

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-sixth Session
April 29, 2011**

The Senate Committee on Finance was called to order by Chair Sheila Leslie at 7:54 a.m. on Friday, April 29, 2011, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412E, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Steven A. Horsford, Chair
Senator Sheila Leslie, Vice Chair
Senator David R. Parks
Senator Moises (Mo) Denis
Senator Dean A. Rhoads
Senator Barbara K. Cegavske
Senator Ben Kieckhefer

STAFF MEMBERS PRESENT:

Brian M. Burke, Senior Program Analyst
Rex Goodman, Principal Deputy Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
Julie Waller, Program Analyst
Marian Williams, Committee Secretary

OTHERS PRESENT:

Bruce Breslow, Director, Department of Motor Vehicles
Troy Dillard, Deputy Director, Department of Motor Vehicles
Deborah Cook, CPM, Chief of Administration, Nevada Department of Motor Vehicles
John Madole, Executive Director, Nevada Chapter, The Associated General Contractors of America, Inc.; Nevada Highway Users Coalition
Jack Mallory, Director of Government Affairs, District Council 15, International Union of Painters and Allied Trades

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Jeanette Belz, Highway Users Coalition; Nevada chapter, The Associated General Contractors of America, Inc.
Prashanth Vankalapati, Chief IT Administrator, Department of Motor Vehicles
Keith Wells, Administrator, State Motor Pool, Department of Administration
Carla Watson, Team Lead, Budget Division, Office of Administration
Nicole Lamboley, Chief Deputy, Office of the Secretary of State

VICE CHAIR LESLIE:
We will begin with Senate Bill (S.B.) 244.

[SENATE BILL 244](#): Revises provisions governing special license plates and parking placards for persons with disabilities. (BDR 43-656)

BRUCE BRESLOW (Director, Department of Motor Vehicles):
We have 19 bills before you today and 16 of them are interrelated. We thought there was just going to be 1 bill, but they came out as 16 individual bills. We have provided you with a matrix ([Exhibit C](#)) that makes it a bit easier to understand these bills.

Senator Breeden is the sponsor for S.B. 244, but we are here to explain the fiscal note.

TROY DILLARD (Deputy Director, Department of Motor Vehicles):
We are neutral on this bill. It is not our bill, but I will explain the fiscal note. This bill gives law enforcement the ability to confiscate a handicapped placard or plate that is being used inappropriately. This bill also requires applicants to surrender the placards or plates upon the ineligibility of the individual who possesses it. Senator Breeden discussed incidents where family members have used placards or plates that were assigned to eligible relatives. This is an inappropriate use.

Upon a third violation, S.B. 244 suspends the individual's driver's license if they have been caught and convicted of that offense three times. This is the impact to the Department of Motor Vehicles (DMV) on the programming side and for which the fiscal note was submitted. There will be programming hours required for this. After the fiscal note was submitted, in conjunction with other projects, we determined we could include this programming within other projects and therefore there will be no fiscal impact. We attempted to withdraw the fiscal note with this, but we were unsuccessful because it was already in the system.

There will be no fiscal impact on the DMV side for S.B. 244.

SENATOR KIECKHEFER:

The bill would allow law enforcement to seize specialty license plates if they believe the person is ineligible. We have certain specialty license plates that have eligibility requirements, such as being a veteran. Would this bill include those plates as well? The bill does not speak to handicapped plates specifically, but specialty plates in general.

MR. BRESLOW:

Are you speaking about section 3, subsection 15?

SENATOR KIECKHEFER:

I am speaking about section 1, where it reads, "A law enforcement officer who has probable cause to believe that a person possesses any special license plate or plates...which the person is not eligible to possess." Is *Nevada Revised Statutes* (NRS) 482.384 specific to handicapped placards and plates?

MR. BRESLOW:

The intent was that this bill dealt specifically with placards. If someone is a female veteran, but a male truck driver is driving the vehicle and there is no evidence that the trucker is a female veteran, the way this reads, law enforcement could confiscate that plate or placard.

SENATOR KIECKHEFER:

I do not know what NRS 482.384 says, but maybe it is specific to handicapped plates and placards.

VICE CHAIR LESLIE:

We can take a look at that.

We will close the hearing on S.B. 244 and open the hearing on S.B. 425.

SENATE BILL 425: Makes an appropriation to the Department of Motor Vehicles for the replacement of computers and other associated equipment.
(BDR S-1264)

MR. BRESLOW:

This is the first of the bills listed on [Exhibit C](#). We have two kinds of bills. The first deals with the replacement of computers and related equipment, the other deals with the replacement of office equipment. There are two separate bills for every different budget within the DMV. This first bill, S.B. 425, deals with replacement of computers and related equipment within the Director's Office.

VICE CHAIR LESLIE:

We need to know what the amount is and if it is in the Governor's budget. Also, please tell us if it deviates from the Governor's budget.

DEBORAH L. COOK, CPM (Chief of Administration, Department of Motor Vehicles):
Senate Bill 425 requests a one-shot appropriation in the amount of \$102,584 to the Director's Office Budget Account (B/A) 201-4744, for the replacement of computers and printers.

PUBLIC SAFETY

MOTOR VEHICLES

DMV – Director's Office — Budget Page DMV-1 (Volume III)
Budget Account 201-4744

VICE CHAIR LESLIE:

Is the amount in S.B. 425 the correct amount?

MS. COOK:

Yes, it is the correct amount. This is not in the Governor's budget, but it is in this bill. It was originally requested in the Governor's budget and was taken out and put in this one-shot appropriation.

VICE CHAIR LESLIE:

That is not exactly right.

MARK KRMPOTIC (Senate Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau):

The funding is in the Governor's budget. It is reflected as a one-shot appropriation, versus an appropriation in the DMV operating budget. It is

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recommended by the Governor, but it is in a different section of the *Executive Budget*.

SENATOR DENIS:
Why are we getting this bill in this form?

VICE CHAIR LESLIE:
Because it is a one-shot appropriation.

MR. KRMPOTIC:
It is a one-shot appropriation. In S.B. 425, section 2 states that the balance "must not be committed for expenditure after June 30, 2013." This gives DMV the authority to spend the appropriation or purchase the equipment over the entire biennium. If the money were in the operating budget, for example if all \$102,584 were appropriated for fiscal year (FY) 2011-2012, DMV would have to spend all of the money and purchase all of the equipment in FY 2011-2012, otherwise the funding would revert to the General Fund. Doing this as a bill gives DMV more time to execute the budget, purchase the equipment and utilize the funding over the entire biennium.

SENATOR DENIS:
Is this typical?

VICE CHAIR LESLIE:
Yes, this is typical.

SENATOR DENIS:
I am just trying to understand the differences between this and seeing it as a budget account. Also, the language of the bill says it is effective upon passage and approval. Does that mean they can start using this money on July 1, 2011?

MR. KRMPOTIC:
The appropriation would take effect upon passage and approval. If it were submitted to the Governor and signed on May 15, 2011, the appropriation would take effect on May 15, 2011. The agency could begin purchasing the equipment prior to June 30 if this were the case. The distinction here is that the bill recommends allocating Highway Fund appropriations from the unobligated Highway Fund balance in FY 2010-2011. There are some General Fund appropriations that are recommended to be appropriated in the same manner,

under the same time frame. It is a matter of which year the funding is available. In the case of the General Fund, if the State has surplus balance in FY 2010-2011, in certain cases the Governor has recommended the appropriation in FY 2010-2011. If the appropriation requires the receipt of revenues in FY 2011-2012 or FY 2012-2013, the appropriation would be effective July 1, 2011, or July 1, 2012. This is the distinction.

