

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

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

The Committee on Ways and Means was called to order by Chairwoman Debbie Smith at 8:05 a.m. on Wednesday, April 13, 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/. 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

COMMITTEE MEMBERS EXCUSED:

Assemblyman John Ocegüera

STAFF MEMBERS PRESENT:

Rick Combs, Assembly Fiscal Analyst
Mike Chapman, Principal Deputy Fiscal Analyst
Heidi Sakelarios, Program Analyst
Jordan Butler, Committee Secretary
Cynthia Wyett, Committee Assistant

GAMING CONTROL BOARD
GAMING CONTROL BOARD (101-4061)
BUDGET PAGE GAMING CONTROL BOARD-1

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division,
Legislative Counsel Bureau, read from prepared testimony:

The first account for closing this morning is the Gaming Control Board account, budget account 4061. The Gaming Control Board budget account supports the activities of the Gaming Control Board and the Gaming Commission's operating expenses, which are not supported directly through the Gaming Commission's budget account. The Governor's recommended budget for the Gaming Control Board decreases the General Fund support in the account by approximately \$24.6 million in fiscal year (FY) 2011-12, and \$25 million in FY 2012-13. This is a decrease of approximately 21.8 percent in the first year of the biennium and 20.4 percent in the second year of the biennium compared to the budget for FY 2010-11. [Approximately] \$40.3 million of the General Fund reduction is the result of fees, which were established during the 26th Special Session (2010).

The first major closing issue for this budget account is fee increases that were recommended in response to a Letter of Intent issued following the 2009 Legislative Session. The Letter of Intent requested that the Board review the current fee structure and determine if it was possible and appropriate to raise fees within the Gaming Control Board accounts in order to cover the full costs of the Board's operations. The Board did respond to the Letter of Intent and proposed several fee alternatives that could be considered in the future. Staff noted that when they prepared their response to the Letter of Intent, the Board staff reviewed the regulatory fee structures used in other states and found that some of the fees charged in other states are actually significantly higher

than those charged in Nevada. There are other states' fees that are charged that we do not charge at all. The Board also noted that many of Nevada's licensees are currently paying these higher fees or other fees in other jurisdictions where they have gaming operations. Based on the Board's review of their current fee structure, they determined that it was possible to generate an additional \$28.7 million through fee revenue, which would fully support the Board and the Gaming Commission's budget accounts. The \$28.7 million was based on their anticipated General Funding for each year of the upcoming biennium.

The four proposals they [Gaming Control Board] developed included increasing the slot machine fees, modifying independent agent registration fees, imposing a processing fee on each gaming device that is shipped out-of-state, and applying quarterly and annual fees to table poker games. With respect to increasing slot machine fees, the Board developed four independent strategies, each of which could be utilized to generate up to \$28 million in each year of the biennium. Those four strategies included:

1. Increasing quarterly and annual fees imposed on each slot machine in all licensed locations. To generate the \$28 million necessary, the fee would be \$145 per machine.
2. Increasing the quarterly and annual fees imposed on slot machines only at nonrestricted locations by \$160 per machine.
3. Increasing the quarterly and annual fees imposed on each slot machine at all licensed locations by \$25 to \$225 per machine based on the number of slot machines at each location.
4. Imposing an additional slot machine flat fee based on the total number of slot machines at each license location with more than 100 machines. Those fees range from \$25,000 for licensees with 100 to 499 gaming devices and up to \$500,000 for licensees with more than 2,000 gaming devices.

The second overall fee increase that was put forth through the Letter of Intent was modifying the current independent agent registration fee, which the Board believes would generate up to

\$800,000 per year. The third overall recommendation was to impose a processing fee on each gaming device shipped out-of-state that is commensurate with the time Board staff spends inspecting and tracking those shipments. The Board indicated that this could generate up to \$2.8 million per year. The fourth potential fee that was identified was subjecting table poker games to the same quarterly and annual fees that apply to other table games. The Board estimated that could generate an additional \$860,000 per year.

The Gaming Control Board did indicate in their Letter of Intent response that they sought industry feedback; however, the feedback they received from the industry was limited. They actually received responses from eight entities. There is, in your handout, a summary of the responses that they received from the members of the industry. None of the fee alternatives that were identified in the Letter of Intent were included in The Executive Budget.

At this point we would ask if the Committee wishes to consider fee increases or new fees to offset the General Fund need within the Gaming Control Board account.

In response to Assemblyman Kirner, Ms. Sakelarios advised that the fees identified in the Gaming Control Board's Letter of Intent response were not included in The Executive Budget.

Assemblyman Kirner remarked that while the State Gaming Control Board only received eight industry responses regarding the fees, the eight industry responses could potentially represent 90 percent of the gaming industry. Additionally, regarding one response, which indicated that the out-of-state processing fee for gaming devices could create a competitive disadvantage for Nevada-based manufacturers, Assemblyman Kirner observed that there was only one Nevada-based manufacturer. The out-of-state processing fee would negatively affect that one Nevada-based manufacturer, Assemblyman Kirner advised, even more so because the manufacturer had eliminated more than 1,000 employee positions in the last several years.

Assemblywoman Mastroluca asked about the decision-making process to consider the fees included in the Board's Letter of Intent response.

Ms. Sakelarios replied that the Committee was considering whether to increase fees that currently existed or to establish new fees in an effort to offset State General Fund support for budget account 4061 as recommended by The Executive Budget.

In response to Assemblywoman Mastroluca, Ms. Sakelarios clarified that the fees included in the Board's Letter of Intent response were not included in The Executive Budget.

Vice Chair Conklin commented that while the Committee was not required to decide on the fees at this time, the Committee needed to give Fiscal staff direction on the Committee's intentions.

Assemblywoman Carlton voiced concern that Gaming Control Board fees to fully support the Gaming Control Board and the Gaming Commission invited possible conflicts that could tarnish the excellent reputation of Nevada's gaming industry.

Assemblyman Aizley noted that increasing quarterly and annual fees imposed on each slot machine in all licensed locations, along with imposing a processing fee on each gaming device shipped out-of-state, would have a minimal effect on the gaming industry.

Vice Chair Conklin called for a motion.

ASSEMBLYMAN KIRNER MOVED TO CLOSE THIS BUDGET ITEM BY NOT CONSIDERING FEE INCREASES OR NEW FEES TO OFFSET GENERAL FUND APPROPRIATIONS WITHIN BUDGET ACCOUNT 4061.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Oceguela and Smith were not present for the vote.)

