

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

**Seventy-Sixth Session
April 22, 2011**

The Committee on Ways and Means was called to order by Chairwoman Debbie Smith at 8:09 a.m. on Friday, April 22, 2011, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/76th2011/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Rick Combs, Assembly Fiscal Analyst
Mike Chapman, Principal Deputy Fiscal Analyst
Anne Bowen, Committee Secretary
Cynthia Wyett, Committee Assistant

Assembly Bill 485: Makes an appropriation to the Department of Administration for the Nevada Broadband Task Force. (BDR S-1241)

Daphne DeLeon, Administrator, Department of Cultural Affairs, Division of State Library and Archives, testified in support of A.B. 485.

Ms. DeLeon stated she was the Chair of the Nevada Broadband Task Force and the Administrator for the State Library and Archives. She introduced Maud Naroll, Chief Planner for the Budget Division, and staff to the Nevada Broadband Task Force, and Lynn O'Mara, the State Health Information Technology Coordinator.

Two exhibits were submitted to the Committee, Exhibit C, "Nevada Broadband Task Force" and Exhibit D, "Connect Nevada Density of Households Unserved by a Broadband Provider by Census Block."

Ms. DeLeon said the bill referred to a one-time \$3 million appropriation to fund projects in rural Nevada to enhance broadband services. The role of the Nevada Broadband Task Force was to review and score broadband proposals and further to recommend projects for funding to the Department of Administration.

Ms. DeLeon said Exhibit C demonstrated why broadband was of vital interest to Nevada. Broadband provided access to resources that led to actions that supported economic development, educational opportunity, and telecommuting and flexibility for Nevadans. Ms. DeLeon pointed out that the next biennium was a perfect time to support broadband infrastructure with General Fund. There was over \$50 million being implemented in the next biennium, through infrastructure projects, through stimulus funding, and through the mapping and broadband data development project. Ms. DeLeon noted that was money already awarded for projects that had been started and would be completed in the next biennium. The appropriation would allow the extension of services to unserved communities that did not have access to broadband.

According to Ms. DeLeon, the \$3 million appropriation requested in A.B. 485 could be used to access more federal dollars to support broadband improvement

in the rural areas through programs such as the United States Department of Agriculture (USDA), Rural Development Community Connect program.

[Exhibit D](#) was a map of Nevada that noted the unserved areas. The map was created by Connect Nevada, which was a state designee that worked with the Nevada Broadband Task Force. Ms. DeLeon said the map was based on information provided by the purveyors and noted where the unserved areas were located. She said those were the priority areas that the Nevada Broadband Task Force would be considering to fund projects.

In response to a question from Assemblyman Kirner, Ms. DeLeon stated the appropriation was part of the Governor's recommended budget.

Assemblyman Hickey noted a communication from the Nevada Telecommunications Association which asserted that 98 percent of Nevada households currently had some form of broadband. The communication went on to say that many of those that did not have broadband service had not expressed a desire or a need to have it. Assemblyman Hickey asked Ms. DeLeon to address that assertion.

Ms. DeLeon thanked Assemblyman Hickey and stated those numbers were correct, but the numbers actually came from the preliminary report that was part of the Connect Nevada work that was being done. She further stated while it was true that 98 percent of Nevada households had some form of broadband services, it should be noted that over 80 percent of the state's population was in the metropolitan areas. There was a disproportionate number of the 2 percent not receiving broadband service that was in the rural areas, and the funding request was specifically for rural Nevada.

Ms. DeLeon addressed the second point where it said that based on the sampling survey over 50 percent reported they did not want broadband. She believed the Task Force needed to make sure there was an awareness of what broadband could mean as opposed to "I do not have it and I do not think I need it." There were new programs coming out all the time along with retraining programs that were exclusively online, and those Nevadans who said they did not want broadband might realize there was a true advantage for them.

Ms. DeLeon said the American Reinvestment and Recovery Act of 2009 (ARRA) would provide funding in the next two years that would connect Nevada. They were going to work closely with the Nevada Broadband Task Force to provide broadband capacity building within the state. Part of that funding was for the 14 rural areas in the state and to support the formation of local technology

planning teams to ensure the communities understood what broadband could provide and have the communities decide what their needs were.

Ms. Naroll commented that there were many communities of 100, 200, or 300 households that had no broadband service. Bringing broadband to the unserved areas would enable people to learn more, to telecommute, and to start home-based, web-based businesses, producing or selling something out of their homes.

Lynn O'Mara, State Health Information Technology Coordinator, Director's Office, Department of Health and Human Services (DHHS), said broadband was a requirement for the electronic exchange of health information. Currently, Nevada had stimulus funds that were being used to implement the health information exchange system in the state. According to Ms. O'Mara, in the current revised draft of the federal Health Information Technology Strategic Plan, the Federal Communications Commission (FCC) was at the table to help write that draft. The revised draft emphasized that broadband was critical for the implementation of the High Tech Act of 2009 as well as the Patient Protection and Affordable Care Act. Ms. O'Mara noted there was health information that would be required, whether it was the exchange of information going between providers and payers, or payers and individuals, or to maintain electronic health records.

The Health Information Technology Blue Ribbon Task Force had been collaborating with the Nevada Broadband Task Force to locate gap areas. Ms. O'Mara said that currently, under grant funding from the Department of Health and Human Services (DHHS), a broadband gap analysis was being performed to identify rural health providers who might have access to broadband, but not necessarily to the kind of high-speed broadband that will be required. This is of concern because the ability to exchange that information allows many of them to be eligible for incentive payments for adopting electronic health records. Ms. O'Mara said the Broadband Task Force was in support of A.B. 485 and asked the Committee to take that into consideration.

