st Reprint) was a simple bill. This bill required the establishment and maintenance of an Internet website to provide information concerning consumer fraud in this state. This bill was referred by the Assembly Committee on Commerce and Labor and sought to create a robust website that had both a "push and pull" capacity. This would allow consumers in this state to go to one website to find out information about companies with

which they would like to do business. This concept was similar to the Nevada Business Portal that offered consumers one website to search for information. It would not require additional work for any agency. The bill required the Department of Business and Industry to compile all the information and organize it for the consumer in a searchable fashion.

Assemblyman Conklin spoke with Keith Munro, First Assistant Attorney General and Legislative Liaison, Office of the Attorney General, who said it was acceptable for him to let the Committee know that this bill would not require a fiscal note on the Attorney General's (AG) behalf. Assemblyman Conklin said the AG had concerns her office would receive many calls from agencies about legal requirements and releasing information to the public. Assemblyman Conklin explained that the bill did not require any agency to release any more information than what it already released. If an agency had a rule about what it could release, that same rule would still apply. He cited an example of the State Contractors' Board releasing results about a contractor's violation. Assembly Bill 323 (R1) did not require any agency to report any earlier than the current practice. The requirement was that once information was released, that information would be available to the public through this searchable mechanism.

Assemblyman Conklin had not spoken with anyone from the Department of Business and Industry, but upon review of the fiscal note, he was unsure whether he could further reduce the cost to implement the service. The bill required the development of a searchable website that was easy to use for the consumer. The state agencies worked to update consumers with respect to fraud over the last four years, but it was really a "pushing" mechanism, meaning the information was supplied but the consumer did not have the opportunity to ask questions and find other information.

Assemblyman Conklin said the current situation was unsatisfactory, but the state lacked sufficient resources to improve its data center. He could not argue that the fiscal note should be any more or any less. He did not want to diminish the value of the bill and did not want the result to be the creation of something that could not be finished and would not serve the public of Nevada as well as possible.

Terry Johnson, Director, Department of Business and Industry, testified the bill had merit, was fairly straight forward, and the Department looked forward to implementing the bill.

In response to a question from Assemblyman Kirner, Mr. Johnson said the Department was contacted by the sponsor's office. The Department explained

that it could assume these responsibilities and either reduce or remove the fiscal note that was previously submitted. He said when the bill was originally drafted there was a contemplation that it would require restoring the entire Consumer Affairs Division, or at least a portion of the Consumer Affairs Division, and that belief may have driven some of the earlier cost estimates. The Department communicated to the sponsor that it was willing to work with what had been drafted.

Chairwoman Smith wondered whether the Committee was hearing fiscal information about the correct bill.

Assemblyman Conklin said Assembly Bill 331 was the bill that he thought contained the fiscal note about the Consumer Affairs Division unless the fiscal note was inappropriately linked to the wrong bill. Assembly Bill 323 (R1) required the Division to design and build an Internet website allowing consumers searchable access to information about businesses in this state. He would love for the Department to remove the fiscal note but did not think that would be accurate. He believed the Department should take one more look at the fiscal note to ensure it was accurate.

Chairwoman Smith asked Mr. Johnson to again review the fiscal note for A.B. 323 (R1) from the Department and provide a response to the Committee.

Mr. Johnson said he would get back to the Committee right away. Earlier he looked at the fiscal note, the bill, and talked to his staff. He believed that there was communication with the sponsor of the bill, and the Department was confident it could accomplish the bill's requirements. Mr. Johnson said he would provide his response to the Committee.

Chairwoman Smith said the other fiscal note was for \$300,000 from the Public Utilities Commission of Nevada (PUC).

Assemblyman Conklin said that the PUC fiscal note was addressed by the Assembly Committee on Commerce and Labor. The bill, as originally drafted, required PUC to participate, but PUC had no jurisdiction to participate. It was the Bureau of Consumer Protection that was required to participate, and the Assembly Committee on Commerce and Labor amended the bill to replace PUC with the Bureau. The language that was amended to replace PUC was on page 3, line 5 of A.B. 323 (R1). The deletion was because PUC was not an enforcement agency but was a regulatory agency. That deletion should erase the fiscal note.