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Ms. Sakelarios continued her testimony:

The second major closing item for your consideration today is the decision units in the Governor's recommended budget to eliminate 18 positions and to reduce the training budget for the Gaming Control Board by 25 percent. These reductions result in a

General Fund decrease totaling \$1.4 million in FY 2011-12 and \$1.45 million in FY 2012-13.

I would share with the members of the Committee that the Gaming Control Board has indicated that the reductions within each of their divisions will have an impact on their ability to continue to perform their services. For instance, in the Audit Division, the elimination of four unclassified positions may result in an increase in the audit cycle for the largest casinos, which may then delay the detection and collection of unpaid gaming taxes. I would note, however, that the performance indicators for the upcoming biennium project that the average length of the audit cycle for these licensees would increase from 2.27 years in FY 2009-10 to 2.42 years in FY 2011-12 and FY 2012-13.

Within the Enforcement Division, the Board indicates that the elimination of the four unclassified positions would eliminate the 24/7 enforcement coverage that is currently available statewide and may result in a delay in response times to consumer complaints and reduce overall safety for the agents.

Within the Investigations Division, the Board indicates that the elimination of one unclassified position may impact the Division's ability to conduct training and to conduct fiscal analysis and special projects assigned to that Division.

Within the Gaming Lab, the elimination of two unclassified technician positions may reduce the regulatory oversight at restricted licensee locations and inspections at nonrestricted locations. It may also generate a transfer of work from the staff in this unit to the audit staff within the Audit Division.

Within Administrative Services and the Training Division, the elimination of one unclassified training officer will decrease the agency's oversight for training that is conducted in-house, and the elimination of six classified positions will transfer responsibilities normally performed by program staff and support staff to professional staff. Staff would note that 7 of the 18 positions recommended for elimination are currently filled. The layoff costs for these positions total \$42,000 in FY 2011-12. Two of the positions recommended for elimination are currently filled with individuals who are eligible for credential pay. The Executive Budget does not eliminate this expenditure, so if

these positions are approved for elimination, there will be an additional savings of \$10,000 in each year of the biennium. Staff would also note that Fiscal staff has already reduced the credential pay by \$10,000 in each year of the biennium because there are positions recommended for elimination that are currently vacant that were included in the credential pay budget. That is noted as a technical adjustment in this document.

Does the Committee wish to approve the elimination of the 18 positions as recommended by the Governor with the elimination of the budgeted credential pay for the two eliminated positions as recommended by Fiscal staff if the two positions are indeed eliminated?

In response to Assemblyman Grady, Ms. Sakelarios confirmed that of the 18 positions recommended for elimination, 7 positions were currently filled.

Vice Chair Conklin asked for the cost of the seven positions currently filled.

Ms. Sakelarios answered that the elimination of the 18 positions and associated training expenditures would yield a savings of \$1.4 million in each fiscal year of the 2011-2013 biennium.

Vice Chair Conklin asked how much savings would be generated by eliminating the 11 vacant positions.

Ms. Sakelarios responded that she did not currently have that information but would request it from the Gaming Control Board.

Assemblywoman Carlton expressed concern over the recommendation to eliminate 18 positions. She said the positions had been held vacant to generate temporary savings. The elimination of the positions, coupled with shifting the Gaming Control Board to fully self-supported with fees, could create a situation ripe for mischief within the gaming industry, Nevada's biggest industry.

Assemblywoman Mastroluca echoed Assemblywoman Carlton's sentiments, saying that the elimination of Audit Division positions would inhibit the Division's ability to collect unpaid gaming taxes and bring more income to the state.

Vice Chair Conklin concurred with Assemblywoman Carlton and Assemblywoman Mastroluca but reminded the Committee that The Executive Budget recommended agency reductions because of reduced

revenue. Vice Chair Conklin added that the Committee had not yet heard concern that the elimination of the 18 positions would prevent the Board from adequately regulating the gaming industry.

Assemblyman Kirner suggested that the Committee approve the position eliminations but include them in a list of add-backs should the Committee decide to reassess the gaming industry fees discussed earlier. Assemblyman Kirner observed that the Gaming Control Board did not seem to recommend the position eliminations with difficulty. He added that in the Audit Division, for example, an audit cycle increase from an average of 2.27 to 2.42 years because of position eliminations was a minimal increase.

Assemblywoman Carlton said it was more difficult for agencies to eliminate positions and create them later than to keep the positions vacant. She emphasized that as with other agencies, it was likely that the Gaming Control Board was reducing its budget to sync with The Executive Budget, not because it was painless for the Board to do so. Assemblywoman Carlton expressed additional concern over the length of the Audit Division's audit cycle.

Assemblyman Grady agreed with previous testimony that the Gaming Control Board was one of the most important boards in the state.

Assemblyman Grady asked for more information regarding the 18 positions recommended for elimination.

Ms. Sakelarios reported that the following positions recommended for elimination were currently filled: a senior agent position within the Audit Division; two positions within the Enforcement Division; two positions within the Gaming Lab; and two support staff positions.

Vice Chair Conklin asked Mark Lipparelli, Chair, State Gaming Control Board, to comment on the 18 positions recommended for elimination.

Mr. Lipparelli remarked that the recommended position eliminations would prove challenging because the Board had experienced budget reductions for three consecutive legislative sessions. Mr. Lipparelli advised that he considered the positions within the Audit Division and the Enforcement Division to have the most priority among the 18 positions recommended for elimination.

In response to Vice Chair Conklin, Ms. Sakelarios repeated that of the recommended position eliminations, one position in the Audit Division and two positions in the Enforcement Division were currently filled.

Assemblyman Hambrick asked about the Committee's voting procedure for budget account (BA) 4061.

Vice Chair Conklin replied that the Committee would be voting on the budget account line item by line item.

Vice Chair Conklin observed that Mr. Lipparelli's testimony seemed to indicate that while Mr. Lipparelli did not want to eliminate any positions, if he had the ability to preserve some, the three positions within the Audit and Enforcement Divisions would be most helpful. Vice Chair Conklin noted that if the Committee approved the Governor's recommendation, it should add those three positions to an add-back list.

