

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

**Seventy-Sixth Session
April 7, 2011**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on General Government was called to order by Chair Marcus Conklin at 8:02 a.m. on Thursday, April 7, 2011, in Room 2134 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/. 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).

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblyman Marcus Conklin, Chair
Assemblyman Paul Aizley, Vice Chair
Assemblyman Tom Grady
Assemblyman Randy Kirner
Assemblyman John Ocegüera

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Moises (Mo) Denis, Chair
Senator Ben Kieckhefer
Senator David R. Parks

SUBCOMMITTEE MEMBERS EXCUSED:

Assemblyman Kelvin Atkinson
Senator Dean A. Rhoads

STAFF MEMBERS PRESENT:

Mike Chapman, Principal Deputy Fiscal Analyst
Rex Goodman, Principal Deputy Fiscal Analyst
Sarah Coffman, Program Analyst
Teri Sulli, Program Analyst
Julie Waller, Program Analyst
Janice Wright, Subcommittee Secretary
Cynthia Wyett, Subcommittee Assistant

Chair Conklin presented his opening remarks and stated the Subcommittee would begin its budget closing hearing with the Department of Administration budgets.

DEPARTMENT OF ADMINISTRATION
ADMINISTRATION-HRM-HUMAN RESOURCE MANAGEMENT (717-1363)
BUDGET PAGE ADMIN-171

Sarah Coffman, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained there were four major closing items in budget account (BA) 1363 for the Department of Personnel (DOP).

1. Reorganization of the Department of Personnel as a division in the Department of Administration.
2. Creation of a new centralized personnel section.
3. Elimination of seven positions.
4. Privatization of the Employee Assistance Program.

Ms. Coffman explained the first item was the merger of DOP [which would be renamed the Division of Human Resource Management (HRM)] into the Department of Administration (DOA). This recommendation was contingent upon passage of Senate Bill 427 that revised a provision of the *Nevada Revised Statutes* (NRS) Chapter 284 to authorize reorganization of DOA.

Ms. Coffman said the savings associated with this merger was projected to be \$209,611 in fiscal year (FY) 2012 and \$337,627 in FY 2013. The savings resulted from the elimination of three DOP positions: the administrator for the Administrative Services Division, an administrative assistant, and an accountant technician. The DOA indicated it would be able to absorb the workload of the three eliminated positions within its existing staff. The Governor recommended

changing the position titles of DOP's Director to the Administrator of HRM and each of the DOP's division administrator positions to deputy administrators of HRM. No salary savings resulted from the change of titles of the affected positions.

Ms. Coffman stated the Governor recommended elimination of DOP functional sections not related to its core mission to create greater efficiencies. Ms. Coffman said DOP's information technology staff consisted of eight positions that would be transferred to the Department of Information Technology. Four administrative and public information DOP positions would be transferred to the Department of Administration.

Ms. Coffman said DOA's Administrative Services Division and Director's Office would assume some of DOP's administrative functions. The DOP would contribute \$263,125 in FY 2012 and \$318,136 in FY 2013 to DOA's cost allocation.

Ms. Coffman explained some concerns of the Joint Subcommittee were discussed at its February 11, 2011, hearing related to the merger of DOP with DOA. According to DOA, a perception may exist that HRM would reject reclassification requests because of a lack of state funds. The DOA believed there were safeguards in place to protect reclassification requests from denial for monetary reasons. The Personnel Commission was responsible for reviewing any appeal associated with a denial of a reclassification. The Personnel Commission was an independent entity, and monetary factors were not considered during its decision-making process.

Ms. Coffman said the Subcommittee could decide whether to approve the consolidation of the Department of Personnel with the Department of Administration, which included the elimination of 3 positions and the transfer out of 12 positions. Fiscal staff requested authority to adjust the decision units pursuant to the Legislature's actions on Senate Bill 427.

SENATOR DENIS MOVED TO APPROVE THE CONSOLIDATION OF THE DEPARTMENT OF PERSONNEL INTO THE DEPARTMENT OF ADMINISTRATION AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR THE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS PURSUANT TO THE LEGISLATURE'S ACTIONS REGARDING SENATE BILL 427.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Atkinson and Ocegüera and Senator Rhoads were not present for the vote.)

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Ms. Coffman said the second major closing item involved the creation of a new centralized personnel section. The Governor recommended that this section assume the personnel and payroll services for all state agencies. The new centralized personnel section would be funded by participating agencies through a cost-allocation method based on full-time equivalent positions.

Ms. Coffman explained seven positions would be transferred to DOP from various agencies that expected to receive services from the new centralized personnel section during the 2011-2013 biennium. The centralized personnel section would assume the personnel responsibilities in FY 2012 for DOA [October 2011], the Department of Taxation [November 2011], the State Department of Agriculture [February 2012], the Department of Education [February 2012], and the Department of Business and Industry [April 2012].

Ms. Coffman said DOA indicated the new centralized personnel section would free-up administrative time dedicated to personnel issues in smaller agencies and reduce the number of errors found in personnel documentation prepared by larger agencies.

Ms. Coffman said the decision for the Subcommittee was whether to approve the Governor's recommendation to create a new centralized personnel section, transfer-in seven positions from various agencies to operate the new section, and allocate costs associated with this new section to the participating state departments.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO CREATE A NEW CENTRALIZED PERSONNEL SECTION.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Atkinson and Ocegüera and Senator Rhoads were not present for the vote.)

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Ms. Coffman explained the next major closing item was the Governor's recommendation to eliminate seven positions that reduced total costs by \$316,759 in FY 2012 and \$515,011 in FY 2013. She noted that of the four vacant positions identified in decision units Maintenance (M) 160 and Enhancement (E) 606, one personnel analyst and one administrative assistant position had been vacant since January 2011, and the remaining two positions had been vacant since August 2010. The Department of Administration (DOA) indicated that no services would be discontinued as a result of these position eliminations.