Assemblyman Hardy said that in Mesquite, Nevada, where he was from, the town had a hospital called Mesa View Regional Hospital. Mesa View Regional Hospital was equipped with the capability of performing online surgery, but because of the speed of the available broadband, the hospital could not use that service. Assemblyman Hardy asked why the available broadband did not work.

Ms. O'Mara said the issue with electronic health records was the size of the data files that had to be transmitted. The data files were very large, and the lower broadband ranges could not always accommodate those files. The higher

speed would be necessary to have a smooth transition for the transmission of data. Ms. O'Mara added that transmission of larger data files also required larger pipelines with fiber optics.

Assemblyman Hardy noted that [Exhibit D](#) showed that the Mesquite area had broadband, but apparently it was not the type of broadband that was needed.

Ms. O'Mara acknowledged that the Mesquite area did not have access to the higher-speed, internet fiber-optic lines that were required for hospitals. According to Ms. O'Mara, the Nevada Hospital Association, including the Nevada Rural Hospital Partners, was working on that problem.

Assemblyman Hardy said that Mesquite was within six miles of a trunk line, and he wondered how [A.B. 485](#) would help solve that problem.

Ms. DeLeon said the Broadband Task Force had discussed funding last mile connections, which were exactly what Assemblyman Hardy was talking about. A last mile connection would take a trunk line, or something similar, and set up an access point to feed into the community. Ms. DeLeon referred to [Exhibit D](#) and said the National Telecommunications and Information Administration's (NTIA) definition of broadband had been used, which was a lower speed than required for the exchange of health information.

Ms. Naroll commented that there were, as could be seen in [Exhibit D](#), many places where there was no broadband. There were also places where broadband speed was too low for health information technology. She said the Nevada Broadband Task Force had no prior determinations as to where the projects would be placed. The Task Force would issue a request for proposals (RFP) and hope to be inundated with good projects to choose from.

Assemblywoman Carlton asked how the proposed funding affected telemedicine and the last mile discussion. She noted that, typically, the last mile fell to the customer, or the consumer to fund, and asked whether the state would be supplying funding for the last mile.

Ms. O'Mara responded to the question about telemedicine and said there would have to be an exchange of health information that could be done by broadband so that practitioners, or practitioner and patient, would be able to interface using the telemedicine system. Telemedicine was something that the Nevada Hospital Association's broadband grant hoped to expand upon as well. This could be one of the ways access to care could be provided.

Ms. Naroll responded to the question regarding the last mile and said the funding requested would help fund the hardware for connecting from a trunk line to Mesquite Hospital or from a node in the community to households and businesses. But, she pointed out that the funding would not be paying the monthly bill, and the state would not be building a connection with pickaxes and backhoes. The Nevada Broadband Task Force was looking for providers to come to the Task Force with proposals and requests for funding.

Assemblywoman Carlton said she understood the state was not going to subsidize the customer, but asked whether the state was subsidizing those who should be laying that last mile of cable.

Ms. Naroll pointed out the last mile might be a wireless tower in the middle of a small town and not physical cable in the ground. She also noted that if it were economically feasible for these companies to provide that last mile, presumably they would have done it.

Assemblywoman Carlton said that was her concern; that the taxpayers were going to be funding the last mile that the companies had decided was not worth their investment, but those companies will end up profiting from it in the long run because they would get more customers.

Ms. DeLeon acknowledged that Assemblywoman Carlton was correct and the companies would profit in the future. But Ms. DeLeon also believed that Nevadans would profit immediately by having access to information and resources available electronically.

Chairwoman Smith called for testimony in support of A.B. 485.

Shayne Del Cohen, SDC Consulting Services, submitted her remarks in support of A.B. 485 as [Exhibit E](#), "Remarks for Public Comment."

Greg Gardner, Director of Technology, Pyramid Lake Paiute Tribe, read the following statement into the record:

Good morning Committee members. My name is Greg Gardner and I am the technology director for the Pyramid Lake Paiute Tribe in Nixon, Nevada. We have received over \$7 million in ARRA grant funding under the national Telecommunications and Information Administration's Broadband Technology Opportunities (BTOP) program to build a fiber network that links the communities of Pyramid Lake with Reno. Our application received the support of many, including the Nevada State Broadband Task Force, the

regional Bureau of Indian Affairs, Indian Health Services, and the Nevada Department of Transportation.

The current economic condition in the State of Nevada requires careful consideration of state funding in areas that directly correlates with developing economic growth opportunities. It is important to maximize the economic benefits at both the local and state level.

We are entering the next phase of the digital age where the combination of technological advances and high-speed broadband access is redefining the economic landscape of this country. I wish to present four reasons why rural broadband infrastructure can make a critical impact and both directly and indirectly improve economic conditions in the State of Nevada:

1. Attract federal funding to the State of Nevada.
2. Establish and improve rural healthcare and educational facilities.
3. Attract the growing number of businesses from population centers in neighboring states that have the flexibility to locate to rural areas.
4. Establish business and job opportunities in rural Nevada.

I attended a conference for grant awardees in Washington D.C. last October. President Obama's chief technology officer, Mr. Aneesh Chopra, gave a keynote speech in which he addressed the importance of rural broadband in the United States. He stated that technological advances in health care and distance learning will enable the federal government to have a significant impact upon improving the quality of life and opening up economic opportunities in rural America. He emphasized that because of this, the federal government will be directing a significant amount of funding for programs focusing upon remote medicine and digital library access.

Many businesses are finding that high-speed broadband is giving them a longer leash and enabling them to relocate to areas where their operational costs are lower, housing costs are lower, and quality healthcare and educational infrastructure exists.

This bill will enable the Broadband Task Force to fund those rural broadband projects. This, in turn, will be a catalyst to stabilize

towns with small populations by enabling improved infrastructure, thus creating a positive business climate for job growth.