With respect to the Highway Fund, there is a Highway Fund balance. These appropriations have been accounted for in the balance and the Committee has heard information on the Highway Fund balance through the Nevada Department of Transportation (NDOT) hearings. This is recommended in the budget and it is accounted for in the Highway Fund balance which is just under \$100 million.

SENATOR DENIS:

Does this follow the regular replacement schedule for equipment?

MR. BRESLOW:

Yes, it does.

JOHN MADOLE (Executive Director, Nevada Chapter, The Associated General Contractors of America, Inc.; Nevada Highway Users Coalition):

I am opposed to S.B. 425 because the Highway Fund has not seen an increase in over 17 years. The funding has gone down about 17 percent. It is interesting to note that the DMV appropriations increased the amount of money the DMV is spending by about 22 percent since 2007. The principle here is that the Highway Fund should be paying for highways. I am on record supporting a \$25 a year driver's license fee. I am happy to support DMV fees that support their budget. Put them in the General Fund and I will be the first one to show up and support it. The Highway Fund, though, is hurting. We are not fixing our highways and we have a big investment that we are not taking care of.

VICE CHAIR LESLIE:

I think that is a good point.

MR. MADOLE:

On behalf of the Associated General Contractors of America, Inc. (AGC), I will have the same objection as we go through this series of bills.

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VICE CHAIR LESLIE:
That is fine, put it on the record each time.

MR. MADOLE:
This pattern goes back decades.

VICE CHAIR LESLIE:
When you realized that there were a number of bills that use the Highway Fund in an inappropriate manner in your opinion, did you and your coalition make this known to the Governor's Office? Did you object?

MR. MADOLE:
I have not contacted the Governor's Office.

VICE CHAIR LESLIE:
I would encourage you to do that.

MR. MADOLE:
I would be more than happy to. I have several things I would like to talk to him about and I will add this to the list.

MR. KRMPOTIC:
In S.B. 425, it indicates that "There is hereby appropriated from the State Highway Fund to the Department of Motor Vehicles the sum of \$102,584..." The DMV indicated that this is for the Director's Office budget. Staff will probably suggest amendments to these bills to identify that the funds are for the Director's Office and not for DMV in general.

JACK MALLORY (Director of Government Affairs, District Council 15, International Union of Painters and Allied Trades):

While \$104,000 does not sound like a lot, if you look at the cumulative affect of all of these bills, you are looking at a sum of \$3,575,697 being diverted from the Highway Fund to DMV in order to purchase computers, vehicles and office equipment. I am driving a 12-year old vehicle. I am using a computer that was purchased two years ago, but my computer in my office is seven years old. This is a time when the replacement of these types of items is something that should be delayed until the State is in a better fiscal situation, unless it is absolutely necessary. It is our opinion that this bill, along with the other bills, are job killers

when you take \$3.5 million out of the Highway Fund. This money could be used to put people to work.

SENATOR KIECKHEFER:

The DMV receives a percentage allocation out of the Highway Fund. Will these bills be in excess of that allocation?

MR. KRMPOTIC:

The DMV is subject to a cap in Highway Fund appropriations that are approved for the Department in total. The cap is 22 percent of the proceeds it collects, excluding gasoline tax. The way this has been presented, the one-shot appropriations are outside the operating budgets. If they were included in the operating budgets, they would be subject to the 22 percent cap. I do not know where DMV stands in relation to the 22 percent cap, but this may push them over it. I do not recall the calculations of where their operating budgets stand in terms of their Highway Fund collections. They recently revised revenue projections that changed their cap.

MS. COOK:

These bills are under FY 2010-2011 cap. We still have about \$2.7 million after these one-shot appropriations under the cap.

VICE CHAIR LESLIE:

Is this why they are on passage and approval? Are you hoping to get this done this year?

MS. COOK:

Yes, and because we would like the flexibility to purchase this equipment throughout the biennium.

SENATOR KIECKHEFER:

It seems like we are working the system a little bit.

VICE CHAIR LESLIE:

These are very valid concerns. Why are we using Highway Fund monies instead of General Fund monies for these basic operating expenses?

MR. BRESLOW:

The only General Fund money we receive is \$25,000, which is part of the motor voter program. Everything else is funded through the Highway Fund or is fee funded.

VICE CHAIR LESLIE:

Why are we not using fees for this?

MR. BRESLOW:

There are no fees that are related to this. This is still under the 22 percent cap. I did not realize until today that the Associated General Contractors have a long history of opposing any funding that comes out of the Highway Fund for operating expenses, but that is what DMV is based on. This is where our funding comes from. We collect the Highway Fund money and split it with NDOT. I do not go to NDOT hearings and say they should not have 11 public information officers and 2 airplanes. That is how they manage the funds that they have.

VICE CHAIR LESLIE:

I think you are missing Mr. Madole's point. His point is that we should be using fees and that the Highway Fund should be used for highways, not computers for the DMV Director's Office.

MR. BRESLOW:

I will note that, but our funding comes from the Highway Fund. There are a few fees accounts, like the smog account, but our basic funding comes from the Highway Fund. This is how DMV was created and we are the only agency with a cap. Our cap has been in place since the 1950s. The most the DMV can ever spend of the Highway Fund is 22 percent. Even with all of these one-shot appropriations, we will be under the 22 percent cap by several million dollars. I did not create the history of how DMV was started.

VICE CHAIR LESLIE:

I understand.

MR. MADOLE:

We have a concern about the way this money is handled. The Highway Fund collects gas taxes and other revenues to build highways. Last week, there was a bill in the Assembly requesting approximately \$5.3 million to replace highway

patrol cars. We opposed that bill for the same reason. The principle here is that the DMV fees should be appropriately implemented so that they raise the money DMV needs. I bet there is not a person in this room who would give up their driver's license if it cost \$25 a year. I would continue to support something like that.

Mr. Breslow and I agree that this Department should be funded, but I disagree that the funding should be coming out of the Highway Fund. Several years ago, DMV had significantly more revenue coming in without this Department taking as much away.

VICE CHAIR LESLIE:

We have heard from Staff that we need to tighten up the language and make sure that it is more specific in reflecting the intent of where the money is going to be spent.

JEANETTE BELZ (Highway Users Coalition; Nevada Chapter, The Associated General Contractors of America, Inc.):

I have been involved in this for a very long time. We submitted to you NDOT's 2010 Nevada Transportation Facts and Figures ([Exhibit D](#)). Page 2 of [Exhibit D](#), states Highway Fund revenue has decreased from 2007 to 2009 by 17 percent. Yet, if you look at DMV expenditures, they have gone up by 22 percent. This worries us.

VICE CHAIR LESLIE:

We will close the hearing on S.B. 425 and open the hearing on S.B. 441.