Ms. Coffman said two of the three positions recommended for elimination in decision unit E690 were currently filled, and the three position eliminations resulted in a 14.3 percent reduction of staff in the Division of Recruitment and Retention. The Governor recommended elimination of two personnel analyst positions because the workload decreased for employee recruitment and retention resulting from a decline in available state jobs over the past three years. The DOA indicated consolidating the Recruitment and Retention Division with the Classification and Compensation and Division resulted in greater efficiencies. The same person writing the class specifications for positions would also perform the recruitment. No services would be discontinued or delayed because of the elimination of these positions. Ms. Coffman said this recommendation appeared reasonable to Fiscal staff based on the information provided by the agency.

Ms. Coffman said the decision for the Subcommittee was whether it wished to approve elimination of seven positions as recommended by the Governor in decision units M160, E606, and E690.

ASSEMBLYMAN KIRNER MOVED TO ACCEPT THE GOVERNOR'S
RECOMMENDATION TO ELIMINATE SEVEN POSITIONS.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and
Senator Rhoads were not present for the vote.)

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Ms. Coffman explained the next major closing item involved the privatization of the Employee Assistance Program (EAP). The Governor recommended

elimination of two vacant mental health counselor positions. The resulting savings would be used to employ an independent contractor to manage the state's EAP. The EAP was responsible for reducing losses in state employee work time, productivity, and effectiveness resulting from personal adjustment problems that impaired job performance. As part of the 26th Special Session (2010) budget reductions, the mental health counselor positions were held vacant, and EAP services were temporarily eliminated except for the required evaluation of state employees found to be under the influence of drugs or alcohol while at work. Currently, DOP paid Kelly Services \$23,163 annually to perform that service.

Ms. Coffman said the agency indicated this recommendation would restore the full spectrum of EAP services provided to state employees by an independent contractor effective October 1, 2011. According to The Executive Budget, salary and operating savings of \$347,429 over the 2011-2013 biennium from the elimination of the mental health counselors would offset the cost to contract with a third-party vendor.

Ms. Coffman noted that the Purchasing Division issued a request for information (RFI) on June 1, 2010, for the provision of counseling services. Out of the 16 vendors that responded to the RFI, 4 could provide services that the Department believed were comparable to the services previously provided by the state mental health counselors. She detailed the comparable services that would be provided:

- 24/7 telephonic consultation with counselors holding related master's degrees.
- Web-based resource library.
- Coordination and linkage to other benefits.
- Critical incident stress debriefing and other on-site services.
- Substance abuse coordination services.
- Program promotion and education.
- Utilization reports.

Ms. Coffman said the four vendors could also provide state employees with additional services not currently provided by the state:

- Basic financial information, debt management, and budgeting assistance.
- Legal services.
- Advice on housing issues.

- Healthcare resources.
- Child custody child care and elder-care assistance.

Ms. Coffman explained the contract would be negotiated at a fixed rate to ensure the services would be available to state employees throughout the 2011-2013 biennium.

Ms. Coffman presented three options for consideration of the Subcommittee.

1. Approve the Governor's recommendation to privatize the Employee Assistance Program (EAP).
2. Do not approve the Governor's recommendation to privatize EAP, and reallocate the \$347,429 over the 2011-2013 biennium to support the two vacant mental health counselor positions currently authorized.
3. Permanently discontinue the majority of services previously provided by EAP with the exception of required evaluations of state employees found to be under the influence of drugs or alcohol while at work. This option would require assessment funds of \$23,163 in each year of the biennium to contract with Kelly Services for these services, resulting in a savings of \$301,103 over the biennium.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO PRIVATIZE THE EMPLOYEE ASSISTANCE PROGRAM.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and Senator Rhoads were not present for the vote.)

Ms. Coffman explained decision unit E275 recommended assessments of \$16,264 in FY 2012 and \$15,412 in FY 2013 for 200 additional database administrator hours each year to develop system modules related to online testing, test and facility scheduling, and applicant ranking and processing functions for the Nevada Applicant Processing and Placement System. Ms. Coffman said this recommendation appeared reasonable to Fiscal staff.

Ms. Coffman explained decision unit E710 recommended assessment revenue of \$58,485 in FY 2012 and \$35,435 in FY 2013 to replace computer hardware

and software including 3 uninterruptible power supply units for servers, 20 desktop personal computers, 7 laptop computers, 5 docking stations, 1 laser printer, 12 surge protectors, 1 liquid-crystal-display projector, 3 servers, 38 thin clients, 12 monitors, and various software upgrades. The hardware requested for replacement by the agency was in compliance with the Department of Information Technology's replacement schedule and the recommendation appeared reasonable to Fiscal staff.

Ms. Coffman commented that the Governor recommended creating a new category to track all expenditures associated with hearing officers. This decision unit E250 was cost-neutral and created for accounting purposes only.

Ms. Coffman said recently the Department advised the Fiscal staff of two funding items that affected the Department's base budget. In 1998, DOP received a 17-year loan from the General Fund to pay for the human resource data warehouse computer program. On March 29, 2011, the Fiscal Division received a letter from DOP indicating it found an error in the General Fund repayment schedule. In FY 2001, the Department paid \$90,575 more on the loan than what was originally scheduled. To correct this error, the Department recommended reducing the amount it was scheduled to pay on the loan in FY 2012 from \$326,659 to \$236,084.

Ms. Coffman said the second funding item related to the privatization of the Division of State Library and Archives (NSLA) Imaging and Preservation Services [micrographics and imaging program] as recommended in The Executive Budget. The Department budgeted \$53,687 in each year of the 2011-2013 biennium for micrographic expenditures. During the Joint Subcommittee hearings and discussion with Fiscal staff, the Department of Administration (DOA) indicated it developed a plan to retain the micrographics and imaging program in its current form. The plan used state employees to provide services but increased charges to customer agencies to maintain the program's solvency. The DOA advised the Department of Personnel (DOP) that its micrographic expenditures will need to be increased in each year under the new plan because NSLA did not charge DOP enough to cover its operating expenditures. Preliminary estimates from NSLA indicated these expenditures could cost as much as \$100,000 more in each year of the biennium.