ASSEMBLYWOMAN MASTROLUCA MOVED TO ACCEPT THE 18 POSITION ELIMINATIONS AND NOTE THAT 3 POSITIONS WITHIN THE AUDIT AND ENFORCEMENT DIVISIONS SHOULD BE CONSIDERED FOR PRESERVATION IF POSSIBLE.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

Assemblywoman Carlton said she was uncomfortable supporting the position eliminations because the Board had already experienced position vacancies and eliminations in the last three legislative sessions.

Vice Chair Conklin concurred with Assemblywoman Carlton but reiterated that the state was suffering from reduced revenue levels.

THE MOTION CARRIED. (Assemblywoman Carlton voted no.)
(Assemblymen Ocegüera and Smith were not present for the vote.)

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Ms. Sakelarios continued her testimony:

A portion of the savings derived in decision unit Enhancement (E) 601 results from a General Fund offset. The General Fund savings is achieved through \$61,000 of new fees in each year of the biennium. The fee will be assessed to gaming employees when they file notices with the Gaming Control Board that their employee locations have changed. Currently, individuals pay \$75 to register or renew their registrations as gaming employees. When they add or change employee locations, they file paperwork; however, they

do not pay a fee. The Governor recommends a fee of \$5 to be charged to casino employees each time they transfer employment or add a new location. The agency indicates that they currently utilize three administrative assistants to oversee the processing of these forms. Based on the amount of time it takes these employees to process these forms and the number of forms that are submitted each month, the agency believes that the \$5 fee is appropriate and covers the cost of processing the forms. Staff would note a technical adjustment in the closing document to put the revenue generated through this new fee in a separate general ledger so that the revenue can be recorded and tracked separately from other fees collected by the Gaming Control Board.

Does the Committee wish to approve the Governor's recommendation to impose a new \$5 fee for processing gaming employee change forms?

Assemblywoman Mastroluca was surprised at the recommendation to assess a \$5 fee on gaming employees for a change in employment notice. She considered the \$5 fee a tax on gaming employees.

Assemblywoman Carlton concurred with Assemblywoman Mastroluca.

Assemblyman Kirner concurred with Assemblywoman Mastroluca and Assemblywoman Carlton.

Assemblyman Goicoechea observed that for each fiscal year of the 2011-2013 biennium, the fee would generate \$61,000, a paltry amount of funds.

Vice Chair Conklin remarked that the \$5 fee would offset \$122,000 of State General Funds for the 2011-2013 biennium. If the Committee did not approve the \$5 fee, the Gaming Control Board would have a \$122,000 shortfall in its budget that the Committee would have to replace with other revenue.

Assemblywoman Mastroluca suggested that the Committee return to the previous discussion on reassessing gaming industry fees if the Committee did not approve the \$5 fee.

Vice Chair Conklin responded that the Committee already closed the discussion on reassessing gaming industry fees. He added that the gaming industry fees, if approved, would total approximately \$58 million for the 2011-2013 biennium,

while the failure to pass a \$5 fee on gaming employee change forms would only create a \$122,000 shortfall.

Assemblyman Kirner observed that the Committee had already saved money in other budgets that could be used to make up a \$122,000 budget shortfall.

Assemblyman Hogan agreed that a \$5 fee on gaming employee change forms would be a heavy burden for those employees. He also agreed with Assemblywoman Mastroluca that the Committee should revisit the discussion on reassessing gaming industry fees because in a climate of budget reductions, especially those to health and human services, Assemblyman Hogan appreciated the Gaming Control Board's willingness to come forward with fee proposals.

Vice Chair Conklin asked Mr. Lipparelli to comment on the recommended \$5 fee on gaming employee change forms.

Mr. Lipparelli reported that the \$5 fee was authorized during the 75th Session (2009), so the \$5 fee was included in the Board's budget at the direction of the prior Legislature. The fee had not yet been assessed because of delays in a credit card processing function. Mr. Lipparelli added that the Board would not mind if the Committee retracted the fee.

In response to Vice Chair Conklin, Mr. Lipparelli said that Senate Bill No. 83 of the 75th Session (2009) authorized the \$5 fee on gaming employee change forms.

Vice Chair Conklin asked whether the Committee needed to approve the \$5 fee because it was already approved by the previous Legislature.

From Senate Bill No. 83 of the 75th Session (2009) Mr. Lipparelli read, "The fee charged by the Board to process a change of employment notice may cover only the actual investigative and administrative costs related to processing the change of employment notice." Mr. Lipparelli added that it seemed that the Board was already empowered to assess the \$5 fee.

In response to Assemblywoman Mastroluca, Mr. Lipparelli confirmed that the \$5 fee was not currently being assessed.

Assemblywoman Mastroluca noted that she would not support the \$5 fee because Nevada's economy had drastically changed from 2009 to 2011.

Assemblyman Hambrick said Senate Bill No. 83 of the 75th Session (2009) did not specify a dollar amount for the fee assessed to gaming employee change

forms. Assemblyman Hambrick asked whether investigative and administrative costs could exceed \$5 per gaming employee change form.

Mr. Lipparelli confirmed that any individual case could exceed \$5 in investigative and administrative costs, but \$5 was the cost that the Board determined after analyzing the change-form process.

In response to Assemblyman Kirner, Mr. Lipparelli confirmed that the fee for gaming employee change forms was already included in the *Nevada Revised Statutes*.

Vice Chair Conklin asked whether the Legislative Commission processed the Gaming Control Board's regulations.

Mr. Lipparelli responded in the negative, saying that the Gaming Commission processed the Gaming Control Board's regulations.

Vice Chair Conklin asked whether the \$5 fee on gaming employee change forms was included in the Board's regulations.

Mr. Lipparelli surmised that the fee was an administrative approval at the Board level.

In response to Vice Chair Conklin, Mr. Lipparelli reiterated that he did not believe that the Board needed the Committee's approval to assess the \$5 fee.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the Committee was considering whether to include the \$5 fee revenue in budget account 4061, not whether the Board had the authority to impose the fee. Mr. Combs added that if the Committee decided not to approve the \$5 fee revenue, the revenue would need to be replaced by State General Funds.

Vice Chair Conklin noted that the \$5 fee revenue could be collected regardless of whether the Committee approved to include the revenue in budget account 4061.

ASSEMBLYMAN HAMBRICK MOVED TO ACCEPT THE
GOVERNOR'S RECOMMENDATION.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

Assemblywoman Carlton reaffirmed her opposition to the \$5 fee on gaming employee change forms. She remarked that the fee was inequitable because it placed a burden on gaming employees but not the gaming industry.