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

MR. BRESLOW:

This bill represents the future of DMV. It changes the culture of DMV. The goal is to dramatically expand the efforts to improve customer service, while reducing the cost to the Highway Fund and State funding in general. With this bill, instead of driving through congested urban corridors to get into long lines at DMV, we want to bring DMV closer to where people live, work and study. The kiosk proposal does this, while reducing the burden on the Highway Fund.

The State currently has 26 self-service kiosks, 17 of which are located inside DMV offices. In FY 2008-2009, the kiosks handled 353,000 transactions, raising about \$50 million in revenue, at a cost to DMV of about \$1.7 million. Kiosk usage increased another 20 percent in FY 2009-2010. This year, as of Saturday, 26.3 percent of all registration renewals have been done at selfservice kiosks. This is over 344,000 transactions this year. I would like to dramatically expand the kiosk program in the next biennium, bringing them closer to the public and into business centers, universities and rural areas. We can put these in businesses that are typically open 24 hours a day, 7 days a week (24-7).

The next generation kiosk will be available in 2012 and S.B. 441, if passed, will allow us to add driver's license renewals and other Web-based functions to the kiosk. Currently we cannot do this because we are under the 22 percent cap which is paid for by the Highway Fund. This bill will give the user the choice of whether or not they want to use the kiosk. The current fee that we pay the vendor out of the Highway Fund will be passed through at the time of use to the customer using the kiosk. This fee is a pass-through. The DMV is not interested in adding another 10 cent or 15 cent fee.

The request for proposal (RFP) went out yesterday. Although I am not allowed to discuss who bid at this stage, I can tell you that the fees will not be more than current fees, and more than likely will be less. This quarter we moved a kiosk to Fernley, Nevada. Another was placed in a 24-7 grocery store in Gardnerville to replace a DMV office that was shut down. In North Las Vegas, we are working to place a kiosk in an Albertson's Grocery Store. They want to work with us and have a whole marketing campaign for discussing the kiosks. If these kiosks are selffunded, we will be able to add all the other functions we could not add when they fell under the cap. We can also put them in locations that will keep people from having to drive out of their neighborhoods to come to DMV. Currently, 95 percent of the people who use kiosks use them for registration renewal. We cannot add functions like driver's license renewals with the current system. This bill will allow those functions. I have submitted written testimony ([Exhibit E](#)) for the record.

MR. MADOLE:

Will we generate more money with the kiosks than what they cost? If these kiosks are revenue generators and we are going to recover the entire cost of the kiosks and generate additional funds to the Highway Fund, perhaps I can find a

way to support this. I did not hear any numbers. If this is costing approximately \$1.7 million and it generates \$1.8 million, for example, I am here to say that this is a good idea. But I did not hear Mr. Breslow mention any numbers.

MS. COOK:

The cost of the kiosk is being passed onto the customer. There is no additional revenue.

MR. BRESLOW:

The kiosks are paid for by a vendor. They are amortized over the cost of the contract. The vendor also services the machines. We are currently under a contract that will expire. The new contract will start in 2012. The goal with these machines is customer service and to reduce the burden on the Highway Fund which is currently paying for all of the transactions that pay for the kiosks. With this bill being selffunded, the State will no longer pay the vendor. The customer at the time will pay those fees. This bill will save money from the Highway Fund and it should be something that AGC likes.

VICE CHAIR LESLIE:

I do not think they are going to like this unless you raise some money above the costs. I understand that there is an indirect savings because of the relief of the burden on the DMV. It sounds like the contract will just cover the costs, not generate additional revenue.

MR. BRESLOW:

It is not a revenue generator for DMV, per se, but it is an opportunity to reduce the number of people who come in and it will reduce our wait time. Our Department is about customer service. Other Departments that have contacted us expressing interest in turning the kiosks into governmental kiosks that offer more services in the future. Both the Department of Wildlife and the Department of Public Safety could use these to have people pay their fines and other things like that.

VICE CHAIR LESLIE:

We understand that DMV is not a revenue generator.

SENATOR DENIS:

I am one of those individuals who has consistently used these machines in the past. I would even pay an added cost for the privilege of using them. They do

save time and money for individuals who need to go to DMV. They would save people time standing in line and also cut down on the added staff that might otherwise be required.

VICE CHAIR LESLIE:

I think Mr. Madole would like the added costs. The incentive would be to pay extra for the customer service, but this is not the DMV intent.

MR. BRESLOW:

The cost is paid for by the contractor. The users of the kiosk will pay the contractor, instead of the State. This would result in a reduction of Highway Fund appropriations.

MR. MALLORY:

Originally, I did not intend to testify on this bill and did not take an official position. What is the service fee that the vendor will charge for the use of the kiosks? How much are we paying this vendor for providing the kiosks? There is no benefit to the State in terms of tax revenue.

VICE CHAIR LESLIE:

I believe DMV is in contract negotiations at the moment, so we do not know the cost.

MR. BRESLOW:

I cannot talk about what was opened in the bid yesterday, but our current vendor contract said that they had four years to amortize their equipment. As a company, they have to make a profit, so it was our job to negotiate the lowest rate possible, because it was paid for by Highway Fund monies. The fees allowed for them to charge \$1.85 if we did driver's license renewals. We never added driver's license renewals because we did not have any money available under the cap. For two of the functions on the machine, the fee is \$1. The vendor charges the State \$4.99 under that contract for registration renewals. With the new bid, we feel that the fees will actually be lower, but they will be paid for by the user and it will be the choice of the user if they want to pay for it. This will not come out of State funding. The whole point is to make this a selffunded account and not use State money for it.

VICE CHAIR LESLIE:

I am not sure that is Mr. Mallory's point.

MR. MALLORY:

There was testimony in another committee about a separate bill about unemployment compensation and the utilization of debit cards. The committee discussed a service fee that was being charged by Wells Fargo to the recipients of those unemployment compensation dollars. How much of a profit center will this be for the vendor that is providing this service? They will benefit from the State.

SENATOR KIECKHEFER:

I appreciate that, but this is a convenience fee. The person can still get in line at DMV to avoid paying any convenience fee. They will just pay the flat rate charged by the State. This is a different scenario than the debt vendor for unemployment compensation. I share the Majority Leader's concerns on that issue.

How much are we currently paying to the vendor? Under this bill, will that cost be eliminated?

MR. BRESLOW:

We are currently paying approximately \$5 million annually.

SENATOR KIECKHEFER:

Will this save \$5 million annually in Highway Fund monies?

MR. BRESLOW:

Approximately, yes. That savings is not included in the Governor's budget.

MR. MALLORY:

It appears that in addition to the approximately \$3.5 million that DMV has requested for computers, equipment and vehicles, including over \$6,000 for chairs, they are also going to see a reduction in their expenditures of about \$5 million, for a net economic impact of about \$8.5 million. This makes me question the necessity of all the one-shot expenditures if they are saving \$5 million by transferring that expenditure to a self-funded mechanism.

SENATOR KIECKHEFER:

The \$5 million will be a savings and they are asking for \$3.5 million in one-shot expenditures, so it is a \$1.5 million economic impact, not an \$8.5 million

economic impact. Is it \$1.5 million in savings, not \$1.5 million in additional cost?

MR. MALLORY:

It does not look that way on the surface.

SENATOR KIECKHEFER:

You save \$5 million by making the kiosks self-funded through the convenience fee, and they are asking for \$3.5 million in the additional one-shot expenditures. That is \$5 million in and \$3.5 million out, which totals \$1.5 million in savings.

