

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

**Seventy-Sixth Session  
March 14, 2011**

The Committee on Ways and Means was called to order by Chairwoman Debbie Smith at 9:39 a.m. on Monday, March 14, 2011, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, 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).

**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

**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 made her opening remarks. She advised those listening on the Internet that there was exhibit information available on the Nevada Electronic Legislative Information System (NELIS).

**Assembly Bill 12: Transfers the authority to use the Parolees' Revolving Loan Account from the State Board of Parole Commissioners to the Chief Parole and Probation Officer. (BDR 16-458)**

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill 12 was heard by the Committee on March 9, 2011. The bill in its original form was developed to transfer the authority for monitoring and administering the Parolees' Revolving Loan Account from the State Board of Parole Commissioners to the Chief Parole and Probation Officer. Testimony indicated that the Chief Parole and Probation Officer currently administered this account and the bill was designed to match the statute to the current procedure. The agency wanted to change the law to make it more clear about who was responsible for administering the account.

Mr. Combs said during the hearing before the Assembly Committee on Judiciary, Amendment Number 1 was passed at the request of Connie Bisbee, Chair of the State Board of Parole Commissioners. The amendment eliminated the Parolees' Revolving Loan Account. Testimony indicated both the State Board of Parole Commissioners and the Division of Parole and Probation were in favor of the amendment.

Mr. Combs said the Fiscal Analysis Division staff suggested a proposed amendment ([Exhibit C](#)) that mirrored Amendment Number 1 and added a new section 1.7 which provided some direction about the disposition of money in the account at the time the account would be eliminated and the disposition of any funds that may come into the account once it was eliminated. This account was a loan fund, so there could be some loan repayments deposited even though the agency testified few loans were being repaid. Mr. Combs indicated that the State Board of Parole Commissioners and the Division of Parole and Probation agreed to the amendment language suggested by the Fiscal staff.

Assemblywoman Carlton asked whether the agency would still try to collect those funds from parolees.

Rick Gimlin, Administrative Services Officer 3, Division of Parole and Probation, Department of Public Safety, replied that the Division would still try to collect on these loans. Many of the loans were old and would most likely be written off as bad debts that were uncollectible. The Division would follow the proper

process for any bad debts and would send out letters of collection. If the letter of collection was not answered, the Division would forward those loans to the Office of the State Controller for disposition.

Assemblywoman Carlton asked whether there was any chance the Division would include the repayment of loans into a condition to be satisfied prior to consideration of release from probation.

Mr. Gimlin responded that his understanding was that the one person that was making payment now had been discharged and the loan had been repaid in full. The other persons with loans had been discharged. Many of those loans were made in the very early 2000s and those persons had long since been discharged.

Assemblyman Hambrick asked about the loan maximum of \$300 and whether that was the amount of the aging loans as well. At some point he thought the attempt to collect would cost more than the balance due.

Mr. Gimlin replied the average of the loans was less than \$300. He continued that by the time the Division went through the collection process, it may cost more than the amount to be collected. But the Division needed to comply with the bad debt requirements.

Chairwoman Smith said her understanding was that the proposed language in A. B. 12 would not change the existing process. The debt would still be turned over to the Controller, who would make her decision based on the usual process.

ASSEMBLYMAN CONKLIN MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 12 WITH THE PROPOSED AMENDMENT  
RECOMMENDED BY THE FISCAL ANALYSIS DIVISION.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chairwoman Smith asked Assemblyman Kirner to handle this bill on the floor of the Assembly.

**Assembly Bill 193:** Revises provisions governing the implementation of capital improvement projects. (BDR 28-920)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill 193 was heard in the Committee on March 2, 2011. Chairwoman Smith testified in favor of the bill and there was no other testimony provided. The bill required the State Public Works Board to obtain the approval of the Legislature or the Interim Finance Committee before cancelling a project or delaying a capital project beyond the period for which money was authorized.

ASSEMBLYMAN CONKLIN MOVED TO DO PASS  
ASSEMBLY BILL 193.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chairwoman Smith asked Assemblyman Aizley to handle A.B. 193 on the floor of the Assembly.

Chairwoman Smith asked the Committee to approve the following bill introduction.

**BDR 32-526**—Revises provisions governing the Governmental Services Tax. [Later introduced as Assembly Bill 270.]

ASSEMBLYMAN OCEGUERA MOVED TO INTRODUCE  
BDR 32-526.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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**COMMITTEE ORGANIZATION**

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented Exhibit D and explained the exhibit should be placed in the "Orientation Manual" under Tab 5 and began with page 78. Exhibit D

was a copy of a work session document prepared by the Fiscal Analysis Division staff during the 75th Session (2009).

Mr. Combs said the work session process would start during the week of March 28, 2011. Some Joint Subcommittee on General Government hearings would end the week of March 21, 2011. Some subcommittees would begin work sessions next week, and those work sessions would probably continue through the week of April 2, 2011. The Committee would begin to close budgets on April 5, 2011.