Investing in Nevada's ranching, farming, and mining communities by improving the rural broadband infrastructure will attract federal funding, businesses, and create jobs for Nevada. For these reasons I support A.B. 485.

Scott Lammori, Director of Testing and Educational Technology, Lyon County School District, testified in support of A.B. 485. Mr. Lammori said the Lyon County School District had been a recipient of BTOP (Broadband Technology Opportunities Program) grant, the federal stimulus grant for \$1.3 million. The District was in the process of installing six video conferencing centers with computers. He said the reason the District was supporting A.B. 485 was basically the speed of the network.

Assemblyman Grady noted that the rural counties faced a possibility of losing community colleges and asked whether the Lyon County School District could continue community college classes with faster broadband service.

Scott Lammori explained that as the District began looking at what was going on with education and the state budget, it became concerned with losing programs. As an example, if the District managed to keep a foreign language course in Fernley, through videoconferencing equipment, it could provide the foreign language course in Yerington as well.

Alan Medeiros, MIS (Management Information System) Department Director, Lyon County School District, testified in support of A.B. 485.

Chairwoman Smith called for testimony in opposition to A.B. 485.

Karen Pearl, Executive Director, Nevada Telecommunications Association, testified in opposition to A.B. 485. Ms. Pearl submitted written testimony, [Exhibit F](#), "Written testimony of Karen Pearl."

Assemblyman Grady asked Ms. Pearl how many of the nine members of the Nevada Telecommunications Association were servicing rural Nevada other than as providers of last resort.

Ms. Pearl responded that all nine members were.

Chairwoman Smith closed the hearing on A.B. 485 and opened the hearing on A.B. 494.

Assembly Bill 494: Makes appropriations to restore the balances in the State Claims Account, Emergency Account, Reserve for Statutory Contingency Account and Contingency Fund. (BDR S-1267)

Stephanie Day, Deputy Director, Budget Division, testified in support of A.B. 494.

Assembly Bill 494 was a request included in The Executive Budget for appropriations to restore the balances in four accounts. Three of the accounts were administered by the State Board of Examiners and one of them was administered by the Interim Finance Committee (IFC). Ms. Day referred to the State Claims Account and said the request was for \$5.5 million to restore the balance in that account. The current balance in the State Claims Account was \$615,000.

Ms. Day said the Emergency Account request was for \$150,000, and there was approximately \$150,000 presently in that account.

The Reserve for Statutory Contingency Account request was \$3 million. Ms. Day said approximately \$1.35 million was in that account at the present time. All of the foregoing accounts were General Fund.

The General Fund request for the Contingency Fund, administered by IFC, was for a \$5 million appropriation.

Chairwoman Smith requested that Ms. Day define the difference between the Statutory Contingency Account and the Contingency Fund for the new members of the Committee.

Ms. Day explained that the Statutory Contingency Account had very specific statutes related to it and was administered by the Board of Examiners. There were certain claims that could be paid through that account, such as postconviction relief, which was administered by the Office of the State Public Defender. Ms. Day said agencies could request funds up to \$12,000 to replace a state employee who had left state employment and received terminal leave payments. There were also funds for the Interstate Compact of Juveniles to move juveniles around in Child and Family Services. Ms. Day remarked there were many statutes related to Statutory Contingency.

Ms. Day further explained that the Contingency Fund was available for agencies that were General Funded to request an allocation. As an example, the Division of Forestry used that avenue for funding to fight forest fires. If an agency was short in its General Fund budget, it could make a request to the Interim Finance Committee for an allocation.

In answer to a question from Chairwoman Smith, Ms. Day said the amounts being requested funded those accounts at approximately the same levels requested in the past.

Assemblyman Hardy asked for an explanation of a Stale Claims Account.

Ms. Day explained that the Stale Claims Account in the State General Fund was for agencies that reverted funds at the end of the fiscal year. The Stale Claims Account agencies requested money and instead of paying claims from their current year funds, this account enabled agencies to pay General Fund claims from a prior year.

Chairwoman Smith commented that an example might be the Department of Corrections, as the Department often made a common request at IFC to pay a stale medical claim. Ms. Day agreed that was a perfect example of a stale claim.

Ms. Day added that the account also included payroll stale claims. Any General Fund agency that had a claim for an employee from a previous year was paid from the State Claims Account.

Chairwoman Smith called for testimony regarding the bill, and hearing none, closed the hearing on A.B. 494 and opened the hearing on A.B. 515.

Assembly Bill 515: Revises certain provisions governing the Nevada Junior Livestock Show Board. (BDR 50-1208)

Jim R. Barbee, Acting Director, Department of Agriculture, testified in support of A.B. 515. Mr. Barbee said the bill was requested based on the Department's budget hearings held earlier in the year. The Nevada Junior Livestock Show Board was composed of seven members appointed by the Governor. The Board provided an opportunity for 4-H and FFA (Future Farmers of America) students to exhibit their livestock projects before the public, thus promoting and providing incentives for achieving excellence in livestock production skills and practice.

According to Mr. Barbee, approximately 300 students from across the state participated in the livestock exhibition. Historically, General Fund monies had funded the Nevada Junior Livestock Show with an annual contribution of upwards of \$25,000 per fiscal year. Over the past four years this amount had decreased because of the fiscal reductions. The Executive Budget eliminated all state General Funds and identified outside accounts for fund support.

Mr. Barbee said it was important to note that some of the outside accounts that had been identified were for scholarship memorials and purposes along those lines. It seemed impractical to bring those outside accounts into the state accounting system. Based upon discussions with the Budget Division, the Livestock Show Board members, and the Nevada Department of Agriculture, they had agreed to eliminate budget account (BA) 4980 and allow the use of outside accounts and community support to fund the Livestock Show.