Ms. Coffman said the Fiscal staff was informed that the terminal costs of approximately \$200,000 could be decreased because some employees in the positions slated for layoffs had found jobs. The additional cost of micrographic services could be nearly offset with the savings from DOP's General Fund

payback, and only a small effect on DOP's reserve in FY 2012 would result. The increase in micrographic costs in FY 2013 could have a greater effect on DOP's reserve. Fiscal staff requested authority to make technical adjustments to align expenditure authority for these funding issues once the estimates of the alternative proposal for micrographic services was finalized and the Subcommittee had taken closing action on NSLA's budget.

In response to a question from Chair Conklin, Ms. Coffman replied the alternative proposal for micrographics would be cost-neutral.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATIONS AND AUTHORIZE THE FISCAL STAFF TO
MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and
Senator Rhoads were not present for the vote.)

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DEPARTMENT OF BUSINESS & INDUSTRY
B&I-CONSUMER AFFAIRS (101-3811)
BUDGET PAGE B&I-22

Teri Sulli, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the Consumer Affairs Division (CAD) had one major closing item that was the permanent elimination of CAD and the elimination of the Ombudsman position in the Office of Ombudsman of Consumer Affairs for Minorities.

Ms. Sulli explained the Governor recommended the elimination of CAD, and the permanent transfer of the powers and duties of CAD and the Commissioner of Consumer Affairs to the Office of the Attorney General. During the March 8, 2011, Joint Subcommittee budget hearing the Subcommittee expressed concerns regarding the elimination of CAD. The agency indicated that the Department of Business and Industry public information officer (PIO) and the executive assistant to the Director assumed many of CAD's duties that did not transfer to other agencies, including the duties of the Ombudsman position for the Office of Ombudsman of Consumer Affairs for Minorities.

Chair Conklin said CAD was created over a decade ago because there was a significant need to protect consumers. During the 75th Session (2009), it was difficult to eliminate CAD because the need did not go away even though the funding disappeared. The matter before the Subcommittee was the codification of the actions of the 75th Session (2009) to eliminate CAD on a temporary basis. The question was whether the Subcommittee wanted to make that decision permanent.

Senator Denis said he believed the right thing to do was to eliminate CAD and suggest the Governor develop a better plan to redesign CAD. Some segments of the population did not receive the needed consumer protection services. Some of the tasks of CAD were assigned to other agencies, and some tasks were performed well, while other tasks were not performed well.

ASSEMBLYMAN GRADY MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION TO ELIMINATE THE CONSUMER AFFAIRS
DIVISION.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and
Senators Kieckhefer and Rhoads were not present for the vote.)

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Ms. Sulli explained that during the Joint Subcommittee budget hearings on March 8, 2011, and April 1, 2011, the Subcommittee expressed concern regarding the elimination of the Ombudsman and the ability of the agency to meet the needs of minority consumers without the Ombudsman. The agency indicated that the public information officer (PIO) and executive assistant to the Director could meet the needs of the minority consumers and had been doing so since the Ombudsman position for the Office of Ombudsman of Consumer Affairs for Minorities became vacant in October 2010. The Department of Administration testified that a plan to retain the Ombudsman position was under consideration. Discussions to restore the Ombudsman position were ongoing, but no additional information regarding the restoration of the position had been provided. The Director of the Department of Business and Industry testified that the Nevada Commission on Minority Affairs was not recommended for elimination. Fiscal staff provided the following options for consideration:

1. Approve the Governor's recommendation to eliminate the Ombudsman in the Office of Ombudsman of Consumer Affairs for Minorities.
2. Restore the Ombudsman position that would require additional General Funds of \$96,036 in fiscal year (FY) 2012 and \$96,280 in FY 2013. Additionally, should the Subcommittee recommend eliminating the Consumer Affairs Division but restoring the Ombudsman, a decision regarding whether the position was retained in this budget account or another Department of Business and Industry account must be made.

Ms. Sulli said Senate Bill 473 referred to the Senate Committee on Finance on March 28, 2011, effectuated the Governor's proposal to eliminate the Ombudsman position in the Office of Ombudsman of Consumer Affairs for Minorities. Fiscal staff requested authority to adjust this account as necessary based on the final action of the Legislature regarding Senate Bill 473.

Senator Denis said he and the Governor agreed there was a need for this position and were working to restore the position. He recommended the position be placed in the Director's account.

Chair Conklin explained several options to the Subcommittee. The Subcommittee could approve the Governor's recommendation. The Subcommittee could make a motion to restore the Ombudsman position. The Subcommittee could make a motion to allow Fiscal staff the authority to adjust this account based on the outcome of Senate Bill 473. He suggested the third option was a reasonable action and would allow Senator Denis to work with the Office of the Governor on a solution.

In response to a question from Assemblyman Kirner, Chair Conklin said the Subcommittee would probably need to address the Ombudsman position again if Senate Bill 473 was not approved.

Senator Denis said the Ombudsman position was currently authorized in statute. This budget would eliminate that position. The Legislature would have to reinstate and fund that position.

Assemblyman Kirner said he understood Senator Denis was working with the Governor's Office and progress was being made, thus the Governor's recommendation may change.

Senator Denis confirmed the Ombudsman position would receive funding through the budget process.

Senator Kieckhefer suggested if the Governor's recommendation was to retain the position, then Senate Bill 473 should be withdrawn. Making a motion based on a bill that was likely to be withdrawn was not the best idea.

Chair Conklin replied that S.B. 473 would be amended. The bill would address the cost allocation and would be the vehicle to retain the Ombudsman position but transfer it out of the Consumer Affairs Division. Chair Conklin suggested Senator Denis use the gender-neutral term "ombudsperson" when he revised Senate Bill 473.