MR. MALLORY:

Where the confusion lies is if this is enacted, and \$5 million in savings is enjoyed, does that \$5 million remain in the Highway Fund or does it remain in the DMV operating budget?

MR. BRESLOW:

The Governor has reduced the funding to DMV, based on S.B. 441 going forward. If this bill passes, there would be a total savings over the biennium of \$3,466,000. If this bill does not pass, we would have to come back and request an additional \$5,232,431 to pay the transaction fees over the biennium. Because the new machines do not come out until 2012 the Governor's recommended budget does not zero out the kiosk funding, but reduces it based on the projections for when the new contract would go into place.

SENATOR DENIS:

Do we lease or own the kiosks?

MR. BRESLOW:

The kiosks will be owned by the vendor, who will recoup their funds through fees. The kiosks cost approximately \$30,000 apiece. I do not even know the costs of the new generation kiosks. The cost of making, distributing, running and maintaining the machines is recouped by the vendor in the self funded program. The State does not buy or own the kiosks.

SENATOR DENIS:

Does the vendor do all the maintenance on the kiosks?

MR. BRESLOW:

Yes, they do all the maintenance.

SENATOR DENIS:

Are all of the machines electronic or do they accept cash?

MR. BRESLOW:

Only the kiosks in the DMV offices collect cash. The DMV employees have a system for collecting the cash each day and logging it. None of the kiosks that will be going into grocery stores or neighborhood stores will be cash machines. They will only be electronic.

MR. MADOLE:

Would it be appropriate to amend the bill to direct DMV to recover all these fees in this biennium? In section 1, subsection 5, it states, "to charge and collect from customers a nonrefundable processing fee..." Why should these fees not recover the entire cost and make it a positive income to the Highway Fund? I would pay \$5 or \$10 to avoid an hour wait at the DMV.

MR. BRESLOW:

It will take some time to program the new system and the new kiosks. We do not know who the new vendor will be. It could be HP, 3M, the current vendor or others. It takes time to implement the system and the new machines will not be available until 2012, which is why there is some funding in the kiosk program. The funding is reduced because it anticipates that the account will become selffunded as soon as possible.

VICE CHAIR LESLIE:

You have heard the concerns today and I hope you take them into consideration as you move forward.

MR. BRESLOW:

I came on after the budget was done, but in the future I will be involved with putting budgets together for DMV. I hope to remain in this agency at least until the next session.

VICE CHAIR LESLIE:

We will close the hearing on S.B. 441 and open the hearing on S.B. 453. This sounds a lot like S.B. 425.

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SENATE BILL 453: Makes an appropriation to the Department of Motor Vehicles for computers and other associated equipment. (BDR S-1251)

MR. BRESLOW:

This bill is for the Information Technology (IT) Division budget to replace computers and other associated equipment per the schedule done in a one-shot appropriation.

MS. COOK:

This bill requests a one-shot appropriation in the amount of \$905,210 to the DMV's Motor Vehicle IT Division, B/A 201-4715. This is to replace computers, printers, servers, routers and other IT related equipment.

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Budget Account 201-4715

VICE CHAIR LESLIE:

Will this bill need to be amended to be more specific about what the appropriation is for?

MR. KRMPOTIC:

Yes, it will need to be amended. This bill makes an appropriation to DMV. Staff would suggest that the language in section 1 be cleaned up to identify the specific division. This is to the automation account within DMV.

VICE CHAIR LESLIE:

We just need to be clear about the purpose.

MR. BRESLOW:

Unfortunately, these all came out as separate bills instead of one bill dealing with computers and equipment for the entire DMV. Each bill is done by budget account individually and S.B. 453 is for B/A 201-4715.

VICE CHAIR LESLIE:

We will need to get new language and amend the bill. Unfortunately, this is going to take time and effort.

MR. BRESLOW:

It took us by surprise that these came out as individual bills.

VICE CHAIR LESLIE:

We just need language that is specific to what the purpose is. Individual bills are fine, we just need specific language.

MR. MADOLE:

I would like to express the same concerns that I have done so previously. We are considering bills that will reduce the approximately \$100 million Highway Fund balance to about \$90 million. This might not be something we want to do.

MR. MALLORY:

My testimony on this bill is the same as on S.B. 425. Once again, we are opposed.

VICE CHAIR LESLIE:

To the source of the funding?

MR. MALLORY:

Correct.

VICE CHAIR LESLIE:

I recall that you also spoke about how you use old computers yourself.

MR. MALLORY:

Yes, that was my point.

SENATOR DENIS:

We are appropriating a specific amount in each bill. In this bill, we are appropriating \$905,210. What happens if DMV does not spend as much on the equipment as projected? For example, on the equipment list ([Exhibit F](#)), a computer without a monitor is listed at \$895. By the time you purchase this equipment, the price may be less. If you do see any savings, is that money still tied up in the Highway Fund for the biennium? If there is savings, how do we adjust for it?

MR. BRESLOW:

I am new to DMV, but we are operating under the 22 percent cap. If we have a good year and the Highway Funds go up, our budget does not change. The extra money goes to NDOT. You give us the right to spend the money, you are not giving us money. I would assume that we would only spend the amount

under what we are allowed. We are not taking money and hoping it all comes out balanced in the end.

SENATOR DENIS:

If you want 24 computers at a specific price, but they come in less than that, I believe you are allowed to then buy 30 computers because of the savings. You will take the spending up to the maximum, instead of creating a savings. How can we get the savings back in the Highway Fund?

MR. BRESLOW:

That is a good question.

MS. COOK:

Usually, we have these items that are estimated out at this time. When we go to purchase these items, some will come in under estimate and some will come in over estimate. Because of this, it usually ends up balancing out. Any savings would revert to the Highway Fund.

SENATOR DENIS:

Would that reversion be at the end of the biennium?

MS. COOK:

Yes.

SENATOR DENIS:

We will be tying up the money for two years. In the meantime, we could not use that savings on another project.

I have looked at the equipment list [Exhibit F](#) and it appears reasonable. You have several storage area networks (SANs), which are large ticket items. Are the ones you are replacing at the end of their cycle?

PRASHANTH VANKALAPATI (Chief IT Administrator, Department of Motor Vehicles):
The SANs are at the end of their life replacement cycle. One is for northern Nevada and one is for southern Nevada. The southern Nevada SAN acts as a disaster recovery back-up in case something goes wrong with the northern SAN. If this happens, the southern SAN can fix it and DMV will operate efficiently.

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SENATOR DENIS:

Do you currently have one in both the north and the south?

MR. VANKALAPATI:

Yes.

VICE CHAIR LESLIE:

We will close the hearing on S.B. 453 and open the hearing on S.B. 454.

SENATE BILL 454: Makes an appropriation to the Department of Motor Vehicles for the replacement of office equipment. (BDR S-1260)

MR. BRESLOW:

This bill is tied to the central services budget, B/A 201-4741. Unlike the other bills that have been about computers and related equipment, S.B. 454 is to replace office equipment within that department.

DMV – Central Services — Budget Page DMV-40 (Volume III)
Budget Account 201-4741

MS. COOK:

This one-shot appropriation is requested in the amount of \$49,323 for the Central Services Division. This is for the replacement of chairs, phones, FAX machines and other office equipment.