Mr. Barbee maintained this action would simplify agriculture budgets for the Budget Division and the agency as well as providing the Livestock Show a better opportunity to facilitate fundraising. According to Mr. Barbee, the proposed amendment ([Exhibit G](#)) to A.B. 515 would clean up language regarding current operations of the Livestock Show.

Assemblyman Goicoechea said he had been perusing the changes pertaining to the members of the Board and noted the rules said one member must be teaching staff from the College of Agriculture, Biotechnology and Natural Resources. He was concerned because it did not appear that there would be a member from the College if it was eliminated as proposed in The Executive Budget.

Mr. Barbee replied that the question of a teaching member from the College had not been addressed, but it would have to be addressed eventually.

Chairwoman Smith asked Assemblyman Goicoechea whether there was something he wanted changed in A.B. 515.

Assemblyman Goicoechea stated he would prefer not to have to change the bill and would prefer there was an existing College of Agriculture, Biotechnology and Natural Resources. He believed A.B. 515 would have to be amended to reflect the change of board member should that College be eliminated. Assemblyman Goicoechea said he definitely supported the concept of the bill.

Chairwoman Smith commented that while the Committee would keep the board member from the College of Agriculture in mind, the bill would not be processed

any time soon, and Mr. Barbee would have to track the details because it was difficult for Fiscal staff to follow one bill.

Mr. Barbee said the president of the Livestock Show Board was present and he would work with him to decide what representation would be appropriate if the College was eliminated.

Matt McKinney, President, Nevada Junior Livestock Show Board, testified in support of A.B. 515. Mr. McKinney commented that the Board had been working with the bill, and the amendment cleaned up the language and eased some of the problems. He added that the Board would monitor the possible problem with the representative from the College of Agriculture.

Chairwoman Smith asked whether the Board was supporting the bill and whether it would work with Mr. Barbee and Fiscal staff on an amendment if one was needed. Mr. McKinney replied, yes, that was correct.

Assemblyman Grady asked where and when the Junior Livestock Show would be held because there would be no Nevada State Fair this year.

Mr. McKinney replied that the Junior Livestock Show would be held at the Reno Events Center, April 28th through May 1st. Mr. McKinney added that the Board was currently in talks with state fair supporters to possibly do something with them in the future to bring back the fair.

Doug Busselman, Executive Vice-President, Nevada Farm Bureau, testified in support of A.B. 515. Mr. Busselman said the Nevada Farm Bureau was a strong supporter of the Junior Livestock Show, and he believed that the bill was a good effort to continue the very successful and important program.

Chairwoman Smith closed the hearing on A.B. 515 and opened the hearing on A.B. 530.

Assembly Bill 530: Revises provisions relating to stale claims by state agencies. (BDR 31-1178)

Stephanie Day, Deputy Director, Budget Division, Department of Administration testified in support of A.B. 530.

Assembly Bill (A.B.) 530 was a request from the administration relating to the Stale Claims Account, according to Ms. Day. The request was that the definition of a stale claim be changed to exclude medical claims processed through third-party administrators so the agencies could have those claims

processed out of current year budgets. The bill further eliminated the process of procuring Budget Division approval.

Ms. Day explained that the second piece of A.B. 530 was a request to change the definition of a stale claim to any claim that was \$100 or more. It had been found that agencies were processing very small stale claims, and the bill would eliminate the administrative burden and process those claims faster. Ms. Day said the \$100 amount was chosen because it was a level that even a small budget account could absorb in its current-year budget. The claims would be paid out of current year funds instead of being paid out of the Stale Claims Account.

Ms. Day said the change helped in the payroll stale claims as well. She said she was aware of a payroll stale claim for 34 cents, but because all payroll claims must be paid, a payroll claim went through four steps to be paid; A.B. 530 would eliminate that process.

Chairwoman Smith said the change made sense because a lot of time and effort was being spent on very small claims. She wondered what happened with this provision if an agency exceeded what funds it had to pay claims in the medical account.

Ms. Day agreed that would mainly pertain to the Department of Corrections. If the Department of Corrections, or another agency, exhausted all of its current year funds, it would have to petition the IFC Contingency Fund for a supplemental appropriation, depending upon the fiscal year.

Chairwoman Smith asked whether any consideration had been given to limiting the provision to one area, perhaps the Department of Corrections, and seeing how it worked for a biennium.

Ms. Day replied that the claims of the Public Employees' Benefits Program (PEBP) and Medicaid were already paid on a pay-as-you-go basis. The bill cleaned up the language to allow other agencies to process those bills as they had been paid in the past, through third-party administrators. Assembly Bill 530 would allow the Department of Corrections to perform the same payment processing.

Chairwoman Smith asked whether other departments used the procedure, and Ms. Day said she did not believe there were others.

Assemblywoman Carlton asked whether she was correct that at the end of the year leftover monies reverted back to the General Fund, and Ms. Day said that was correct.

Assemblywoman Carlton requested clarification of the fact that many budgets, especially the Department of Corrections budgets, were very tight, and if there was not enough money left, the agency would have to come before the Interim Finance Committee (IFC) to ask for funding.

Chairwoman Smith explained that an agency would come to the IFC Contingency Fund and request an allocation to make up the shortfall. She further said the agencies were presently doing that, but only after going through State Claims, and it was a long process with the provider waiting a long time to be paid.

Assemblywoman Carlton noted the new procedure would allow the state to keep discounts with providers in place because the providers were supposed to be paid quickly.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), pointed out there was approximately \$1 million budgeted per year in The Executive Budget in the prison Medical Care Account in a new category entitled Medical Inmate Driven State Claims. He said this bill would allow that provision in the budget to work statutorily.

Chairwoman Smith closed the hearing on A.B. 530 and moved to budget closings.