SENATOR DENIS MOVED TO AUTHORIZE FISCAL STAFF TO
ADJUST BUDGET ACCOUNT 101-3811 BASED ON THE
OUTCOME OF SENATE BILL 473.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and
Senator Rhoads were not present for the vote.)

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Ms. Sulli explained the 75th Session (2009) authorized the Department to retain two administrative assistant positions to assist in the closure of CAD and to field phone calls from consumers. On February 3, 2010, the Interim Finance Committee approved the elimination of those two positions. Decision unit Maintenance (M) 160 recommended the continuation of the elimination of the two administrative assistant positions over the 2011-2013 biennium. Ms. Sulli stated this recommendation appeared reasonable. She asked for authority to allow Fiscal staff to make adjustments regarding revisions to the various statewide assessments and allocations, Department cost allocations, Department of Information Technology rates, and recommendations by the Governor regarding salaries and benefits.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION WITH TECHNICAL ADJUSTMENTS TO BE
MADE BY THE FISCAL STAFF AS NEEDED.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and
Senator Rhoads were not present for the vote.)

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DEPARTMENT OF BUSINESS & INDUSTRY
B&I-CONSUMER AFFAIRS RECOVERY FUND (101-3807)
BUDGET PAGE B&I-26

Teri Sulli, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the Consumer Affairs Recovery Fund was created to pay claims made by eligible consumers who suffered financial damages as a result of fraudulent activity by sellers of travel, tour brokers, or tour operators. There was no special action required for this budget account because it was closed pursuant to the passage of Assembly Bill No. 561 of the 75th Session (2009).

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and
Senator Rhoads were not present for the vote.)

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DEPARTMENT OF BUSINESS & INDUSTRY
B&I-NEVADA ATTORNEY FOR INJURED WORKERS (101-1013)
BUDGET PAGE B&I-49

Teri Sulli, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the Nevada Attorney for Injured Workers budget contained one major closing item. The Governor recommended an increase in the transfer from the Workers' Compensation and Safety Fund (WCSF) of \$90,939 in fiscal year (FY) 2012 and \$114,619 in FY 2013 for one new unclassified deputy attorney position and associated operating costs. The agency indicated the deputy attorney would provide legal representation for court-appointed clients in the Las Vegas office, which would reduce the caseloads for existing attorneys.

Ms. Sulli said the Subcommittee directed the agency to explore the reallocation of the workload between the attorneys in the Las Vegas and Carson City offices. In response, the agency indicated reallocation would not be beneficial for the staff or the cases. The Office of the Nevada Attorney for

Injured Workers indicated the Carson City attorneys carried an average caseload of 60 cases that allowed more time to explore settlements and avoid hearings. By reducing the average caseload of 90 cases in Las Vegas, the agency hoped to have more time to explore settlements and avoid hearings.

Ms. Sulli said the Fiscal staff did not believe the agency had provided sufficient justification to support the recommendation for the new deputy attorney position for the Las Vegas office. The decision for the Subcommittee was whether to approve the addition of one new deputy attorney position.

Senator Denis recalled that part of the request from the agency involved installing a new videoconference system. He wondered whether the agency considered the combined benefits of the new position and the videoconference system. He asked whether the additional monthly cost for the digital subscriber line (DSL) was included in the agency's cost estimate.

Evan Beavers, Nevada Attorney for Injured Workers, testified the numbers he included in his budget were developed by the Department of Business and Industry staff, and he believed the costs included the monthly DSL costs.

Senator Denis wondered whether having the videoconference system would facilitate having a Carson City attorney handle more cases and thus decrease the workload of the Las Vegas attorneys.

Mr. Beavers replied that the benefit of the videoconference system was it would provide Carson City lawyers the opportunity to meet with their clients and witnesses without having to travel to Las Vegas. Ultimately the lawyers would have to travel to Las Vegas for the hearings.

In response to a question from Senator Denis, Mr. Beavers said that without the new attorney position he anticipated caseloads would increase. The caseload numbers remained fairly steady throughout the recession. That was surprising to him until he realized that his office received a larger percentage of cases directed to the appeals office. The cases that previously used private counsel were now assigned to his office. The office caseload numbers started to decrease during the last few months, and he provided those numbers to Ms. Sulli. He anticipated the caseload numbers would increase when the economy improved.

Mr. Beavers said that even if the caseload did not increase, his argument was the lawyers in Las Vegas carried an average of 90 cases and that was too many

cases. The lawyers were capable of doing the work, but the caseload limited the quality of the service provided to their clients. The lawyers in Carson City carried an average caseload of about 60 cases, which allowed them more time to do discovery, examine their cases, and meet with their clients. He did not intend to denigrate the Las Vegas lawyers or imply they failed to provide good service, but everything was more compressed for the Las Vegas lawyers because they carried such large caseloads.

Mr. Beavers said one problem was he had some capable and experienced lawyers in Las Vegas but with that experience came age, and he would need to fill some of those positions. The lawyers who served as supervisors in Las Vegas carried such a large caseload that they had little time to mentor newer lawyers for the benefit of the clients and lawyers.

Assemblyman Kirner said he was unsure of the legitimacy of Mr. Beavers' argument. Many budgets that were closed referenced caseloads. He wondered whether Mr. Beavers would automatically hire an attorney as soon as the Legislature agreed to add the new position or whether the state had a process to delay the hiring until some kind of management decision was made.

Mr. Beavers said he had the authority to hire, and he would hire the position as soon as he could to reduce the caseload.

Senator Denis said he hated to see caseloads go up, but Mr. Beavers said the current caseloads were stable. There was nothing preventing the agency from coming to the Interim Finance Committee (IFC) when caseloads increased. There were many caseloads in different agencies that the Legislature would be unable to fund. Senator Denis said his recommendation would be to not approve the position knowing that the agency could come to IFC when caseloads increased. The new video system would help reduce travel and caseloads.