THE MOTION CARRIED. (Assemblymen Aizley, Atkinson, Bobzien, and Carlton and voted no.) (Assemblymen Ocegura and Smith were not present for the vote.)

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Ms. Sakelarios continued her testimony:

The next closing item for your consideration today is a General Fund offset included in The Executive Budget. The Governor recommends a General Fund reduction totaling \$242,564 in each year of the biennium and a corresponding increase in the transfer of revenue that comes from the Gaming Control Board's Investigative Fund account. The Executive Budget indicates that this increase is the result of charging gaming applicants and licensees for the costs of administrative staff who participate in the review of documents and applications that historically have not billed for their time.

Does the Committee wish to approve the Governor's recommendation to replace General Funds totaling \$242,564 in each year of the biennium with the Gaming Investigative account revenue for costs associated with gaming application review activities performed by designated management positions?

ASSEMBLYMAN KIRNER MOVED TO ACCEPT THE GOVERNOR'S RECOMMENDATION.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Ocegura and Smith were not present for the vote.)

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Ms. Sakelarios continued her testimony:

The next item is a reduction to travel and training. The Governor recommends \$55,475 in each year of the biennium for travel and

training. This increase is offset by reductions in realignments made within other decision units in the budget. A table is included in your closing documents that summarizes the net adjustment so you can see how the decision units increase and decrease spending accordingly. This recommendation appears to be reasonable.

The next item is the recruitment costs. The Governor recommends General Funds totaling \$5,775 in each year of the biennium for recruitment and advertising costs for professional staff positions which may become vacant during the biennium. The agency indicates that because of the unique qualities necessary for these positions, it is necessary to advertise vacancies in locations other than the State Personnel or the agency's website. This recommendation also appears to be reasonable.

The next item is decision unit [Enhancement] E252 in which the Governor recommends General Funds totaling \$3,000 in each year of the biennium for imaging services. The Executive Budget indicates that existing staff are unable to perform this function due to staff reductions within the agency. Additionally, the agency indicates that it eliminated the performance of microfilming services in-house at the end of FY 2009-10 and has been outsourcing work to the Micrographics and Imaging Program and will continue to do that, and if that is not available, they will utilize private vendors. This recommendation also appears to be reasonable.

Item 4 is the replacement equipment in the E710 decision unit. The budget recommends a transfer from the Gaming Control Board Investigative account totaling \$24,324 in FY 2011-12 and \$10,038 in FY 2012-13 for replacement furniture, equipment, and computer software for the gaming labs. This recommendation appears reasonable.

Item 5 is new equipment in decision unit E720, which recommends Gaming Control Board Investigative account revenues be transferred, totaling \$50,616 in FY 2011-12 and \$53,900 in FY 2012-13 to fund software and new equipment items for the gaming lab, which would allow lab staff to perform systems inspections without interfering with the day-to-day operations of the casinos. This recommendation also appears to be reasonable.

Does the Committee wish to approve the other items recommended by the Governor?

ASSEMBLYWOMAN MASTROLUCA MOVED TO ACCEPT THE GOVERNOR'S RECOMMENDATION FOR THE REMAINING ITEMS NOTED BY LEGISLATIVE COUNSEL BUREAU STAFF WITH THE AUTHORITY FOR STAFF TO MAKE TECHNICAL ADJUSTMENTS TO BUDGET ACCOUNT 4061 AS NECESSARY.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Ocegüera and Smith were not present for the vote.)

BUDGET CLOSED.

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Ms. Sakelarios continued her testimony:

I also wanted to bring to your attention that there is a one-shot appropriation included in the Governor's recommended budget. The Governor recommends a General Fund appropriation of \$1.3 million in FY 2011-12 to replace computer equipment within the agency in order to ensure continuity of operations and data security. The replacement of this equipment is also compliant with the existing equipment replacement schedules. A list identifying exactly the number of computers, printers, projectors, and video conferencing equipment that would be replaced through this one-shot appropriation if it is approved is attached. Staff would note that according to the agency, the equipment that they are seeking to replace is at least two years beyond the normal replacement schedule. Senate Bill 428 was referred to the Senate Committee on Finance in March and includes this funding request.

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Vice Chair Conklin closed the discussion on budget account 4061 and opened the discussion on budget account 4067, Nevada Gaming Commission.

GAMING CONTROL BOARD
GAMING COMMISSION (101-4067)
BUDGET PAGE GAMING CONTROL BOARD-11

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division,
Legislative Counsel Bureau, read from prepared testimony:

The next budget account is for the Gaming Commission, budget account 4067. This is a 100 percent General Fund budget account. The major closing issue in this account is the Governor's recommendation to reduce General Funds by approximately \$50,000 in fiscal year (FY) 2011-12 and \$51,000 in FY 2012-13 by reducing a senior research specialist position from full-time to part-time. The agency indicates that this position is being reduced in order to meet the 10 percent General Fund reduction target for the biennium. During the Assembly Ways and Means budget hearing, the agency did testify that this position is currently filled on a part-time basis. The agency also indicated that should there be additional staffing needs within the Commission resulting from this position reduction, Board staff would be available to assist. Staff would note that the agency indicates that the incumbent in this position is not eligible for credential pay; therefore, Fiscal staff has eliminated this expenditure for each year of the biennium, resulting in an additional savings of \$5,000 in each year. This adjustment is reflected in the closing report.

Does the Committee wish to approve the Governor's recommendation to reduce the senior research specialist position from full-time to part-time?

ASSEMBLYMAN HARDY MOVED TO SUPPORT THE GOVERNOR'S RECOMMENDATION AND THE STAFF-RECOMMENDED TECHNICAL ADJUSTMENT.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Oceguela and Smith were not present for the vote.)

BUDGET CLOSED.

Vice Chair Conklin closed the discussion on budget account 4067 and opened the discussion on budget account 4063, Gaming Control Board Investigation Fund.