Assemblyman Conklin, Chair of the Joint Subcommittee on General Government, read the following closing report for the Deferred Compensation Committee budget account and various Department of Administration budget accounts into the record:

The Joint Subcommittee on General Government developed recommendations for the Deferred Compensation Committee and the following budgets of the Department of Administration: Judicial College and College of Juvenile and Family Justice, Merit Award Board, State Purchasing, and the Division of Human Resource Management. While many of the accounts of the Department of Administration are funded through fees or assessments, the Subcommittee's recommendations result in a General Fund savings of \$132,808 in FY 2012 and \$132,809 in FY 2013 for the Department of Administration.

Deferred Compensation Committee (101-1017) DEFERRED

COMP-1: The Subcommittee approved the Deferred Compensation Committee budget as recommended by the Governor, with approval to make technical adjustments to correct the classification of the budget's revenues as well as the closing actions approved for the other accounts supported by the Department of Administration's internal cost allocations.

Administration – State Purchasing (718-1358) ADMIN-56: The Subcommittee eliminated one vacant Purchasing Technician position (PCN 24), as recommended by the Governor, resulting in a reduction of purchasing assessment revenue of \$61,188 in FY 2012 and \$62,143 in FY 2013, and approved the remainder of the account be closed as recommended by the Governor.

Administration – HRM - Human Resource Management (717-1363)

ADMIN-171: The Subcommittee concurred with the Governor's recommendation to reorganize the Department of Personnel as a Division within the Department of Administration and to rename the Department the Division of Human Resource Management. As part of the reorganization, the Subcommittee voted to approve the elimination of 3 positions, and the transfer out of 12 positions, including 8 Information Technology positions and 4 Administrative positions.

The Subcommittee also concurred with the Governor's recommendation to create a new Centralized Personnel Section to assume the personnel responsibilities of the Department of Administration, the Department of Taxation, the Department of Business and Industry, the Department of Education and the Department of Agriculture. In return, the participating departments will fund the new section through a cost allocation assessment. Seven positions from the participating departments are recommended to transfer to the Division of Human Resource Management to operate this new section.

The Subcommittee approved the Governor's recommendation to eliminate seven other positions, including two Administrative Assistants, four Personnel Analysts, and one Division Administrator. These position eliminations primarily result from attrition and the consolidation of divisions within the agency.

Lastly, the Subcommittee approved the Governor's recommendation to outsource the Employee Assistance Program, which eliminates two vacant Mental Health Counselor positions.

Judicial College and College of Juvenile and Family Justice (101-1302) ADMIN-229: Since 1989, the National Judicial College (NJC) and the National Counsel of Juvenile and Family Court Judges (NCJFCJ), nonprofit organizations, have received varying levels of state support to assist the entities with the mission of providing judicial education and training. During the State's economic downturn in FY 2003, the Legislature suspended state support for the NJC and NCJFCJ for the 2003-05 biennium. Recognizing the benefits both the NJC and NCJFCJ provide to the State, while at the same time recognizing the fiscal crisis facing the State, the Subcommittee approved reducing the level of General Fund support recommended by the Governor of \$260,860 each year of the 2011-13 biennium to \$130,430 each fiscal year, resulting in a General Fund savings of \$260,860 over the 2011-13 biennium.

The Subcommittee also recommended introducing legislation to repeal Sections 1.470 and 1.480 of *Nevada Revised Statutes* that create the trust funds for the National Judicial College and the National College of Juvenile and Family Law. The trust funds were originally established in 1989 to provide the entities with annual revenue from interest earnings on the corpus of the trust. However, during the State's economic downturn in FY 2003, the trust funds were eliminated.

Merit Award Board (101-1345) ADMIN-231: The Subcommittee approved reducing General Fund support for the Merit Award program to \$1,100 each fiscal year based on a 12-year average of awards paid from the program, resulting in a General Fund savings of \$4,757 over the 2011-13 biennium.

Other Department of Administration Budget Accounts: The Subcommittee also reviewed the budgets for the following accounts: Human Resource Management – Unemployment Compensation (101-1339) ADMIN-186 and the Purchasing Division's Commodity Food Program (101-1362) ADMIN-62. The Subcommittee recommends that these accounts close as recommended by the Governor, with authority for staff to make technical adjustments.

ASSEMBLYMAN KIRNER MOVED TO ACCEPT THE CLOSING REPORT AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE DEFERRED COMPENSATION COMMITTEE AND THE DEPARTMENT OF ADMINISTRATION.

ASSEMBLYMAN ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGETS CLOSED.

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Assemblyman Conklin, Chair of the Joint Subcommittee on General Government read the following closing report for certain budget accounts within the Department of Business and Industry into the record:

The Joint Subcommittee on General Government has reviewed the following budgets for the Department of Business and Industry for the 2011-13 biennium. The Subcommittee recommends the transfer of various fiscal and licensing positions from the Nevada Attorney for Injured Workers, Division of Real Estate, Financial Institutions Division, Mortgage Lending Division, Taxicab Authority, and the Nevada Transportation Authority, contingent upon the closing actions to consolidate the licensing, fiscal and technology functions within the Director's Office.

Consumer Affairs (101-3811) B&I-22: The Subcommittee approved the Governor's recommendation to permanently eliminate the Consumer Affairs Division, including the Ombudsman for Minority Affairs position. Senate Bill 473, as introduced, would effectuate the elimination of the Consumer Affairs Division and permanently transfer the powers and duties of the Consumer Affairs Division and the Commissioner of Consumer Affairs to the Office of the Attorney General, and eliminate the Ombudsman for Minority Affairs position. The Subcommittee authorized Fiscal staff to make adjustments to this account based on the final actions taken on Senate Bill 473.