Mr. Combs reviewed the work session document that provided a summary of the issues discussed during the specific budget hearing. The Fiscal staff did not repeat everything that was mentioned during the budget hearing. He cited a matter shown on the bottom of page 78 of [Exhibit D](#) as an example of the type of work session discussion held during the 75th Session (2009). After the summary, Fiscal staff provided some additional information about the closing of the budget which provided answers to questions asked by the Committee.

Mr. Combs explained that on the bottom of Page 79 of [Exhibit D](#), the Fiscal staff provided options for consideration by the Committee. The Fiscal staff explained the outcomes of each of the options presented.

In response to a question from Assemblyman Hickey, Mr. Combs said in the past the Committee would not have heard any motions or taken any actions during the work session. However, during the 75th Session (2009), the Committee heard motions during the work sessions and that only occurred with items on which the Committee was prepared to take action. The Chairpersons of the Committee and the subcommittees would decide whether to entertain motions on bills or budgets during the work sessions.

Chairwoman Smith added that it became clear what action the members would support during the discussions.

Mr. Combs said originally the work sessions were intended as a way for the Fiscal staff to point out to the Committee the major issues of the budgets prior to closing so the members could begin thinking about the possible options they would support.

Mr. Combs discussed page 86 of [Exhibit D](#) and explained the Governor had recommended capping the enrollment at 25,000 persons in the Nevada Check Up program during the 75th Session (2009). It became apparent that the program would not reach 25,000 enrollments so the matter was whether to approve the Governor's recommendation to cap enrollment in the

program. There was substantial additional information provided on enrollment. If the Governor's recommendation was to cap the program, then there was no need to develop enrollment projections because the agency built in sufficient money to serve 25,000 persons. The Fiscal staff determined that was not an accurate method to project that budget because the program would not reach that 25,000 enrollment early on in the biennium. The Fiscal staff worked to develop those enrollment projections to present to the Human Services/CIP Subcommittee as well as the matter of whether to cap the enrollment. Both options had to be presented with sufficient details for the Subcommittee to make an informed decision. The options presented to the Subcommittee provided enough details to fully understand the costs. Mr. Combs said the Subcommittee decided not to cap the enrollment and to add back the required funds to support the program.

Mr. Combs summarized that the Committee would see work session documents that would provide a summary of the problem, additional information, and the options for the decision to be made. Those materials were presented in an effort to assist the Committee in making the difficult policy decisions that must be made to close budgets.

Mr. Combs spoke about a closing document that began on page 89 of [Exhibit D](#) and resembled an informational document provided by the Fiscal staff. The sections that provided the adjustments to revenues and expenditures would often contain many numbers with descriptions of the adjustments. Typically those were closing adjustments made by the Fiscal staff because of technical changes that did not require policy decisions. The Committee still had the authority to approve those technical adjustments or not. The Fiscal staff might wait until the Committee indicated the direction of its policy decision prior to making technical adjustments which were complex and required a great deal of work. The major closing adjustments were explained in detail for the Committee.

Mr. Combs commented that the Fiscal staff provided detailed explanations of the major closing issues for the Committee's consideration. He explained some of the closing issues presented to the Committee during the 75th Session (2009) as shown on page 100 of [Exhibit D](#). The Committee was also provided with other closing items and Fiscal staff presented details to allow the Committee to fully understand all matters prior to closing, whether the matters were considered major or minor. He said sometimes the Fiscal staff would include a statement after some recommendations indicating the recommendation appeared reasonable to staff.

Mr. Combs discussed page 103 of [Exhibit D](#) which listed the technical adjustments presented to the Committee. Those items were not policy matters and all technical adjustments were explained in detail for the Committee. Often the Fiscal staff would request authority to make any additional necessary technical adjustments after the closing of the budget. Those adjustments would typically involve cost allocations or assessments. Some decisions made for one budget account may affect another budget account so Fiscal staff would request authority to make those types of adjustments as necessary.

In conclusion, Mr. Combs stated that the goal was to try to make a decision on all or as many of those items as possible for the budget. If the Committee held closing hearings but decisions could not be made and items were delayed, the Committee's ability to close all budgets prior to the end of session was problematic. The goal was get through as many of those closing issues as possible.

Chairwoman Smith added the new members would recognize that the subcommittee chairmen and vice chairmen worked in concert with each other as they moved through this process. They were intimately familiar with the budget and its issues. Often the members would see the person not chairing making many motions because they were informed about the budget matters. All Committee members were encouraged to participate in the process.

Chairwoman Smith said the members would hear the term "Gov. Rec." and that referred to what was recommended by the Governor shown in The Executive Budget.