MR. MADOLE:

We are opposed to S.B. 454.

MR. MALLORY:

We also oppose S.B. 454 for reasons previously stated.

VICE CHAIR LESLIE:

We will close the hearing on S.B. 454 and open the hearing on S.B. 455.

SENATE BILL 455: Makes an appropriation to the Motor Carrier Division of the Department of Motor Vehicles for the replacement of a vehicle and office equipment. (BDR S-1252)

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MR. BRESLOW:

This bill is tied to the Motor Carrier Division, B/A 201-4717.

DMV – Motor Carrier — Budget Page DMV-63 (Volume III)
Budget Account 201-4717

KEITH WELLS (Administrator, State Motor Pool, Department of Administration):

An amendment ([Exhibit G](#)) was submitted to move \$17,943 over to the State Motor Pool to fund one vehicle for the Motor Carrier Division.

VICE CHAIR LESLIE:

In section 1 of the amendment, we are now allocating \$23,670 for the replacement of office equipment and redirecting \$17,943 to the State Motor Pool. Is this correct?

MR. WELLS:

Yes.

MR. BRESLOW:

There are several other bills where the State Motor Pool will be affected by the amendments.

VICE CHAIR LESLIE:

We will take them as they come.

MR. MADOLE:

We are opposed to the bill. Also, Senator Denis's suggestion to include a list of equipment with these bills would make it a lot easier to follow.

VICE CHAIR LESLIE:

We do have an equipment schedule that we will make available to you.

MR. MALLORY:

We remain opposed to this bill for reasons stated previously. We would like to note that the amendment, as it is drafted, does nothing to reduce the fiscal impact of the bill.

VICE CHAIR LESLIE:

We will close the hearing on S.B. 455 and open the hearing on S.B. 456.

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SENATE BILL 456: Makes an appropriation to the Department of Motor Vehicles for the replacement of computers and other associated equipment.
(BDR S-1259)

MR. BRESLOW:

This bill is tied to B/A 201-4740, the Compliance Enforcement Division.

DMV – Compliance Enforcement — Budget Page DMV-27 (Volume III)
Budget Account 201-4740

MS. COOK:

This bill requests \$174,651 for the replacement of computers and printers.

VICE CHAIR LESLIE:

Which division is this for?

MS. COOK:

This is the Compliance Enforcement Division and B/A 201-4740.

VICE CHAIR LESLIE:

Our Staff will want to work on the language in this bill as well.

MS. COOK:

We have been working with your Staff.

VICE CHAIR LESLIE:

We will need to amend S.B. 456 to correct the language.

MR. MADOLE:

Once again, we express our opposition to taking the money from the Highway Fund.

MR. MALLORY:

We are also opposed to this bill based on our previous testimony.

VICE CHAIR LESLIE:

We will close the hearing on S.B. 456 and open the hearing on S.B. 457.

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SENATE BILL 457: Makes an appropriation to the Department of Motor Vehicles for the replacement of vehicles and other equipment. (BDR S-1258)

MR. BRESLOW:

This bill also deals with the Compliance Enforcement Division and pertains to the vehicles that they use to collect taxes. The budget account is 201-4740.

MR. WELLS:

The amendment ([Exhibit H](#)) requests the transfer of \$75,321 to the State Motor Pool in order to purchase four vehicles for the DMV.

VICE CHAIR LESLIE:

Is this the same type of amendment as S.B. 455? We are just splitting up the money.

MR. WELLS:

Correct.

MR. MADOLE:

We are opposed to taking this money from the Highway Fund.

VICE CHAIR LESLIE:

You are not persuaded by Mr. Breslow's argument?

MR. MADOLE:

No.

VICE CHAIR LESLIE:

I did not think that you would be.

MR. MALLORY:

We are also in opposition to this bill for reasons previously stated.

VICE CHAIR LESLIE:

We will close the hearing on S.B. 457 and open the hearing on S.B. 458.

SENATE BILL 458: Makes an appropriation to the Department of Motor Vehicles for computers and other associated equipment. (BDR S-1255)

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MR. BRESLOW:

This bill is tied to B/A 201-4732, the Hearings Account. This account is for our administrative law judges that conduct the hearings and cases dealing with DMV.

DMV – Hearings — Budget Page DMV-11 (Volume II)
Budget Account 201-4732

MS. COOK:

This bill requests that \$43,041 be appropriated for the Hearings Division.

VICE CHAIR LESLIE:

We will work on the language in this bill.

MR. MADOLE:

We are opposed to this bill and taking the money out of the Highway Fund.

MR. MALLORY:

We are also in opposition to this bill for reasons previously stated.

VICE CHAIR LESLIE:

We will close the hearing on S.B. 458 and open the hearing on S.B. 459.

SENATE BILL 459: Makes an appropriation to the Department of Motor Vehicles for the replacement of computers and other associated equipment.
(BDR S-1257)

MR. BRESLOW:

This bill is connected to Field Services, our 18 offices of DMV, and is tied to B/A 201-4735 to replace computers and other associated equipment.

DMV – Field Services — Budget Page DMV-56 (Volume III)
Budget Account 201-4735

MS. COOK:

The amount of this one-shot appropriation is \$1,123,927 for B/A 201-4735.

VICE CHAIR LESLIE:

Is this for the front line staff in the DMV offices?

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MR. BRESLOW:
Yes.

MR. MADOLE:
We are opposed to this bill because the money is coming out of the Highway Fund.

MR. MALLORY:
We are also in opposition to this bill based on reasons previously stated.

VICE CHAIR LESLIE:
We will close the hearing on S.B. 459 and open the hearing on S.B. 460.

[SENATE BILL 460](#): Makes an appropriation to the Department of Motor Vehicles for the replacement of office equipment and a vehicle. (BDR S-1256)

MR. BRESLOW:
This bill is tied to Field Services and B/A 201-4735.

MR. WELLS:
The amendment ([Exhibit I](#)) transfers \$24,018 to the State Motor Pool to fund one new vehicle for DMV.

MR. KRMPOTIC:
For each of the amendments proposed in [Exhibit G](#), ([Exhibit H](#) and [Exhibit I](#)), does DMV need some funding in their operating budgets to pay the State Motor Pool?

MS. COOK:
There is a cost allocation to the State Motor Pool for that purpose. I need to verify the amounts.

CARLA WATSON (Team Lead, Budget Division, Office of Administration):
The Budget Division submitted Budget Amendment No. 225, Budget Amendment No. 226 and Budget Amendment No. 227 to incorporate the costs necessary for DMV to pay for the State Motor Pool services. Everything is funded in those amendments.

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MR. KRMPOTIC:

I understand, but it appears that this would require more Highway Fund monies to appropriate the money to the State Motor Pool to purchase the vehicle and to build the money in the operating budget to pay the State Motor Pool for the use of the vehicle.

MS. WATSON:

That is correct.

VICE CHAIR LESLIE:

Is that funding in the budget amendments?

MS. WATSON:

Yes, it is in the budget amendments.

MR. MADOLE:

We are opposed to this bill. I am worried that I missed a budget amendment I should have also testified against.

VICE CHAIR LESLIE:

The budget amendment has been submitted, but it has not been heard yet.

MR. MALLORY:

We also oppose this bill for reasons previously stated.