Dairy Commission (233-4470) B&I-27: The Subcommittee approved issuing a letter of intent instructing the Dairy Commission to monitor its reserves and adjust assessments in order to maintain

reasonable reserves. The reserves recommended by the Governor would have been approximately 190 days of operating expenditures for the Commission. The Subcommittee approved the elimination of an Administrative Assistant position for total savings of \$84,027 during the 2011-13 biennium.

NV Attorney for Injured Workers (101-1013) B&I-49: The Subcommittee did not support the Governor's recommendation to add one new Deputy Attorney position to this account based on the current caseload levels at this time, and the current economic condition of the State.

Real Estate Administration (101-3823) B&I-141: The Subcommittee approved the Governor's recommendation to eliminate nine positions, including eight Administrative Assistant positions and one Compliance/Audit Investigator position, and reduce three positions from full-time to part-time, providing General Fund savings of \$443,017 in FY 2012 and \$535,264 in FY 2013. The Subcommittee also approved the Governor's recommendation to transfer one Administrative Aid to the Real Estate Education and Research account, providing General Fund savings of \$41,359 in FY 2012 and \$42,279 in FY 2013, as well as transferring an Accounting Assistant and an Administrative Services Officer to the Business and Industry Administration account as part the Governor's plan to consolidate administrative and fiscal functions within the Director's Office.

Taxicab Authority (245-4130) B&I-241: The Subcommittee approved the Governor's recommendation to eliminate five of the nine remaining Airport Control Officer positions, as staffing needs by the Taxicab Authority at McCarran International Airport have declined.

The Subcommittee approved the Governor's recommendation to reclassify the four remaining Airport Control Officer positions. Two of the positions are recommended to be reclassified to Compliance/Enforcement Investigator 1, and two are recommended to be reclassified to Compliance/Enforcement Investigator 2.

The Subcommittee approved the Governor's recommendation to transfer increased reserve funding of \$276,422 in the 2011-13 biennium to the Aging and Disability Services Division (ADSD) to support two additional positions in order to add an

income eligibility component to the Senior Ride Program, contingent upon approval of the changes to Senior Ride in the ADSD's budget.

The Subcommittee approved the transfer of an Administrative Services Officer position to the Department of Business and Industry Administration account as part of the Department's plan to centralize fiscal, information technology and licensing functions.

Transportation Authority (226-3922) B&I-251: The Subcommittee approved the Governor's recommendation to eliminate a Supervisory Compliance/Enforcement Investigator and a Program Officer, for Highway Fund savings of \$154,197 in FY 2012 and \$156,346 in FY 2013.

The Subcommittee also approved transferring the Transportation Manager (also known as the Deputy Commissioner) position to the Department of Business and Industry Administration account as part of the Department's plan to centralize fiscal, information technology and licensing functions.

Funding for an unclassified salary increase is recommended for the Chief Transportation Inspector position funded with Highway Funds for a net increase of \$22,295 in FY 2012 and \$22,411 in FY 2013. The Subcommittee authorized Fiscal staff to make technical adjustments based on approval of the recommendation by the Unclassified Pay Committee.

The following budgets were closed by the Subcommittee as recommended by the Governor with authority for Fiscal staff to make technical adjustments based on departmental cost allocations, and the closing of the Department of Business and Industry Administration account regarding the centralization of fiscal and licensing functions within the Department:

- Consumer Affairs Recovery Fund (101-3807) B&I-26.
- Employee Management Relations Board (101-1374) B&I-34.
- Athletic Commission (101-3952) B&I-39.
- Labor Commissioner (101-3900) B&I-44.
- Real Estate Education and Research (216-3826) B&I-151.
- Real Estate Recovery Account (216-3827) B&I-158.
- Common Interest Communities (101-3820) B&I-160.

- Financial Institutions (101-3835) B&I-216.
- Financial Institutions - Investigations (101-3805) B&I-224.
- Financial Institutions - Audit (101-3882) B&I-226.
- Mortgage Lending (101-3910) B&I-231.
- Transportation Authority Admin Fines (226-3923) B&I-258.

Chairwoman Smith thanked the Fiscal staff for all their work on all of the budgets and said she would entertain a motion to accept the report.

ASSEMBLYMAN GRADY MOVED TO ACCEPT THE CLOSING REPORT AS PRESENTED FOR THE BUDGET ACCOUNTS WITHIN THE DEPARTMENT OF BUSINESS AND INDUSTRY.

ASSEMBLYMAN ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGETS CLOSED.

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Assemblywoman Mastroluca, Chairwoman of the Joint Subcommittee on Human Services/Capital Improvement Program, read the following closing report for various budget accounts within the Department of Health and Human Services into the record:

The Joint Subcommittee on Human Services and CIPs has developed the following recommendations for the Director's Office of the Department of Health and Human Services. The recommendations decrease General Fund appropriations for the Department by \$90,849 in FY 2012 and \$4,187 in FY 2013.

Office of Consumer Health Assistance (101-1003) ELECTED-14:

The Subcommittee supported the Governor's recommendation to merge the Office of Consumer Health Assistance administered by the Governor's Office with the Office of Minority Health administered by the Health Division, and transfer the combined budget accounts to the Department of Health and Human Services Director's Office. The Subcommittee also supported the Governor's recommendation for a new Ombudsman position to assist injured workers. Additionally, the Subcommittee recommends a letter of intent directing the State Department of

Personnel to perform a study on the unclassified Ombudsman positions in this account to determine where in the State's classification system the positions would be placed based on the duties of the positions.

Administration (101-3150) DHHS DIRECTOR-1: The Subcommittee supported the Governor's recommendation to fund the Nevada 2-1-1 system with \$31,000 in General Funds each year and transfer the program from the Administration account to the Consumer Health Assistance account. The Subcommittee also recommends the addition of \$67,447 in United Health Settlement funds each year to support the Nevada 2-1-1 system.