Chairwoman Smith said the Committee would await the update on the fiscal note from Mr. Johnson. She asked whether anyone else wanted to testify on A.B. 323 (R1), and hearing no one, she closed the hearing on A.B. 323 (R1) and opened the hearing on Assembly Bill 331.

Assembly Bill 331: Makes various changes concerning the use of consumer reports. (BDR 52-831)

Assemblyman Marcus Conklin, representing Clark County Assembly District No. 37, said Assembly Bill 331 would prohibit a person from procuring a consumer credit report for purposes relating to employment except under certain circumstances. There must be a nexus between the use of the credit report and the job requirements. This bill was passed by the Assembly Committee on Commerce and Labor. The fiscal note anticipated the need for a part-time investigator for the Division of Consumer Affairs but the Division was no longer included in the bill, so the fiscal note was removed. This bill did not have a fiscal note in its current form.

Assemblyman Conklin said there were some persons who had some concerns with the bill's language that he could correct given a little time. Some members of the Assembly Committee on Commerce and Labor expressed concerns that Assemblyman Conklin addressed when the bill was heard. The language was generic enough that many persons would be allowed to use the credit report, but they must demonstrate a legitimate reason for doing so. There were some who would be more comfortable with a clarification in statute. He agreed to work with them on clarification that would not change the intent or enforcement in any way. He asked for a couple of days to work with those interested parties.

Chairwoman Smith asked whether anyone wished to testify on A.B. 331, and hearing no one, she closed the hearing on A.B. 331 and opened the hearing on Assembly Bill 332.

Assembly Bill 332: Makes various changes relating to the Economic Forum. (BDR 31-307)

Assemblyman Marcus Conklin, representing Clark County Assembly District No. 37, said Assembly Bill 332 was a bill that would make significant sweeping changes to the Economic Forum. The Economic Forum was the administrative body that dictated to the Legislature how much money was available to spend. Over the course of his tenure in the Legislature, Assemblyman Conklin thought about how the state's process determined the budget amounts and mistakes had increased. That was not entirely the fault of the Economic Forum, but had

a lot to do with the subtleness of the economy, the growth of the "boom-and-bust" cycles for states, and the global economy's susceptibility to large deviations or swings.

Assemblyman Conklin said some correlations were that most states underestimated the growth revenue in good economic times. For example, if Nevada was in a growth cycle, the state might expect 5 percent growth next year, but in reality growth might be 10 percent, or 12 percent, or 15 percent. This may not be a problem. During depressed economic times it was customary for states to underestimate the decrease in a down cycle, causing such things as special sessions and budget shortfalls.

Assemblyman Conklin thought that the state should seek to provide the Economic Forum greater opportunity to assess what was going on in the economy, gather more information, and create more transparency in the process. Assembly Bill 332 may have gone a little too far in trying to dictate that process and may have created the large fiscal note from the Budget Division and the Legislative Counsel Bureau. The bill required the Economic Forum to meet four times per year instead of twice every other year, and required the fiscal staff of both the Office of the Governor and the Legislative Counsel Bureau to forecast the revenues for the next biennium. Forecasts were very difficult and time-consuming to complete. An enormous amount of time was required to gather data, calculate formulas, and make projections. Staff must have rich data but must also have an understanding of all the outliers to accurately determine what the data was indicating.

Assemblyman Conklin tried to scale back the scope of the changes. He worked with the Fiscal staff on an amendment. All fiscal notes had been removed. The proposed amendment reduced the number of meetings from four times per year, to twice per year. The Economic Forum would be able to update all of the information available during the even-numbered years instead of doing forecasts. The Economic Forum would hold a public meeting to gather input about the future economy from business leaders, industry leaders, community leaders, and academic leaders.

Assemblyman Conklin said this bill provided a level of transparency because staff and Forum members would be able to garner more information about where the economy was and where it might be headed. The bill provided a sort of tsunami warning that was something the state lacked during this economic crisis because the Economic Forum did not meet often enough. It was important for legislators and the Governor's Office staff to know when experts and others began to see economic indicators showing the economy may not be

going as smoothly as expected. That was what the intermediate meetings would accomplish.