VICE CHAIR LESLIE:

We will close the hearing on S.B. 460 and open the hearing on S.B. 461.

SENATE BILL 461: Makes an appropriation to the Department of Motor Vehicles for the replacement of a forklift, mail scanners, telephones, headsets and office equipment. (BDR S-1265)

MR. BRESLOW:

This bill is tied to the Administrative Services Division, B/A 201-4745.

DMV – Administrative Services — Budget Page DMV-21 (Volume III)
Budget Account 201-4745

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Ms. COOK

This one-shot appropriation requests \$113,680 for the Administrative Services Division.

MR. MADOLE:

We are opposed to this bill. I did not know DMV needed a forklift for Administrative Services.

VICE CHAIR LESLIE:

Why does Administrative Services have a forklift?

Ms. COOK:

We have two warehouses, one in the north and one in the south. We have pallets of forms and license plates stacked to the roof. We also have other large items in our warehouse that we need to move around.

MR. BRESLOW:

The license plate factory also has a forklift.

VICE CHAIR LESLIE:

That makes more sense.

MR. MALLORY:

We are in opposition to this bill for reasons previously stated.

VICE CHAIR LESLIE:

We will close the hearing on S.B. 461 and open the hearing on S.B. 462.

SENATE BILL 462: Makes an appropriation to the Motor Carrier Division of the Department of Motor Vehicles for the replacement of computers and other associated equipment. (BDR S-1253)

MR. BRESLOW:

This bill is associated with the Motor Carrier Division, B/A 201-4717.

DMV – Motor Carrier — Budget Page DMV-63 (Volume III)
Budget Account 201-4717

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MS. COOK:

This one-shot appropriation is requested in the amount of \$156,145.

MR. MADOLE:

We oppose taking this money out of the Highway Fund.

MR. MALLORY:

We oppose this bill for reasons previously stated.

VICE CHAIR LESLIE:

We will close the hearing on S.B. 462 and open the hearing on S.B. 463.

SENATE BILL 463: Makes an appropriation to the Department of Motor Vehicles for the replacement of computers and other associated equipment. (BDR S-1266)

They should have put all the computer items in one bill. Doing the whole budget with one-shot bills is not a good idea.

MR. BRESLOW:

This was not requested by DMV.

This bill makes an appropriation to DMV and is tied to the Administrative Services Division, B/A 201-4745.

MS. COOK:

This one-shot request is in the amount of \$192,285.

VICE CHAIR LESLIE:

I note that Mr. Madole and Mr. Mallory remain opposed to this bill as they did with previous bills.

We will close the hearing on S.B. 463 and open the hearing on S.B. 464.

SENATE BILL 464: Makes an appropriation to the Department of Motor Vehicles for the replacement of office equipment. (BDR S-1254)

MR. BRESLOW:

This bill makes an appropriation to the Hearings Division, B/A 201-4732.

Senate Committee on Finance
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MS. COOK:

This one-shot request is in the amount of \$2,121.

VICE CHAIR LESLIE:

I note that Mr. Madole and Mr. Mallory are also opposed to this bill for the same reasons they were opposed to the previous bills.

We will close the hearing on S.B. 464 and open the hearing on S.B. 465.

SENATE BILL 465: Makes an appropriation to the Department of Motor Vehicles for the replacement of office equipment. (BDR S-1263)

MR. BRESLOW:

This bill requests an appropriation for office equipment for the Director's Office, B/A 201-4744.

MS. COOK:

This one-shot request is in the amount of \$4,242.

VICE CHAIR LESLIE:

This bill is for the replacement of chairs.

I note that Mr. Madole and Mr. Mallory are opposed to this bill for the same reasons previously stated.

We will close the hearing on S.B. 465 and open the hearing on S.B. 466.

SENATE BILL 466: Makes an appropriation to the Department of Motor Vehicles for the replacement of computers and other associated equipment. (BDR S-1262)

MR. BRESLOW:

This is an appropriation for B/A 201-4742, the Management Services Division.

DMV – Management Services — Budget Page DMV-82 (Volume III)
Budget Account 201-4742

MS. COOK:

This one-shot request is in the amount of \$41,589.

Senate Committee on Finance
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VICE CHAIR LESLIE:

I note that Mr. Madole and Mr. Mallory are opposed to this bill for the same reasons previously stated.

We will close the hearing on S.B. 466 and open the hearing on S.B. 467.

SENATE BILL 467: Makes an appropriation to the Department of Motor Vehicles for the replacement of computers and other associated equipment. (BDR S-1261)

MR. BRESLOW:

This is the last one-shot appropriation. This bill is tied to Central Services, B/A 201-4741.

MS. COOK:

This one-shot request is in the amount of \$345,083.

VICE CHAIR LESLIE:

I note that Mr. Madole and Mr. Mallory are opposed to this bill for the same reasons previously stated.

We will close the hearing on S.B. 467 and open the hearing on S.B. 483.

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

MR. BRESLOW:

The passage of this bill would allow DMV to enter into a bid to see if there was a vendor who could provide a digital signage system, such as flat screen televisions, at the DMV's metro offices at no cost to the State. The cost of the system would be borne by the vendor and the vendor would be compensated by selling a limited amount of advertising on the digital screens.

Judging from other states and how they have done this, I would estimate that 75 percent of the content on the screens will be public service announcements and the customer numeric display. The other 25 percent will be allocated to advertising. Regarding content, we would draft regulations with this bill and enter into a contract with a vendor. This vendor would bring this system to the State of Nevada in order to reduce the monotony and entertain the customers in

our offices for long periods of time. We would adopt restrictions, similar to those we have with personalized plates, to ensure that there is no objectionable content. We would also have the final right of refusal for all advertising each month. The advertising would be presented to us ahead of time. We would only do this if a vendor responds to our RFP.

VICE CHAIR LESLIE:

Is the main purpose to entertain people while they wait or is it to put your numbers on display? The testimony you submitted, [Exhibit J](#), talks about the customer numeric display. Is that the number that tells you when it is your turn to go to a specific window?

MR. BRESLOW:

Sitting at the DMV office is monotonous and people are usually annoyed just being there. This is a component that other DMV offices have instituted successfully around the country. The system would have public service announcements, anything from missing children to an agency that would like to discuss something more specific, like Lake Tahoe Boating Safety. The vendor would pay for the screens in return for making a small profit. The vendor would get a limited amount of advertising on those screens. The numeric number currently posted on the square boxes at DMV would instead be put on the screen. This way, we could get more people to pay attention to the public service announcement because they would be waiting for their number and staring at the screen. For an advertiser, it also allows them to know exactly how many people are seeing the message, because those people have to stare at the screen to see when their number comes up.

This system would also allow us to post wait times at each office. We currently have that information on our website, but we could put it on the screens as well.

This bill would give us the right to initiate an RFP and see if there is a vendor that would like to do this for the State of Nevada. We cannot guarantee that this will be successful. It might be overwhelmingly successful.

VICE CHAIR LESLIE:

This is the first reprint. What was the amendment on this bill?

MR. BRESLOW:

When the bill came out, it was not what we presented as an Agency to the Governor's Office. The bill was printed as the Legislature had previously heard an advertising bill two years ago. There were a lot of things in that bill that we had no interest in doing anymore with our new administration. We simplified the bill and the amendment struck out a large portion of the bill, shrinking it down to just what we have described today.