The Subcommittee supported the Governor's recommendation to increase travel and training expenditures for staff to attend out-of-state conferences in the amount of \$13,145 each year as adjusted by staff. The adjustments result in General Fund savings of \$2,177 in each year of the 2011-13 biennium.

Grants Management Unit (101-3195) DHHS DIRECTOR-16: The Subcommittee supported the Governor's recommendation to eliminate approximately \$2.5 million in General Funds for the Family-to-Family program and to use \$471,149 of those savings in each year to restore funding for the Family Resource Centers and the Differential Response program. However, the Subcommittee placed the restoration of the Family-to-Family program on a potential add-back list should funds become available.

The Subcommittee supported the Governor's recommendation to eliminate tobacco cessation grants, and redirect approximately \$2.6 million in Tobacco Settlement funds to offset General Fund for the Family Resource Centers and Differential Response program in FY 2013. Additionally, the Subcommittee recommends using \$86,569 in available Tobacco Settlement funds to offset General Fund for the Differential Response program in FY 2012.

Healthy Nevada Fund (262-3261) DHHS DIRECTOR-41: The Subcommittee supported the Governor's recommendation to eliminate the Trust Fund for Public Health and to use Tobacco Settlement funds totaling \$3.8 million in FY 2013 to offset General Fund for the Autism and Traumatic Brain Injury programs administered by the Aging and Disability Services

Division, and the Family Preservation program administered by the Division of Mental Health and Developmental Services.

Public Defender (101-1499) DHHS DIRECTOR-43: The Subcommittee recommends closing the Public Defender's Office budget account as recommended by the Governor with staff adjustments due to Lincoln County opting out of the services provided by the Office. The adjusted budget includes the elimination of one vacant attorney position and operating costs, resulting in net General Fund savings of \$2,103 in FY 2012 and \$2,010 in FY 2013.

The Problem Gambling account (101-3200) and the Children's Trust account (101-3201) were closed by the Subcommittee as recommended by the Governor with technical adjustments only.

ASSEMBLYMAN CONKLIN MOVED TO ACCEPT THE CLOSING REPORT AS PRESENTED FOR THE BUDGET ACCOUNTS WITHIN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGETS CLOSED.

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Assemblyman Hogan, Chair of the Joint Subcommittee on Public Safety, Natural Resources and Transportation, read the following closing report for the budget accounts within the Department of Wildlife into the record:

The Joint Subcommittee for Public Safety, Natural Resources and Transportation has completed its review of the Department of Wildlife's budget accounts and has made the following recommendations for the Department's 2011-13 biennium budget.

Wildlife Administration (101-4452) Wildlife-1: The 2009 Appropriations and Authorizations Acts instructed the Department of Wildlife to separate the Wildlife Administration account into multiple accounts to facilitate tracking, reporting, accountability, and planning. The Subcommittee approved the Governor's recommended budget reorganization plan for the

Department. This plan included eliminating the Wildlife Administration account, as well as the Trout Stamp Program (101-4454) and Boating Program (101-4456) accounts, and completing the breakout of the Director's Office (101-4460) and Operations Division (101-4461) accounts established in FY 2011. In addition, the Subcommittee voted to establish the Conservation Education (101-4462), Law Enforcement (101-4463), Game Management (101-4464), Fisheries Management (101-4465), Diversity (101-4466), and Habitat (101-4467) accounts.

The Subcommittee also approved \$1.6 million in federal and fee funds over the 2011-13 biennium to continue a sagebrush coordinator position that will be located in the Habitat Division as well as program costs that will be divided between the Habitat and Diversity Divisions, as recommended by the Governor. In addition, the Subcommittee approved approximately \$1.6 million for new and replacement equipment in the 2011-13 biennium as recommended by the Governor, with minor adjustments to remove funding for unsupported replacement computer equipment.

Wildlife Fund (101-4458) Wildlife-38: As part of the budgetary reorganization of the Department of Wildlife, the name of the Obligated Reserve account was changed to the Wildlife Fund. The use of the account was expanded to include unrestricted fees as well as restricted fees. The Wildlife Fund account was also approved to house all of the Department's reserves.

Operations (101-4461) Wildlife-54: The Subcommittee approved the transfer of a State Land Agent 3 position to the Department of Conservation and Natural Resources (DCNR) as recommended by the Governor, in order to maintain all Land Agent positions in one agency and maintain the integrity of DCNR's land data.

Diversity (101-4466) Wildlife-90: The Subcommittee approved the Governor's recommendation to reduce General Funds by \$309,267 in the 2011-13 biennium and replace the appropriations with the same amount of habitat conservation fee revenues collected by the Department. The Governor's recommendation includes shifting the Diversity Division's focus to habitat restoration projects from collecting species and habitat data needed to implement the State's Wildlife Action Plan. This is a comprehensive statewide plan for wildlife conservation efforts and management of native non-game species.

The Subcommittee closed the remainder of the Department of Wildlife's accounts largely as recommended by the Governor, with permission to Fiscal staff to make technical adjustments, including:

- Wildlife – Trout Stamp Program (101-4454) Wildlife-29.
- Wildlife – Boating Program (101-4456) Wildlife-32.
- Wildlife – Director's Office (101-4460) Wildlife-47.
- Wildlife – Conservation Education (101-4462) Wildlife-63.
- Wildlife – Law Enforcement (101-4463) Wildlife-69.
- Wildlife – Game Management (101-4464) Wildlife-77.
- Wildlife – Fisheries Management (101-4465) Wildlife-83.
- Wildlife – Habitat (101-4467) Wildlife-96.