Assemblyman Ocegüera commented that it was important for the Committee to understand that as it delayed decisions it would become increasingly difficult to close budgets by the deadlines. It would also become challenging for the Committee to change anything once a budget was closed.

Mr. Combs said when a budget was closed, the work typically had been done by the Committee. In rare occasions there was a need to reopen a budget and make adjustments, and permission and notice to the Chairwoman of the Committee and the Chairperson of the subcommittee would be required. The Fiscal staff tried to avoid reopening a budget whenever possible. Budget closing was a very important matter, and there should be consensus to reopen a budget.

Assemblyman Ocegüera stated it was fairly common to amend bills but reopening a budget was not similar to amending bills. It was very challenging to reopen budgets.

Chairwoman Smith commented that the Assembly Committee on Ways and Means was working in concert with the Senate Committee on Finance and it was a very important distinction to understand. Also, in the joint work sessions, budgets may sometimes be closed differently by the members of each house and that delayed the process. The goal was to move the closings of budgets as timely as possible to meet all the deadlines and be finished on time.

Chairwoman Smith also said typically the members were in agreement with most of the budget. The major problem areas would be easy to identify, and there was a lot that could be done to move the closing of budgets along in a timely fashion. She said the Committee should expect many bills to come to the Committee's attention as deadlines got closer toward the end of session. She cautioned the members to prepare themselves for a very busy time coming up.

Mr. Combs explained there was a difference between a work session on a closing for a money committee compared to a work session in a policy committee. The work session of a policy committee involved little testimony from agencies. In a work session of the money committees, more agency testimony was received because the Committee was trying to get to a specific point in the budget. It was important that the members received as much information as needed before the vote to close a budget. That may include bringing department staff back before the Committee to clarify several points. Once the Committee held the closing hearing, it was rare that agency staff would be asked to testify. Typically the goal was to close the budgets, and to the extent that agency testimony was not needed, the Fiscal staff would just move through the closing document. The Fiscal staff would make any recommendations it had and ask the Committee to make decisions on all the issues. The chairperson may want the Fiscal staff to go through the entire closing document and then invite a motion from the members. In more complex budgets, the chairperson would ask the members to make motions on specific sections of the budget as they went through the closing document with the Fiscal staff.

Mr. Combs pointed out that today's hearing was the first action on bills for the Committee. Many of the policy committees received work session documents. In the Assembly Committee on Ways and Means, the Fiscal staff did not prepare work session documents on bills because the Committee received a significant volume of written material from the Fiscal staff during the budget presentations. The Fiscal staff did not have time to prepare work session documents in addition to all the other briefing materials provided to the money committees.



Mr. Combs said the Fiscal staff could be involved with an amendment, clarifying an amendment, or making sure the Committee had the information necessary to decide what action to take on a specific bill. Mr. Combs said he and Mike Chapman, Principal Deputy Fiscal Analyst, would do the best they could to ensure the Committee had all the necessary information. He would tell the Committee when the bill was heard, what the testimony was, whether there were any amendments requested, and what the amendments were.

Mr. Combs continued and said Chairwoman Smith made it clear that she wanted the Committee to be as open as possible in regard to the members knowing what it was that they would be asked to vote on. In the past, the work session agenda included the statement, "Matters previously considered would be taken up by the Committee." The Fiscal staff would try to list the actual bills under consideration at each work session. If there was anything else that the members needed, they should let Mr. Combs know and he would try to provide it.

Chairwoman Smith mentioned that she wanted a process where the members could be informed in advance so they could bring any notes to assist in the deliberations on bills. Chairwoman Smith and Fiscal staff would do everything possible so the members were prepared to discuss all aspects of the bills. She emphasized the differences between policy committees and the money committees. She encouraged the members to separate themselves from what they saw in the policy committees because things worked differently on the fiscal side. The Committee would have longer meetings and multiple meetings during a single day as the workload increased and the session drew nearer to a close.

Mr. Combs briefed the Committee about the upcoming matters for the week.

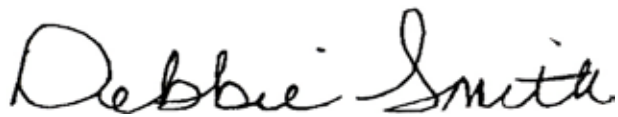
There being no further business before the Committee and no public comment, Chairwoman Smith adjourned the meeting at 10:20 a.m.

RESPECTFULLY SUBMITTED:

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Janice Wright  
Committee Secretary

APPROVED BY:

A handwritten signature in cursive script that reads "Debbie Smith". The signature is written in dark ink and is positioned above a horizontal line.

Assemblywoman Debbie Smith, Chairwoman

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

**EXHIBITS**

**Committee Name:** Committee on Ways and Means

**Date:** March 14, 2011

**Time of Meeting:** 9:39 a.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Sign-In Sheet
A.B. 12	C	Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau	Proposed Amendment
	D	Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau	Committee Organization Closing Document Example