VICE CHAIR LESLIE:

Will these advertisements be television commercials? Those are very annoying. If I have to sit at DMV, I would rather not have something blaring in my ear. Many people take books to DMV.

MR. BRESLOW:

I have not seen the program yet. We would try to find something that does not have much sound to it. It would be more visual, because things can get quite annoying.

VICE CHAIR LESLIE:

It is already very busy at DMV, we do not need more of that.

SENATOR PARKS:

We received testimony about this when we heard the DMV budget. Having been to DMV a few times, I have observed that not everyone takes a book with them. A lot of times, people take their children and there is a lot of disruption. I am not saying this would be a babysitter, but there is merit to this program.

VICE CHAIR LESLIE:

I renew online so I do not have to go to DMV.

We will close the hearing on S.B. 483 and I will turn the gavel over to Chair Horsford.

CHAIR HORSFORD:

We are in recess until the call of the Chair.

We will call this meeting to order at 10:27 a.m.

JULIE WALLER (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

We have distributed the closing document for the Public Utilities Commission (PUC) in [Exhibit K](#), B/A 224-3920.

COMMERCE AND INDUSTRY

PUC – Public Utilities Commission — Budget Page PUC-1 (Volume II) Budget Account 224-3920

The PUC regulates public companies engaged in electric, natural gas, telephone, water and sewer services. *The Executive Budget* recommends total funding of about \$26.1 million for the 2011-2013 biennium (including reserves), a decrease of about \$1.5 million, or 5.1 percent from the approximately \$27.5 million funding approved for the 2009-2011 biennium. Funding for PUC is primarily derived from a mill assessment on gross utility operating revenues, statutorily capped at 3.5 mills (one mill equals 0.1 of one cent). The *Executive Budget* recommends PUC's annual regulatory assessment rate at 2.0 mills for the 2011-2013 biennium, an increase of 0.01 mills from the FY 2010-2011 assessment rate of 1.99 mills. The PUC notes that increasing the annual mill assessment rate by 0.01 mills will have no impact on the monthly residential ratepayer's bill.

The Governor recommends the retention of two positions funded with American Recovery and Reinvestment Act of 2009 (ARRA) grants in decision unit E-490.

E-490 Expiring Grant/Program — Page PUC-4

This funding is set to expire February 1, 2012, and the positions would be eliminated at that time. The Governor has recommended reserve funding totaling \$304,486 over the 2011-2013 biennium to retain two unclassified positions that are currently funded through ARRA. These positions consist of an electrical engineer and one policy advisor. These positions were hired to manage increases in renewable energy regulatory activity. It should be noted, however, that when the two positions were approved by the Interim Finance Committee (IFC), PUC indicated that even after the expiration of the ARRA grant funding, ongoing funding would be requested in PUC's 2011-2013 biennium budget request to retain the positions.

During the budget hearings, PUC indicated that without the retention of these two positions, either it would have to contract for services to manage the renewable energy activities, or it would have to request additional positions through IFC.

Based upon testimony and other supporting justification provided, this recommendation appears reasonable. Does the Committee wish to approve reserve funding totaling \$304,486 over the 2011-2013 biennium to retain two unclassified positions currently funded with federal ARRA grant funds?

SENATOR KIECKHEFER:

The proposal in the Governor's budget is to retain these two positions, which were originally funded under ARRA, by funding them through reserves. Is that correct?

MS. WALLER:

That is correct. There is ARRA funding through February 2012, but the remainder of that year would be funded through reserves. After that, the funding would be incorporated into the annual mill assessment calculations.

SENATOR KIECKHEFER:

Are the reserves in this account stable to continue funding this position going forward?

MS. WALLER:

Yes, they are stable. The PUC has the ability to annually assess its mill assessment rate. Currently, the *Executive Budget* recommends an ending reserve balance of approximately \$2.4 million at the end of FY 2012-2013. This is within their comfort level and only slightly lower than their optimal reserve level. During budget hearings, PUC confirmed that it will monitor its reserve balances and adjust its mill rate assessment accordingly if an adjustment needs to be made during the interim.

SENATOR KIECKHEFER:

When PUC changes from a 1.99 mill assessment to a 2.0 mill assessment, how does this not impact on monthly residential ratepayers' bills?

MS. WALLER:

The mill assessment rate is based on the operating revenues of all the public utility companies. Therefore, they recover that rate through their ratepayers. With the large base of ratepayers, the small additional increase amounts to less than 1 cent per ratepayer and does not increase their rate.

SENATOR DENIS:

I will not vote on this issue because I am employed by PUC, even though it does not necessarily impact me. If you approve the computer components, it will affect me, because it will mean that I have more work to do. I will abstain on this vote.

SENATOR LESLIE MOVED TO APPROVE RESERVE FUNDING TO RETAIN TWO UNCLASSIFIED POSITIONS.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR DENIS ABSTAINED FROM THE VOTE. SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

* * * * *

MS. WALLER:

The next closing item is decision unit E-250, the Governor's recommendation of a net increase of \$4,950 in FY 2012-2013 to add to the funding in the Base Budget for consultant contracts.

E-250 Economic Working Environment — Page PUC-3

The PUC indicates that they have statutorily required studies that they need to conduct. These studies are done on an irregular basis, and therefore they do not retain expert consultants on their staff. The PUC contracts for these consultants when they need them. Based on the information provided by PUC, this recommendation appears reasonable.

The next closing item is decision unit E-710, a recommendation for computer hardware and software.

E-710 Equipment Replacement — Page PUC-5

The recommendation includes 54 desktop computers with monitors, 5 laptops, 7 printers, 50 Microsoft Client Access user licenses and 150 copies of anti-virus software. These replacements are in accordance with the Department of Information Technology's replacement guidelines. This recommendation appears reasonable.

The next closing item is E-711, a recommendation to replace a 4x4 utility vehicle for the Gas Pipeline Safety Program in Las Vegas.

E-711 Equipment Replacement — Page PUC-6

The *Executive Budget* submitted Budget Amendment No. 198 to remove the purchase of the vehicle from the budget. This is in accordance with the recommendation from the Division of Internal Audits to move nonmanaged fleet vehicles to the State Motor Pool to consolidate resources. The budget amendment removes the purchase and adds funding for the lease of a Motor Pool vehicle for PUC beginning in FY 2012-2013.

Does the Committee wish to approve Budget Amendment No. 198 that eliminates the purchase of a 4x4 utility vehicle in FY 2012-2013 and replaces it with a leased Motor Pool vehicle, resulting in a net savings of \$8,938?

SENATOR HORSFORD:

Let us continue with the closing items.

MS. WALLER:

In the next item, the Governor recommends an ending reserve balance of approximately \$2.49 million in FY 2011-2012 and \$2.44 million in FY 2012-2013. This represents approximately 84 to 86 days of operating expenditures, which is slightly less than the optimal range of approximately 90 to 100 days. The PUC has the ability to adjust the mill assessment rate if necessary based on the reserve level required. No action is necessary by the Committee on this item.

The next item is based on the closing actions of the Nevada State Office of Energy (NSOE), B/A 101-4868.