In response to a question from Senator Kieckhefer about the success rates and evaluation process, Mr. Beavers said every time a lawyer closed a case, the lawyer completed a closeout sheet, which contained a win or loss category. The win category was used when the client achieved the desired outcome. The office wins were slightly more than 50 percent.

In response to a question from Senator Kieckhefer about the difference between the win percentages of the Las Vegas office versus the Carson City office,

Mr. Beavers said there was a slightly better percentage in Carson City, but it was not a marked difference.

SENATOR DENIS MOVED TO NOT APPROVE THE ADDITION OF
THE DEPUTY ATTORNEY POSITION.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and
Senator Rhoads were not present for the vote.)

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Ms. Sulli explained there were seven other closing items in this budget account that all appeared reasonable to Fiscal staff. Elimination of one legal secretary, one part-time deputy attorney position, and the increase of one part-time deputy attorney to a full-time position were actions taken by the 26th Special Session (2010), and the Governor recommended continuing these actions, which resulted in a reduction in the transfer from the Workers' Compensation and Safety Fund (WCSF).

Ms. Sulli said decision unit Enhancement (E) 329 recommended an increase in the transfer from WCSF of \$4,120 in FY 2012 for a keyless entry system and pass-through window in the receptionist area for the Carson City office to create a safe and secure work environment.

Ms. Sulli explained decision unit E330 recommended \$6,820 in FY 2012 and ongoing operating costs of \$600 per year for the purchase of a real-time video and audio communication system. The cost of the system was more than offset by a reduction of \$10,136 over the 2011-2013 biennium to the in-state travel category.

Ms. Sulli said decision unit E710 recommended an increase in the transfer from the Workers' Compensation and Safety Fund (WCSF) of \$39,826 over the 2011-2013 biennium for replacement computer hardware and software in accordance with the Department of Information Technology's replacement schedule.

Ms. Sulli explained decision unit E712 recommended an increase in the transfer from WCSF of \$11,515 in FY 2012 for replacement of telephone handsets and headsets. The agency indicated that the original purchase of the telephone

handsets and headsets occurred in FY 2001 and the equipment needed updating.

Ms. Sulli said decision units Maintenance (M) 800 and E800 recommend an increase in the transfer from WCSF of \$65,417 in FY 2012 and \$82,387 in FY 2013 to support the Office of the Nevada Attorney for Injured Workers' (NAIW) share of the Department of Business and Industry (B&I) cost allocation and the NAIW's share of the Department of Administration cost allocation, as a result of the proposed centralization of fiscal and personnel functions.

Ms. Sulli said decision unit E976 recommended a reduction to the transfer from the Workers' Compensation and Safety Fund (WCSF) in the amount of \$33,487 in FY 2012 and \$45,642 in FY 2013 in conjunction with the transfer of one accounting assistant position to the B&I Administration account as part of the centralization plan.

Ms. Sulli said Fiscal staff requested authority to adjust this budget based on final decisions at the closing of the B&I Administration account and recommended the remainder of the account be closed as recommended by the Governor.

SENATOR DENIS MOVED TO CLOSE THE REMAINDER OF BUDGET ACCOUNT 101-1013 AS RECOMMENDED BY THE GOVERNOR AND GRANT AUTHORITY TO FISCAL STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and Senator Rhoads were not present for the vote.)

DEPARTMENT OF BUSINESS & INDUSTRY
B&I-FINANCIAL INSTITUTIONS (101-3835)
BUDGET PAGE B&I-216

Teri Sulli, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated budget account (BA) 3835 contained one major closing item involving the centralization of fiscal and licensing functions. Decision unit Enhancement (E) 978 recommended the transfer of a management analyst

position and associated operating costs from the Division of Financial Institutions (FID) to the Administration account (BA 4681) as part of the Department of Business and Industry's (B&I) proposal to centralize fiscal functions.

Ms. Sulli said the next component was the centralized licensing unit, and decision unit E995 recommended transfer of five administrative assistant positions and associated operating costs from FID to the B&I Administration account (BA 4681) as part of the proposal to centralize the licensing functions.

Ms. Sulli said the agency indicated the recommendation to transfer the licensing staff was in conjunction with the Governor's recommendation to centralize fiscal functions within the B&I Administration account. The agency suggested that if the B&I centralization plan was approved, the positions that currently supervised the licensing staff within FID and Division of Mortgage Lending (MLD) would be transferred to the B&I Administration account, leaving no supervision of the licensing staff in FID and MLD. The agency also noted that conversations were not held with industry representatives regarding the transfer of the licensing staff. The agency proposed that the current licensing functions remain unchanged, and the licensing staff would not perform other B&I agency tasks or nonlicensing functions, thus the industries should have no concerns.

Ms. Sulli said during the April 1, 2011, Joint Subcommittee work session the reorganization of B&I was discussed, including the centralization of fiscal and licensing functions. The centralization and reorganization of B&I would be decided by the Subcommittee when the B&I Administration budget account was closed. She requested authority for the Fiscal staff to make technical adjustments and eliminate decision units, if necessary, in conjunction with the Subcommittee's closing action regarding the centralization of fiscal and licensing functions.

Ms. Sulli explained there were two other closing items within this budget account. Decision unit E710 recommended a decrease of \$49,795 to reserves over the 2011-2013 biennium for replacement of 8 computers, 21 laptops, and software in accordance with the Department of Information Technology's replacement schedule. Staff requested authority to make a technical adjustment to reduce funding by \$476 in fiscal year (FY) 2013.

Ms. Sulli said decision units Maintenance (M) 800 and E800 recommended funding of \$69,414 in FY 2012 and \$87,438 in FY 2013 to support FID's share of the cost allocation of B&I and the Department of Administration as a result of

the proposed centralization of fiscal functions in B&I and proposed centralization of personnel services in the Department of Administration's new Division of Human Resource Management.