GAMING CONTROL BOARD
GAMING CONTROL BOARD INVESTIGATION FUND (244-4063)
BUDGET PAGE GAMING CONTROL BOARD-15

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read from prepared testimony:

The final account to be closed this morning is the Gaming Control Board Investigation Fund, budget account 4063. This fund is utilized to collect fees from gaming license applicants to cover the costs associated with conducting investigations, findings of suitability, and approvals. There are no major closing issues within this budget account. Each of the enhancement modules contained in The Executive Budget for this account reflect the transfers that are needed to support corresponding decision units in the other two budget accounts. Staff recommends that this budget be approved as recommended by the Governor with the authority to make any adjustments that may be necessary as a result of the Committee's closing actions in the Gaming Control Board account.

ASSEMBLYWOMAN MASTROLUCA MOVED TO ACCEPT THE GOVERNOR'S RECOMMENDATION AND TO AUTHORIZE ANY NECESSARY ADJUSTMENTS FOR FINAL DEPARTMENTAL AND STATEWIDE ALLOCATIONS AND ASSESSMENTS RELATIVE TO BUDGET ACCOUNT 4063.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Oceguela and Smith were not present for the vote.)

BUDGET CLOSED.

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Vice Chair Conklin closed the discussion on budget account 4063 and opened the hearing on Assembly Bill 475.

Assembly Bill 475: Makes a supplemental appropriation to the Nevada Supreme Court for an unanticipated shortfall in Fiscal Year 2010-2011 relating to a third judicial selection process. (BDR S-1094)

Deanna Bjork, Manager of Budgets, Supreme Court and Administrative Office of the Courts, reported that A.B. 475 requested a supplemental appropriation of \$3,000 for a third judicial selection process for fiscal year (FY) 2010-11. The judicial selection process was governed by the *Nevada Constitution*, Article 6, Section 20, and by *Nevada Revised Statutes* 1.380. Ms. Bjork noted that the Supreme Court of Nevada received approximately \$18,000 for FY 2010-11 for two selection processes, but funding for a third selection process was necessary following the death of District Judge John P. Davis. Ms. Bjork added that because the Supreme Court of Nevada now knew the number of applicants for the vacant seat, it wished to reduce its supplemental funding request by \$1,500.

Vice Chair Conklin asked whether Ms. Bjork was suggesting that the Committee amend A.B. 475 to reduce the supplemental funding request from \$3,000 to \$1,500.

Ms. Bjork responded in the affirmative.

Assemblyman Hambrick asked why the Committee was considering A.B. 475 when the Legislative Counsel Bureau had informed him that the Committee would not be considering bills with a fiscal impact of less than \$2,000.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, replied that the \$2,000 fiscal impact ceiling was associated with the fiscal note process, not appropriations.

Having no further testimony to come before the Committee, Vice Chair Conklin closed the hearing on A.B. 475 and opened the hearing on Assembly Bill 482.

Assembly Bill 482: Makes a supplemental appropriation to the Division of State Lands of the State Department of Conservation and Natural Resources for a required payment of compensatory time. (BDR S-1234)

Kay Scherer, Deputy Director, State Department of Conservation and Natural Resources, advised that A.B. 482 requested a supplemental appropriation totaling \$10,933 to the Division of State Lands for the payment of compensatory time. Ms. Scherer explained that in a Department self-audit, it was discovered that when a classified deputy administrator of the Division

became an unclassified administrator of the Department, the employee's compensatory time was not addressed.

The *Nevada Administrative Code* Chapter 284.254 mandated that state employees be paid for all compensatory time when transferring from classified service to unclassified service. Ms. Scherer assured the Committee that such an oversight would not be repeated.

Vice Chair Conklin asked whether the Division had funding elsewhere in its budget to cover the requested \$10,933 for compensatory time.

Ms. Scherer responded in the negative, saying the Division was a small agency that had recently experienced drastic budget reductions. Ms. Scherer said should the Division identify State General Funds to cover the expenditure, the Division would revert any remaining funds. The Division was requesting the supplemental appropriation from the Committee at the advice of the Budget Division. Ms. Scherer added that the Department potentially had funds that could offset the expenditure, but the Director of the Department did not have the authority to distribute the funds to the Division.

Assemblyman Aizley asked whether the requested supplemental appropriation included unpaid sick leave.

Ms. Scherer said the request only included compensatory time.

Assemblyman Kirner asked whether there was a possibility that the Department could offset the request.

Ms. Scherer remarked that while the Department could redistribute funds among its agencies at the end of fiscal year 2010-11, funds to offset the request had not been identified or were not currently available. Ms. Scherer reiterated that because the Division was a small agency, \$10,933 was a significant amount of money.

Vice Chair Conklin noted that it would be helpful for the Budget Division to indicate how it intended to fund the request.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, clarified that the requested supplemental appropriation was included as a line item in The Executive Budget. Mr. Combs said the Fiscal Analysis Division would evaluate the budgets of the Department and the Division of State Lands to determine whether there would be savings

that could offset the request. The Fiscal Analysis Division would provide those projections to the Committee at a future meeting.

Having no further testimony to come before the Committee, Vice Chair Conklin closed the hearing on A.B. 482 and opened the hearing on Assembly Bill 497.

Assembly Bill 497: Makes a supplemental appropriation to the Real Estate Division of the Department of Business and Industry for an unanticipated shortfall in Fiscal Year 2010-2011. (BDR S-1226)

Gail Anderson, Administrator, Real Estate Division, stated that A.B. 497 was a supplemental appropriation request in the amount of \$317,092 for budget account (BA) 3823, Real Estate Administration, to cover an unanticipated shortfall. Ms. Anderson told the Committee that the account was the only one of the Division's four accounts funded by the State General Fund, and it supported the licensing sections, the projects and subdivision registration sections, the appraisal program, administration, legal administration, the compliance investigative section, the Commission of Appraisers of Real Estate, and the Real Estate Commission.

Ms. Anderson advised that the Division submitted an amendment to A.B. 497 to reduce the supplemental appropriation request to \$203,578. The request was to cover a shortfall in the Division's time-share licensing revenues and time-share project registration to sell revenues. Ms. Anderson said the Division had worked aggressively during the 2009-2011 biennium to cover as much of the shortfall as possible through savings, position vacancy savings, and operating expense reductions.

Assemblyman Kirner asked whether the supplemental appropriation request was included in The Executive Budget.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, confirmed that the request was included in The Executive Budget at its original amount of \$317,092. The amended request of \$203,578 would result in General Fund savings for fiscal year 2010-11.

Ms. Anderson noted that a second amendment to the bill would be presented by Bill Maier, Administrative Services Officer, Director's Office, Department of Business and Industry.