Assemblyman Conklin said the Economic Forum would provide reports to the Interim Finance Committee (IFC) about the state of the economy, including where the economy was, how the budget assumptions compared to the economy, and what the Economic Forum anticipated for the future. This increased understanding would improve and smooth the projection process in dealing with the ups and downs of the economic cycles.

Chairwoman Smith said the amendment described by Assemblyman Conklin was posted on the Nevada Electronic Legislative Information System (NELIS).

Assemblywoman Mastroluca said she noticed the bill stated that the Economic Forum could obtain testimony from state agencies without limitation but it singled out the Nevada System of Higher Education (NSHE) and she wondered about that provision.

Assemblyman Conklin said the original Economic Forum many years ago was actually comprised of members of NSHE who made the decisions. In the early- to mid-1990s, the Economic Forum was revised because persons believed it was inappropriate to have the Economic Forum run by NSHE, deciding how much money there would be in the next biennium for NSHE. That seemed to be a conflict of interest. The Economic Forum evolved to appointed, independent members. The Economic Forum may gather information from all sources including NSHE, which was no longer the decision-maker. The Nevada System of Higher Education had an enormous amount of information from its business centers, economic departments, and finance departments. The academics do a lot of research locally about the economies in the north, south, and rural areas of the state. It was time to recognize the contribution that the universities made, not as decision-makers, but as information providers about the economy and what was going on today in the world, the United States, and Nevada.

Assemblyman Hickey said the bill required the Economic Forum to meet twice per year, and he believed that the Governor could call for additional meetings under the current law.

Assemblyman Conklin said he thought that was a disputable item. A past Governor had asked for additional meetings. This bill did not preclude or exclude the Governor from calling an Economic Forum meeting at any time. When the Governor called for an Economic Forum meeting, it was for the purpose of forecasting. The meetings proposed in this bill were for the purpose

of providing information, and there would be no forecasting. Forecasting was what generated the fiscal note. This bill was more about creating some transparency at a state level about where the economy was, how it compared to the budget, what the economy would do in the future, and where potential growth would be. A Governor could decide to use any of the meetings as more than an update because he believed that more economic action was on the horizon. This bill did not prevent the Governor from calling other meetings.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that the fiscal notes submitted by the Legislative Counsel Bureau and the Budget Division, included a large cost because both agencies thought they would need additional positions to prepare forecasts as required by the original bill. The cost stemmed from the frequency and the forecasting part of the bill. Forecasting was a very time-consuming process for the Fiscal Analysis Division. Currently the Division employed three economists on staff but part of their duties involved staffing the Economic Forum and part involved staffing the interim tax studies and standing tax committees. He did not believe the Division could take on more workload without some additional staff positions.

Mr. Combs said Russell Guindon, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, worked with Assemblyman Conklin on the amendment to ensure that the Division could remove its fiscal note. Based on the amendment, Mr. Combs said he believed the Division would not need any additional staff and would remove the fiscal note. He also received an email from the Budget Division indicating that it would not incur any additional cost and would pull its fiscal note if the proposed amendment was adopted.

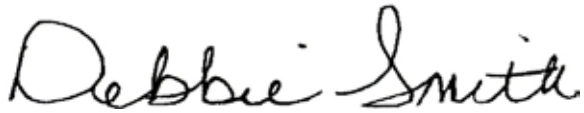
Chairwoman Smith asked whether anyone else wanted to testify on A.B. 332, and hearing no one, she closed the hearing on A.B. 332. She asked whether there was any public comment to come before the Committee. Hearing none,

she reminded the Committee it would meet in the morning to hear bills and hold a work session. There being no further business before the Committee, she adjourned the meeting at 5:49 p.m.

RESPECTFULLY SUBMITTED:

Janice Wright
Committee Secretary

APPROVED BY:

A handwritten signature in cursive script that reads "Debbie Smith".

Assemblywoman Debbie Smith, Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: May 19, 2011

Time of Meeting: 4:58 p.m.

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