Ms. Sulli said Fiscal staff requested authority to adjust this account based on final decisions at the closing of the B&I Administration account and recommended the remainder of the account be closed as recommended by the Governor.

Assemblyman Grady asked whether the fiscal items would be reviewed during the closing of the B&I Administration account and thus should not be included in any motion made by the Subcommittee. He believed the B&I Director wanted to consider adding two positions that were not included in the consolidation of fiscal functions. Assemblyman Grady wanted to make sure the Subcommittee did not approve the fiscal items without receiving the Director's input to include those two positions.

Ms. Sulli replied Assemblyman Grady was correct, and she requested authority in this budget account to make technical adjustments based on the outcome of the B&I Administration account hearing. The Subcommittee would not approve any adjustments at this time but would authorize Fiscal staff to make those adjustments if necessary.

ASSEMBLYMAN GRADY MOVED TO CLOSE BUDGET ACCOUNT
101-3835 AS RECOMMENDED BY THE GOVERNOR AND ALLOW
FISCAL STAFF AUTHORITY TO MAKE ANY NECESSARY
TECHNICAL ADJUSTMENTS.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and
Senator Rhoads were not present for the vote.)

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DEPARTMENT OF BUSINESS & INDUSTRY
B&I-FINANCIAL INSTITUTIONS INVESTIGATIONS (101-3805)
BUDGET PAGE B&I-224

Teri Sulli, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated budget account (BA) 3805 was not previously reviewed by the

Subcommittee. There were no major closing items in this account. The agency indicated that because of the financial and economic crisis, current licensees were closing, selling, or merging with other licensees, and the number of projected new licensees was anticipated to decrease, which resulted in decreased revenue for fiscal year (FY) 2012 and FY 2013. Fiscal staff recommended this account be closed as recommended by the Governor and asked for authority to make technical adjustments to statewide assessments and allocations as needed.

SENATOR DENIS MOVED TO CLOSE BUDGET ACCOUNT 101-3805 AS RECOMMENDED BY THE GOVERNOR AND AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and Senator Rhoads were not present for the vote.)

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DEPARTMENT OF BUSINESS & INDUSTRY
B&I-FINANCIAL INSTITUTIONS AUDIT (101-3882)
BUDGET PAGE B&I-226

Teri Sulli, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated budget account (BA) 3882 was not previously reviewed by the Subcommittee. The Fiscal staff developed closing recommendations for BA 3882 and there were no major closing items in this account.

Ms. Sulli said decision unit Enhancement (E) 710 recommended a decrease of \$1,900 to reserves over the 2011-2013 biennium for replacement computer hardware and software in accordance with the Department of Information Technology's replacement schedule.

Ms. Sulli said decision units Maintenance (M) 800 and E800 recommended reserve funding of \$2,044 in fiscal year (FY) 2012 and \$2,575 in FY 2013 to support the Financial Institutions Audit program's share of the cost allocation for the Department of Business and Industry (B&I) and the Department of Administration.

Ms. Sulli said Fiscal staff requested authority to make adjustments or revisions to the various statewide assessments and allocations, Department cost allocations, Department of Information Technology rates, and the recommendations by the Governor regarding salaries and benefits.

ASSEMBLYMAN KIRNER MOVED TO CLOSE BUDGET ACCOUNT 101-3882 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and Senator Rhoads were not present for the vote.)

DEPARTMENT OF BUSINESS & INDUSTRY
B&I-MORTGAGE LENDING (101-3910)
BUDGET PAGE B&I-231

Teri Sulli, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated budget account (BA) 3910 contained one major closing item involving the centralized fiscal and licensing functions. The agency recommended the transfer of one administrative services officer and one accounting assistant from the Division of Mortgage Lending (MLD) to the Department of Business and Industry (B&I) Administration budget account 4681 as part of the proposal to centralize fiscal functions.

Ms. Sulli said the proposal to centralize the licensing unit included a recommendation to transfer six positions, including one administrative aid and five administrative assistants plus associated operating costs, from MLD to the B&I Administration account as part of the proposal to centralize the licensing functions.

Ms. Sulli said during the April 1, 2011, Subcommittee work session the reorganization of B&I and the centralization of fiscal and licensing functions was discussed. She requested authority for Fiscal staff to make technical adjustments and eliminate decision units if necessary in conjunction with the Subcommittee's closing action regarding the centralization of fiscal and licensing functions.

SENATOR DENIS MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION AND AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS IF NECESSARY.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and Senator Rhoads were not present for the vote.)

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Ms. Sulli explained there were seven other closing items that appeared reasonable to Fiscal staff. The first item was the continuation of the elimination of six financial/mortgage examiner positions and associated operating costs approved during the 26th Special Session (2010). The Governor recommended continuation of the elimination of the six positions.

Ms. Sulli said decision unit Enhancement (E) 325 recommended a one-time increase in fiscal year (FY) 2012 of mortgage broker license renewal fees of \$201,835 to the Reserve category. Decision unit E326 recommended an increase of \$6,000 over the 2011-2013 biennium to the Reserve category, and included a one-time additional collection of \$2,000 in FY 2012.

Ms. Sulli said decision unit E606 recommended the continued elimination of seven positions that were eliminated at the February 3, 2011, Interim Finance Committee meeting. The Governor recommended a continuation of that elimination.

Ms. Sulli said decision unit E620 contained an operating reduction recommendation to transfer one financial/mortgage examiner position from the King Street office to the Director's Office. Decision unit E710 funded the replacement of four laptop computers during the 2011-2013 biennium. Decision units Maintenance (M) 800 and E800 contained changes to B&I's cost allocations resulting from the proposed centralization.

Ms. Sulli said Fiscal staff requested authority to adjust this account based on final decisions at the closing of the B&I Administration account and recommended the remainder of the account be closed as recommended by the Governor.