Vice Chair Conklin asked whether the second amendment was provided to the Committee prior to the meeting.

Mr. Maier replied that the amendment was initially submitted to the Interim Finance Committee as a part of the Department of Business and Industry's work program budget.

Vice Chair Conklin asked about the second amendment.

Mr. Maier answered that the second amendment was a \$16,178 request for the State General Funds and for the Real Estate Administration account's share of the cost-allocated amount for the Director's Office to move as a part of a plan to centralize accounts within the Department of Business and Industry.

Vice Chair Conklin advised that Mr. Maier submit the second amendment to the Committee in writing.

Mr. Maier agreed.

Having no further testimony to come before the Committee, Vice Chair Conklin closed the hearing on A.B. 497 and opened the hearing on Assembly Bill 375.

Assembly Bill 375: Requires that any additional revenue projected by the Economic Forum in its May report be appropriated for the support of public education (BDR S-969)

Assemblyman Pat Hickey, Washoe County Assembly District No. 25, introduced A.B. 375, which proposed that any additional revenue projected by the Economic Forum at its May 2, 2011, meeting would be appropriated to the Department of Education's Distributive School Account, budget account 2610, and the Nevada System of Higher Education's (NSHE) budget for the 2011-2013 biennium in the respective amounts of 60 percent and 40 percent. Assemblyman Hickey remarked that he, along with many other Committee members, had campaigned on the notion of priority-based budgeting, and because there was consensus in the State of Nevada that education was the top priority, A.B. 375 would satisfy that notion.

Assemblyman Hickey explained that the Fiscal Analysis Division would determine the net changes between the Economic Forum's December revenue projections and May 2, 2011, projections and report the net changes to the Assembly Committee on Ways and Means and the Senate Committee on Finance. Assemblyman Hickey said there were hopeful signs in recent sales tax revenues that the Economic Forum's May 2, 2011, revenue projections for the 2011-2013 biennium would be favorable.

Assemblyman Hickey emphasized that the allocations to K-12 and NSHE would only be required for the 2011-2013 biennium. He added that A.B. 375, if passed, would not revise any portion of the *Nevada Revised Statutes*.

Having finished his introduction, Assemblyman Hickey invited questions from Committee members.

Vice Chair Conklin asked for Assemblyman Hickey's perspective on how much funding should be allocated to K-12 education and NSHE. Additionally, Vice Chair Conklin asked that in the unlikely scenario that the Economic Forum projected revenue of an additional \$1 billion, for instance, whether it would be appropriate to allocate the entire \$1 billion to K-12 education and NSHE.

Assemblyman Hickey acknowledged that the passage of A.B. 375 would be mostly a symbolic gesture of the Legislature's commitment to education. Assemblyman Hickey added that while it was likely that the Economic Forum would not project a great amount of additional revenue at its May 2, 2011, meeting, Assemblyman Hickey believed the passage of A.B. 375 was "a step worth taking at this time."

Assemblyman Hogan said that Assemblyman Hickey had taken a bold step in creating the first major priority for potential additional revenues. Assemblyman Hogan remarked, however, that while he considered education a high priority, he was also concerned about the Governor's recommendations in health services, especially those that treated senior citizens and autism. Assemblyman Hogan asked how the passage of A.B. 375 would prevent or limit legislators' efforts to appropriate additional revenues to other high-priority needs.

Assemblyman Hickey replied that although he was not a member of the Assembly Subcommittee on Human Services and Capital Improvements, he had heard of potential budget savings in the Department of Health and Human Services' administration budget that could be applied to other programs, including those that treated autism. Nevertheless, Assemblyman Hickey concluded that in states where state governments were prioritizing their budget concerns, including the state of Arkansas, education was usually the top priority.

Assemblyman Kirner asked whether Assemblyman Hickey would be receptive to an amendment that would reduce the total allocation of additional projected revenue to K-12 education and NSHE from 100 percent to 80 percent or perhaps 50 percent.

Assemblyman Hickey answered that while it would be the Committee's prerogative to amend the bill, he would not necessarily oppose such an amendment.

Assemblywoman Mastroluca opined that the passage of A.B. 375 would commit legislators to a budget decision and limit the ability to make other budget decisions in the future. Assemblywoman Mastroluca said the bill's passage could also set a dangerous precedent of making budget decisions based on revenue that may or may not be realized at a state or school district level.

Assemblyman Hickey remarked that should the Economic Forum project a significant amount of additional revenue, the Committee could revisit A.B. 375 and amend the allocation breakdown. Assemblyman Hickey said any decision could be revised.

Assemblywoman Mastroluca responded that decisions made during the current legislative session would be made upon adjournment *sine die*.

Assemblyman Hickey agreed with Assemblywoman Mastroluca but pointed out that the Economic Forum would revise its revenue projections in May 2011. Assemblyman Hickey reiterated that the passage of A.B. 375 would represent the state's commitment to education for Nevada's future and for its capacity to spur economic development.

Vice Chair Conklin recalled a breakfast with members of the Economic Forum and other state economists two weeks ago, and their outlook for Nevada's economic future was dim. Two days later, national economic forecasters, including the U.S. Bureau of Economic Analysis, downgraded their growth projections in the United States by 33 percent. Vice Chair Conklin said because the State of Nevada's economy was so reliant on tourism, sluggish growth at a national level would likely translate into sluggish growth at Nevada's level. He remarked that it was equally likely that the Economic Forum would project decreased or stagnant growth as it would positive growth.

In response to Vice Chair Conklin, Assemblyman Hickey said A.B. 375 would be innocuous if the Economic Forum did not forecast additional revenue at its May 2, 2011, meeting. However, the bill would serve as a prioritization of education in Nevada if additional revenues were projected.

Assemblywoman Carlton applauded Assemblyman Hickey for recognizing the importance of education in the budget-making process. To Assemblyman Hickey's point that states including the state of Arkansas were regarding education as their top priority, Assemblywoman Carlton pointed out

that Arkansas had a broader revenue stream and a number of well-known companies headquartered in the state that paid an equitable amount of taxes. Companies headquartered in the State of Nevada, however, did not pay their fair share of taxes.

While Assemblyman Bobzien voiced appreciation for the focus of A.B. 375 on education in Nevada, Assemblyman Bobzien said it was difficult to set broad generalizations in how legislators should approach the state budget. Because Assemblyman Hickey was a member of the Assembly Subcommittee on K-12 Education/Higher Education, Assemblyman Bobzien asked which specific needs in education should be addressed if the Economic Forum projected additional revenues.