ASSEMBLYWOMAN CARLTON MOVED TO ACCEPT THE CLOSING REPORT AS PRESENTED FOR THE BUDGET ACCOUNTS WITHIN THE DEPARTMENT OF WILDLIFE.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGETS CLOSED.

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Assemblyman Hogan, Chair of the Joint Subcommittee on Public Safety, Natural Resources and Transportation, read the following closing report for certain budget accounts within the Department of Conservation and Natural Resources into the record:

The Joint Subcommittee on Public Safety, Natural Resources and Transportation has completed its review of various budgets for the 2011-13 biennium. The closing recommendations for these accounts resulted in General Fund savings of \$8,669 over the biennium.

DCNR Administration (101-4150) DCNR-1: The Subcommittee recommends approval of the Governor's recommendations to discontinue the Natural Resources Advisory Council, eliminate redundant membership in the Western States Water Council, eliminate the Department's Public Information Officer, and eliminate an Administrative Assistant 2 position in the

Director's Office. These four recommendations provide General Fund savings of \$140,211 in FY 2012 and \$142,173 in FY 2013.

Water Resources (101-4171) DCNR-67: The Subcommittee recommends approval of the Governor's recommendation to eliminate 5.5 positions from the Division of Water Resources, including two Associate Engineers, two Engineering Technicians, one Administrative Assistant, and half of the Deputy State Engineer in Las Vegas. The Deputy State Engineer will continue as a full-time, fully funded position in the Las Vegas Water Basin account, which has been providing one-half of the position's total costs. The elimination of these positions provides General Fund savings of \$675,562 over the 2011-13 biennium. The Subcommittee also recommends approval of the Governor's recommendation to transfer three General Fund positions from the Water Resources account to the Las Vegas Water Basin account, which is not contained in The Executive Budget. These three positions would continue in their current salary, working capacity, and locations, but would be funded from water assessments in the non-executive budget account, and move from classified service to non-classified service. This recommendation provides General Fund savings of \$289,676 over the upcoming biennium.

State Lands (101-4173) DCNR-79: The Subcommittee voted to recommend approval of the Governor's recommendation to reclassify the existing Management Analyst 4 position to a Deputy Administrator; however, instead of providing funds for a 9.6 percent salary increase, the Subcommittee approved funding for a salary increase of approximately 5 percent. This action provides General Fund savings of \$8,669 over the 2011-13 biennium.

DEP Administration (101-3173) DCNR-102: The Subcommittee supported the Governor's recommendation in the base budget to add grant revenue of \$2 million in each year of the 2011-13 biennium for a new federal Department of Energy (DOE) grant to fund environmental management activities at the Nevada National Security Site (formerly known as the Nevada Test Site). This grant revenue will be transferred to other Division of Environmental Protection accounts, as well as other divisions within the Department of Conservation and Natural Resources. The DOE funds allow the Division to eliminate all General Fund

appropriations in the base budget and fill three fee-funded positions that were held vacant due to declining revenue.

DEP Air Quality (101-3185) DCNR-108: The Subcommittee recommends approval of a technical adjustment to add additional transfers from the Air Quality Management fund of \$121,606 in FY 2012 and \$122,253 in FY 2013 for the personnel and operating expenses of a Deputy Attorney General dedicated to the Bureau of Air Quality Planning and the Bureau of Air Pollution Control. The position was approved at the February 3, 2011, Interim Finance Committee meeting. The Subcommittee also voted to fund new and replacement equipment with reserve reductions rather than from the Air Quality Management fund. This action provides Air Quality Management fund savings of \$259,274 in FY 2012 and \$100,585 in FY 2013.

DEP Waste Management and Federal Facilities (101-3187) DCNR-120: The Subcommittee recommends approval of a technical adjustment to add additional transfers from the Hazardous Waste Management fund of \$134,040 in FY 2012 and \$134,761 in FY 2013 for the personnel and operating expenses of a Senior Deputy Attorney General dedicated to the Bureau of Corrective Actions. This position was also approved at the February 3, 2011, Interim Finance Committee meeting.

The Subcommittee recommends closing the following DCNR budget accounts as recommended by the Governor with only minor or technical adjustments:

- Heil Wild Horse Bequest (607-4156) DCNR-9.
- State Environmental Commission (101-4149) DCNR-12.
- DEP Water Pollution Control (101-3186) DCNR-114.
- DEP Mining Regulation/Reclamation (101-3188) DCNR-128.
- DEP State Revolving Fund—Administration (746-3189) DCNR-133.
- DEP Water Quality Planning (101-3193) DCNR-138.
- DEP Safe Drinking Water Regulatory Program (101-3197) DCNR-143.
- DEP Water Planning Capital Improvement (101-4155) DCNR-148.

ASSEMBLYMAN CONKLIN MOVED TO ACCEPT THE CLOSING REPORT AS PRESENTED FOR THE BUDGET ACCOUNTS WITHIN THE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED.

BUDGETS CLOSED.

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Chairwoman Smith adjourned the meeting at 9:48 a.m.

RESPECTFULLY SUBMITTED:

Anne Bowen
Committee Secretary

APPROVED BY:



Assemblywoman Debbie Smith, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: April 22, 2011

Time of Meeting: 8:09 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Guest Sign-in sheets
A.B. 485	C	Daphne DeLeon, Chair, Nevada Broadband Task Force	Nevada Broadband Task Force
A.B. 485	D	Daphne DeLeon, Chair, Nevada Broadband Task Force	Connect Nevada Density of Households Unserved by a Broadband Provider by Census Block
A.B. 485	E	Shayne Del Cohen	Remarks for Public Comment
A.B. 485	F	Karen Pearl, Exec. Director, Nevada Telecommunications Association	Written testimony of Karen Pearl
A.B. 515	G	Jim R. Barbee, Acting Director, Department of Agriculture	Proposed amendment to A.B. 515