ASSEMBLYMAN GRADY MOVED TO CLOSE THE REMAINDER OF BUDGET ACCOUNT 101-3910 AS RECOMMENDED BY THE GOVERNOR AND AUTHORIZE FISCAL STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and Senator Rhoads were not present for the vote.)

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DEPARTMENT OF ADMINISTRATION
ADMINISTRATION-PURCHASING (718-1358)
BUDGET PAGE ADMIN-56

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the one major closing item in budget account (BA) 1358 was the elimination of one purchasing technician position that had been vacant since August 2010. The Administrator testified the Division staff was well-trained and turnover was almost nonexistent with employee tenure averaging 15 years or more. The Governor recommended reclassification of two purchasing technicians from a grade 25 to a grade 27. The two positions would be expected to perform broader duties after the reclassification, which would compensate for the recommended position elimination.

Ms. Waller said the Purchasing Division scored well in a recent customer survey of the Department of Administration. Significant increases in customer service complaints or wait times had not occurred since the purchasing technician position became vacant in August. Based on the Division's testimony and additional information, the recommendation to eliminate the purchasing technician position appeared reasonable.

ASSEMBLYMAN OCEGUERA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and Senator Rhoads were not present for the vote.)

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Ms. Waller explained there were several other closing items related to this budget that appeared reasonable to Fiscal staff. The Executive Budget recommended the elimination of two vacant purchasing technician positions as part of the reductions approved during the 26th Special Session (2010). This recommendation appeared reasonable because these two positions had been vacant for a long time.

Ms. Waller explained The Executive Budget recommended reserve funding of \$5,482 in fiscal year (FY) 2012 and \$3,984 in FY 2013 for antivirus software and Department of Information Technology assessments for use of a virtual server and disk storage space. A new cost allocation was recommended based on the Governor's recommendation to centralize and streamline certain services, in particular the centralization of personnel services and the personal computer, local area network (PC/LAN) technician cost allocation. The Purchasing Division would receive a cost allocation assessment of \$10,558 in FY 2012 and \$13,627 in FY 2013.

Ms. Waller noted the Purchasing Division provided additional information requested by the Legislative Committee for the Fundamental Review of the Base Budgets of State Agencies. The Committee asked about the Division's next contingency audit, and the Division indicated it selected a telecommunications bill audit that would be conducted during the first part of the 2011-2013 biennium.

Ms. Waller commented that Senate Bill 82 would allow the Purchasing Division to publish advertisements not only in the newspaper but on the Division's website on the Internet.

Ms. Waller said Fiscal staff recommended this account be closed as recommended by the Governor. The Fiscal staff requested authority to make any necessary technical adjustments to employee salaries and fringe benefits based on decisions made by the 76th Session (2011), final cost allocations, and other assessments as necessary.

ASSEMBLYMAN OCEGUERA MOVED TO CLOSE THE REMAINDER
OF BUDGET ACCOUNT 718-1358 AS RECOMMENDED BY THE
GOVERNOR AND APPROVE AUTHORITY FOR THE FISCAL STAFF
TO MAKE ANY TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and Senator Rhoads were not present for the vote.)

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DEPARTMENT OF ADMINISTRATION
ADMINISTRATION-PURCHASING-COMMODITY FOOD PROGRAM (101-1362)
BUDGET PAGE ADMIN-62

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated budget account (BA) 1362 had not been reviewed by the Subcommittee. The Commodity Food Program administered the distribution of food received from the United States Department of Agriculture (USDA). This budget contained no General Fund appropriation and no major closing items. The Governor recommended federal funding of \$1,140 each year of the 2011-2013 biennium for a program specialist to attend the USDA annual conference. The USDA suggested that all states send a representative to the annual conference.

Ms. Waller explained The Executive Budget recommended reserve funding to replace two electric pallet jacks, three desktop computers, and one color monitor. These replacement items were in accordance with the Department of Information Technology's replacement schedule.

Ms. Waller explained the cost allocation related to the centralization of the personnel services and personal computer, local area network (PC/LAN) technician services. Fiscal staff recommended this budget be closed as recommended by the Governor and requested authority to make any necessary technical changes.

ASSEMBLYMAN KIRNER MOVED TO CLOSE BUDGET ACCOUNT
101-1362 AS RECOMMENDED BY THE GOVERNOR AND
AUTHORIZE FISCAL STAFF TO MAKE ANY TECHNICAL
ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and Senator Rhoads were not present for the vote.)

DEPARTMENT OF ADMINISTRATION
JUDICIAL COLLEGE & COLLEGE OF JUVENILE & FAMILY JUSTICE (101-1302)
BUDGET PAGE ADMIN-229

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated budget account (BA) 1302 received a small amount of state funding for assistance in providing judicial training and education. The Executive Budget recommended General Fund reductions of \$61,190 in each year of the 2011-2013 biennium. According to the National Judicial College (NJC) and the Louis W. McHardy National Council of Juvenile and Family Court Judges (NCJFCJ), state funding was used to obtain grants, support operations, and create new programs. Ms. Waller summarized the history of the state funding for the past six years. She noted that the state appropriation to NJC was suspended in fiscal year (FY) 2003 and reinstated in FY 2005. Representatives testified that NJC was nationally known, brought judges to Nevada for national conferences, attracted tourism revenues, and provided in-state training to local judges.

Ms. Waller provided three options for the Subcommittee's consideration.

1. Approve the Governor's recommendation of \$260,860 in General Fund each year of the 2011-2013 biennium.
2. Further reduce General Fund support to 50 percent of the Governor's recommended level or \$130,430 each fiscal year, resulting in General Fund savings of \$260,860 over the 2011-2013 biennium.
3. Suspend the General Fund appropriation to the National Judicial College and the National Council of Juvenile and Family Court Judges for the 2011-2013 biennium, which would result in General Fund savings totaling \$521,720 over the 2011-2013 biennium.

Senator Kieckhefer said the National Judicial College (NJC) was an asset for Nevada, and he was inclined to let NJC absorb the same 10 percent reduction mandated for all state agencies.