Assemblyman Hickey advised that school districts and NSHE appreciated recommendations set forth by The Executive Budget that would provide greater local flexibility in how to spend State General Funds. Regarding specific needs, there was consensus that additional revenue would be best spent for classroom resources.

Assemblyman Bobzien agreed that autonomy at the school district and higher education level was important.

Assemblyman Bobzien repeated his previous question regarding which specific needs should be addressed provided that additional revenues were forecasted.

Assemblyman Hickey declined to comment, saying school district representatives would provide a better response to Assemblyman Bobzien's question than he could.

Assemblyman Hogan observed that A.B. 375 seemed to assume that the Economic Forum would indeed project additional revenues at its May 2, 2011, meeting. Given that additional revenues, if projected, would be a combination of increased revenue in certain funding streams and decreased revenue in other streams, Assemblyman Hogan asked how potential fluctuations in revenue streams would be allocated.

Because A.B. 375 proposed for the Fiscal Analysis Division to determine the net change in projected additional revenues, Assemblyman Hickey deferred the question to Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

Mr. Combs said indicated that the total amount of all revenues combined from the May projection would be compared to the total amount of the projection from the December 1 forecast. The difference was the amount that would be set aside under the provisions of the bill.

Vice Chair Conklin asked whether there were revenues earmarked for other budget areas that could not be appropriated to K-12 education and NSHE in accordance with A.B. 375.

Mr. Combs replied that he did not believe there would be any concerns with the additional funds being earmarked because the Fiscal Analysis Division would compare nonrestricted General Fund revenues projected in May 2011 to those projected by the Economic Forum on December 1, 2010.

Assemblyman Aizley indicated his support for appropriating additional funds to education in Nevada, but he noted that despite the allocation breakdown of 60 percent of projected additional revenues to K-12 education and 40 percent to NSHE, the NSHE had experienced greater budget reductions than K-12 education in the last several years.

Assemblyman Hickey responded that perhaps NSHE representatives would suggest an amendment to the bill that would increase NSHE's share of projected additional revenues.

Having no further questions from the Committee, Vice Chair Conklin called for testimony in support of A.B. 375.

Jim Richardson, a representative of the Nevada Faculty Alliance, testified in support of A.B. 375. Mr. Richardson noted that The Executive Budget recommended a 29 percent reduction to NSHE, the largest reduction of any major agency in the budget. Hundreds of higher education employees had already received notice that they were losing their jobs, and students had protested the reductions in prior testimonies. The recommended 29 percent reduction to higher education followed a 20 percent reduction to higher education approved in the 75th Session (2009) and the 26th Special Session (2010). Mr. Richardson urged the Committee to support A.B. 375 to generate more revenue to maintain a quality higher education system.

As an aside, Mr. Richardson referred to Assembly Bill 449, a proposal to create a knowledge fund that would support research and technology at the University of Nevada, Las Vegas, the University of Nevada, Reno, and the Desert Research Institute. The state of Utah had a similar knowledge fund that received \$15 million per year in state general funds and \$33 million per year in

federal stimulus funds since 2006 and was a success, but the State of Nevada was not funding a knowledge fund in this manner.

Marcia Turner, a representative of NSHE, testified in support of A.B. 375. Ms. Turner told the Committee that with tremendous reductions to NSHE's budget in recent years, along with reductions recommended by The Executive Budget, NSHE appreciated any consideration of additional revenue to its budget.

Regarding Assemblyman Bobzien's previous question about which areas in education should be addressed with potential additional revenue, Ms. Turner remarked that it was too premature in the budget-making process to adequately answer Assemblyman Bobzien because of different scenarios that could arise depending on the extent of higher education budget reductions.

Assemblyman Bobzien expressed frustration that NSHE had not had an honest discussion with legislators regarding the recommended budget reductions to higher education. Assemblyman Bobzien understood the difficulties of selecting which colleges and departments would be shuttered, but he urged the NSHE to begin discussing the effects that the recommended budget reductions would have on higher education.

In response to Assemblyman Bobzien, Ms. Turner said that NSHE had previously provided information to the Joint Subcommittee on K-12 Education/Higher Education in response to the recommended \$162 million reduction of NSHE's budget. Ms. Turner clarified that she was unable to provide an adequate response to Assemblyman Bobzien's previous question because specific figures for NSHE's budget would not be determined until the Economic Forum's May 2, 2011, meeting.

Vice Chair Conklin advised the Committee to maintain the current discussion to the merits of A.B. 375.

Craig Stevens, Director, Government Relations, Nevada State Education Association (NSEA), testified in support of A.B. 375. The NSEA believed that education in Nevada should be fully funded by a robust tax system rather than as an afterthought with additional projected revenue. Nevertheless, Mr. Stevens said NSEA appreciated that A.B. 375 sought to ameliorate the cuts to K-12 education and NSHE's budgets.

Dotty Merrill, Executive Director, Nevada Association of School Boards, testified in support of A.B. 375. Citing an Investing in Nevada's Education, Students and Teachers document and the Augenblick Study, which both recommended a

\$1 billion increase in K-12 education to boost academic performance, Ms. Merrill encouraged the Committee to fund K-12 education in any way to soften the current recommended budget reductions, which, if approved, would add to a total of \$980 million in reductions over the last several years.

Lonnie Shields, Assistance Executive Director, Nevada Association of School Administrators, testified in support of A.B. 375. Mr. Shields urged the Committee to consider appropriating possible additional projected revenue to health and human services.

Assemblywoman Mastroluca concurred with Mr. Shields and thanked him for his testimony.

Craig Hulse, Director, Government Affairs, Washoe County School District, testified in support of A.B. 375.

Jill Tolles, a representative of Parent Leaders for Education, testified in support of A.B. 375. She submitted written testimony ([Exhibit C](#)) for the record.

Joyce Haldeman, Associate Superintendent, Community and Government Relations, Clark County School District (CCSD), testified in support of A.B. 375. Regarding how CCSD would use additional projected revenue, Ms. Haldeman told the Committee that CCSD would consider preserving some of the 2,486 positions currently slated for elimination.

Mary Pierczynski, a representative of the Nevada Association of School Superintendents, testified in support of A.B. 375.

Mark Coleman, Deputy Director, Clark County Association of School Administrators and Professional-technical Employees, testified in support of A.B. 375. He reiterated previous testimony that considered funding other areas of The Executive Budget along with K-12 education and NSHE.

Assemblyman Hickey thanked the Committee for considering A.B. 375.

Vice Chair Conklin opined that as an experienced legislator, he was uncomfortable leaving the future of education in Nevada to chance. While he appreciated Assemblyman Hickey's effort to allocate additional revenue to K-12 education and NSHE with A.B. 375, Vice Chair Conklin said the Legislature needed to fund education in a better manner.

Assemblyman Bobzien echoed Vice Chair Conklin's sentiments.

Having no further testifiers to come before the Committee, Vice Chair Conklin closed the hearing on A.B. 375 and opened the hearing on Assembly Bill 565.

Assembly Bill 565: Temporarily delays the statutory deadline for notifying certain school employees of reemployment status. (BDR S-1276)

Assemblywoman Debbie Smith, Washoe County Assembly District No. 30, introduced A.B. 565, which proposed to temporarily delay the statutory deadline for notifying certain school employees of reemployment status from May 1, 2011, to May 16, 2011. Assemblywoman Smith informed the Committee that A.B. 565 was similar to Assembly Bill No. 542 of the 75th Session (2009), which was passed into law.

Assemblywoman Smith said it was unrealistic to expect school districts to notify school employees of reemployment status by May 1, 2011, when the K-12 education budget would not be finalized by then. She advised that A.B. 565, if approved, would prevent certain school employees from being unnecessarily notified of a possible job loss.

Assemblywoman Smith indicated that while not all of Nevada's school districts would use the statutory deadline delay as proposed, rural school districts had shown particular interest in having that flexibility. Assemblywoman Smith recalled previous testimony that suggested that in rural counties, there was a tendency for laid-off school employees to leave their respective communities to seek jobs elsewhere.

With the May 1, 2011, statutory deadline soon approaching, Assemblywoman Smith urged the Committee to move the bill quickly. She added that she would take responsibility for the bill's lateness in being introduced.

Having finished her introduction of A.B. 565, Assemblywoman Smith said she would entertain questions from the Committee.

In response to Assemblyman Aizley, Assemblywoman Smith remarked that because state employees did not have collective bargaining rights, there was not a deadline for state employees to be notified of reemployment status while the Legislature worked through the budget process.

Having no further questions from the Committee, Vice Chair Conklin called for public comment.

Mary Pierczynski, a representative of the Nevada Association of School Superintendents, testified in support of A.B. 565.

Joyce Haldeman, Associate Superintendent, Community and Government Relations, Clark County School District, testified in support of A.B. 565. Ms. Haldeman noted that while the Clark County School District would not likely take advantage of the statutory deadline delay, the delay would be useful to school superintendents in rural school districts.

Craig Hulse, Director, Government Affairs, Washoe County School District, testified in support of A.B. 565.

Dotty Merrill, Executive Director, Nevada Association of School Boards, testified in support of A.B. 565.

Having no further testifiers to come before the Committee, Vice Chair Conklin closed the hearing on A.B. 565.

Vice Chair Conklin handed the Committee meeting's chairing responsibilities to Chairwoman Smith.

Chairwoman Smith opened the work session on Assembly Bill 524.

Assembly Bill 524: Increases certain fees for residential and general appraisers to cover an increase in federal registry fees. (BDR 54-1199)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, indicated that A.B. 524 was heard by the Committee on April 11, 2011. Mr. Combs stated that the annual registry fee in federal law for appraisers increased from \$25 to \$40. Because the Real Estate Division issued biennial licenses to appraisers, the licenses needed to be increased by \$30 to match the annual registry fee increase. Mr. Combs added that the funds associated with A.B. 524 were already recommended in The Executive Budget.

ASSEMBLYMAN CONKLIN MOVED TO DO PASS
ASSEMBLY BILL 524.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

In response to Assemblyman Goicoechea, Mr. Combs confirmed that A.B. 524, if approved, would align the state's statutory fee with federal law requirements and with The Executive Budget.

THE MOTION PASSED. (Assemblyman Oceguela was not present for the vote.)

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Chairwoman Smith requested that Assemblyman Hambrick introduce the bill on the Assembly Floor.

Chairwoman Smith opened the work session on Senate Bill 220.

Senate Bill 220: Establishes the Kenny C. Guinn Memorial Millennium Scholarship. (BDR 34-594)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that S.B. 220 was heard by the Committee on April 11, 2011. The bill sought to authorize the use of funds donated in memory of former Governor Kenny Guinn to provide a scholarship each year to a college senior who received the Governor Guinn Millennium Scholarship and majored in elementary or secondary education. Mr. Combs advised that the bill, which was sponsored by Senator Kieckhefer, stipulated that the scholarship amount would not exceed \$4,500. The Nevada Faculty Alliance, the Office of the State Treasurer, and Nevada System of Higher Education representatives had testified in support of the bill.

Chairwoman Smith called for a motion regarding S.B. 220.

ASSEMBLYWOMAN CARLTON MOVED TO DO PASS
SENATE BILL 220.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Oceguela was not present for the vote.)

* * * * *

Chairwoman Smith requested that Assemblyman Bobzien introduce the bill on the Assembly Floor.

Chairwoman Smith opened the work session on Assembly Bill 565.

Assembly Bill 565: Temporarily delays the statutory deadline for notifying certain school employees of reemployment status. (BDR S-1276)

ASSEMBLYMAN CONKLIN MOVED TO DO PASS
ASSEMBLY BILL 565.

ASSEMBLYMAN ATKINSON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Oceguela was not present for the vote.)

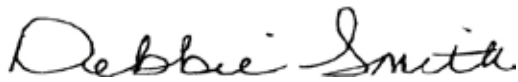
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Chairwoman Smith called for public comment. Hearing none, and having no further business to come before the Committee, Chairwoman Smith adjourned the meeting at 10:32 a.m.

RESPECTFULLY SUBMITTED:

Jordan Butler
Committee Secretary

APPROVED BY:



Assemblywoman Debbie Smith, Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: April 13, 2011

Time of Meeting: 8:05 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 375	C	Jill Tolles, a representative of Parent Leaders for Education	Written testimony in support of <u>Assembly Bill 375.</u>