Senator Denis agreed the National Judicial College (NJC) provided a valuable service. He recalled during testimony that much of NJC's funding came from grants and private sources. He wondered whether NJC would lose other funding if any reduction to state funds affected its maintenance of effort.

Chair Conklin asked whether the money put into this program was match money, operational money, or unrestricted money.

Ms. Waller responded NJC indicated the funding was used to support the search and development of grants, donations, and federal funding. She did not believe funding was specifically tied to a match requirement.

Chair Conklin said the amount NJC raised had been stable and did not fluctuate based on the amount of money provided by the state.

Senator Denis said NJC performed well, but there were other things that the state did well, including libraries, but major reductions were proposed for those budgets.

SENATOR DENIS MOVED TO FURTHER REDUCE GENERAL FUND SUPPORT FOR BUDGET ACCOUNT 101-1302 TO 50 PERCENT OF THE GOVERNOR'S RECOMMENDED LEVEL OR \$130,430 EACH FISCAL YEAR, RESULTING IN GENERAL FUND SAVINGS OF \$260,860 OVER THE 2011-2013 BIENNIUM.

ASSEMBLYMAN AIZLEY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and Senator Rhoads were not present for the vote.)

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Ms. Waller stated the next item involved *Nevada Revised Statutes* (NRS) 1.470 that created the trust Fund for the National Judicial College (NJC) and NRS 1.480 that created the trust Fund for the National College of Juvenile and Family Law (NCJFL) as special revenue funds eligible for interest earnings. During the state's economic downturn in FY 2003, the trust funds were eliminated and NJC and NCJFL did not receive state support for the 2003-2005 biennium. Beginning with the 2005-2007 biennium, NJC and NCJFL were approved to be included in The Executive Budget with a combined annual General Fund appropriation of \$375,000. Ms. Waller suggested that because NJC and NCJFL trust Funds were eliminated and General Funds for NJC and NCJFL were included in The Executive Budget, the Subcommittee may wish to consider repealing the statutes that created these trust Funds.

Ms. Waller said the option for consideration of the Subcommittee was whether it wanted to recommend legislation be introduced to repeal NRS 1.470 and NRS 1.480 that created the trust Funds for the National Judicial College and the National College of Juvenile and Family Law.

SENATOR DENIS MOVED TO RECOMMEND LEGISLATION BE INTRODUCED TO REPEAL *NEVADA REVISED STATUTES* 1.470 AND *NEVADA REVISED STATUTES* 1.480 THAT CREATED THE TRUST FUNDS.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and Senator Rhoads were not present for the vote.)

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DEPARTMENT OF ADMINISTRATION
MERIT AWARD BOARD (101-1345)
BUDGET PAGE ADMIN-231

Julie Waller, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated budget account (BA) 1345 had not been previously reviewed by the Subcommittee, and Fiscal staff was responsible for developing closing recommendations for this account. There were no major closing items.

Ms. Waller explained the Merit Award Program was established to recognize state employees for ideas that improved the operation of state government or reduced state expenditures. Cash awards to employees were based on the savings to the state and could not exceed \$500 per employee. The Governor recommended a General Fund reduction of \$1,522 for fiscal year (FY) 2012 and \$1,521 for FY 2013, in accordance with the mandated 10 percent budget reduction. The actual expenditures for merit awards in FY 2010 were \$400.

Ms. Waller noted that Senate Bill 286 would authorize a merit award not to exceed 50 percent of the amount of the actual savings to the state employee or group of employees that made a suggestion that resulted in savings to the state. It was not clear from the language in the bill whether a state appropriation would be required. It appeared the award would be based on the actual savings that resulted from the employee's suggestion.

Ms. Waller presented three options for the Subcommittee's consideration.

1. Approve the Governor's budget as recommended.
2. Reduce the General Fund appropriation for the Merit Award Board to \$1,100 each fiscal year resulting in a General Fund savings of \$4,757 over the 2011-2013 biennium.
3. Eliminate the Merit Award Program, resulting in General Fund savings of \$6,957 over the 2011-2013 biennium. This option would require the repeal of Chapter 285 of the *Nevada Revised Statutes*.

Chair Conklin explained that Senator Rhoads and Assemblywoman Smith were working on Senate Bill 286 to revise the Merit Award Program. There was an opportunity to sweep some of the funds in this account. Senator Denis had been working on that matter as well.

Senator Denis said the Senate Legislative Operations and Elections Committee heard Senate Bill 286 the other day. He thought the Subcommittee would need to leave some money in the fund for at least the first year. Some awards were being planned and awarded from those funds. Under Senate Bill 286, it would take at least one year because savings would have to accumulate for at least one year to receive an award. The awards would be much higher than current awards.

Assemblyman Ocegüera said the Subcommittee could approve option 2 and discuss it with Senator Rhoads and Assemblywoman Smith to see whether they could incorporate changes into Senate Bill 286.

ASSEMBLYMAN OCEGUERA MOVED TO REDUCE THE GENERAL FUND APPROPRIATION FOR THE MERIT AWARD PROGRAM TO \$1,100 EACH FISCAL YEAR RESULTING IN A GENERAL FUND SAVINGS OF \$4,757 OVER THE 2011-2013 BIENNIUM.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Atkinson and Senator Rhoads were not present for the vote.)

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Assembly Committee on Ways and Means
Senate Committee on Finance
Joint Subcommittee on General Government
April 7, 2011
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Chair Conklin asked whether there were further questions regarding the budgets or any public comments, and there being none, and there being no further business before the Subcommittee, the hearing was adjourned.

RESPECTFULLY SUBMITTED:

Janice Wright
Committee Secretary

APPROVED BY:



Assemblyman Marcus Conklin, Chair

DATE: _____

Senator Mo Denis, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on General Government

Date: April 7, 2011

Time of Meeting: 8:02 a.m.

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