ELECTED OFFICIALS

Governor's Office Energy Conservation — Budget Page ELECTED-30 (Volume I)
Budget Account 101-4868

This Committee requested that Staff provide alternative revenue sources that could be considered to offset the General Fund in this budget account of approximately \$466,000. Several of the options would impact the PUC budget, particularly the option of a one-time sweep of the PUC's reserves. Another option, an increase of the mill tax assessment rate, would also impact PUC.

Staff requests the authority to make technical adjustments to this budget account based on the final closing decisions for the NSOE budget.

The next item is the legislative audit. Staff notes that during the budget hearings, PUC indicated that all seven recommendations for improvement of their financial and administrative controls and information technology controls have been implemented. The six month report on the status of audit recommendations is due on June 29, 2011. This is an informational item and no action is necessary.

The final closing item is S.B. 184.

SENATE BILL 184 (1st Reprint): Requires the Public Utilities Commission of Nevada to establish the Renewable Energy Systems Development Program. (BDR 58-229)

This bill would establish a renewable energy systems development program. There is a fiscal implication for PUC should this bill pass. According to the Commission, PUC would be required to raise its mill assessment by 0.01 mills which will have an impact on the monthly residential ratepayers of \$0.01.

Staff seeks authority to make technical adjustments to this budget account based on the outcome of S.B. 184.

Staff recommends the remainder of this account be closed as recommended by the Governor.

SENATOR LESLIE MOVED TO APPROVE RESERVE FUNDING IN
FY 2011-2012 TO AUGMENT BASE FUNDING IN THE EXPERT
CONSULTANTS CATEGORY; TO APPROVE A COMBINATION OF

RESERVE FUNDING AND FEDERAL GRANT FUNDING FOR THE REPLACEMENT OF COMPUTER HARDWARE AND SOFTWARE; TO APPROVE BUDGET AMENDMENT NO. 198; TO AUTHORIZE STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS TO THIS BUDGET ACCOUNT BASED ON THE FINAL CLOSING DECISIONS FOR THE NSOE BUDGET; TO AUTHORIZE STAFF TO MAKE ADJUSTMENTS TO THIS BUDGET ACCOUNT BASED ON THE OUTCOME OF S.B. 184; TO CLOSE THE REMAINDER OF THIS ACCOUNT AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE STAFF TO MAKE ANY OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR DENIS ABSTAINED FROM THE VOTE. SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

CHAIR HORSFORD:

We will now open the hearing on the closing of the Secretary of State's Office.

BRIAN M. BURKE (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The first budget for your consideration is 101-1050, the Secretary of State's main operating account.

SOS – Secretary of State — Budget Page ELECTED-122 (Volume I)
Budget Account 101-1050

The first major closing issue is revenue and reserve estimates. The *Executive Budget* proposes to balance forward settlement receipts, securities, fines revenues and unspent FY 2009-2010 Domestic Partnership fees and to use those revenues as a funding source in the Office's main operating account. The *Executive Budget* includes balances forward of \$2.84 million in FY 2011-2012 and \$1.16 million in FY 2012-2013. The majority of the balance forward revenues are one-time in nature and should not be counted upon to continue beyond the 2011-2013 biennium.

As noted during the Office's budget hearings, the *Executive Budget* overstated the unspent revenue amounts available to balance forward into the upcoming biennium. Staff has worked with the Budget Division and the Office's staff on a revised reconciliation that would lower anticipated balance forward amounts by \$352,599 in FY 2011-2012. This action does not take into account the additional settlement receipts approved by IFC on April 18, 2011.

Estimated revenues also required adjustment. Based on FY 2010-2011 year-to-date receipts, Domestic Partnership fee revenues should be reduced from \$115,685 per year to \$46,200 per year. The Office has also increased its estimates of fines associated with the enforcement of securities statutes to \$311,000 annually (up from the \$205,933 and \$202,919 recommended in FY 2011-2012 and FY 2012-2013, respectively).

Does the Committee wish to approve the revised revenue and reserve estimates recommended by staff?

SENATOR PARKS MOVED TO APPROVE THE REVISED REVENUE AND RESERVE ESTIMATES RECOMMENDED BY STAFF.

SENATOR LESLIE SECONDED THE MOTION.

SENATOR KIECKHEFER:
What is the total adjustment?

MR. BURKE:

On page 1A ([Exhibit L](#)), the adjustments are reflected on the second row of \$352,599 balance forward. This is the first reduction. The next row lists the downward adjustment of the Domestic Partnership Fee revenue by \$69,485 in each year of the biennium. The third adjustment, investigation and enforcement revenue, is listed one row down at \$105,067 in the first year and \$108,081 in the second year. These are the changes that are included in this block.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

MR. BURKE:

The second major closing item is the additional settlement receipts and expenditures. At the April 18, 2011, meeting of IFC, an additional \$1.026 million was received by the Office from a securities settlement with Merrill Lynch. The settlement resulted from negotiations between State securities regulators and brokerage firms arising from securities violations. Pursuant to the provisions of NRS 90.851, the money must be used to pay the expenses for investigations involving securities, actions to enforce the provisions of the Securities Act and for educational programs for the public that are related to the operation of the Division.

The IFC authorized the Office to use settlement revenues in FY 2010-2011 to fund investigations and Enforcement staff that are currently funded with General Funds and then to use up to \$305,000 of resulting available General Fund monies for the Nevada Technology Based Economic Development program. The IFC also approved reserving the \$721,640 balance of FY 2010-2011 settlement receipts to support several additional items in the 2011-2013 biennium. These items included a new business portal administrator that was requested by the Office for the 2011-2013 biennium, but not included in the Governor's recommended budget; a professional consultant to improve customer service operations; a securities data management system analysis; and unspecified reserves. Staff has reflected the adjustments to the closing sheets that would be necessary to include these additional items.

Page 4 of [Exhibit L](#), item (d.) outlines the usage of settlement and enforcement revenues. Prior to deciding on these items, it is necessary to briefly discuss some of the current limitations on the usage of the settlement funding and proposed legislation to address these limitations. As noted previously, NRS 90.851 provides that the money must be used to pay the expenses for investigations involving securities, actions to enforce the provisions of the Securities Act and for the educational programs for the public that are related to the operations of the Division. Pursuant to the provisions of NRS 90.851, the Governor's recommended budget for the 2011-2013 biennium proposes to use settlement and enforcement revenues, balanced forward from previous years, to fund Investigations and Enforcement staff that are currently funded with General Funds. The budget then proposes to use resulting available General Fund appropriations to support the general operating budget of the Office.

Staff notes that the Governor's 2011-2013 budget nominally exceeds the funding replacement ceiling established by NRS 90.851. Because the ceiling is already exceeded, under the existing provisions of NRS 90.851, the Office would be unable to use the additional settlement revenues to fund the portal administrator position and the other items that are sought. However, the Committee should note that to address these limitations, S.B. 431 would modify NRS 90.851 to allow revenues resulting from enforcement actions to be used for any purpose related to the Office such as those proposed.

SENATE BILL 431: Authorizes the Secretary of State to make broader use of revenue from the enforcement of securities laws. (BDR 7-1155)

Staff would note that NRS 90.851 provides that the Secretary of State may carry forward unexpended balances of enforcement revenues at the end of each fiscal year. Section 7 of the Authorized Expenditures Act for the current biennium generally provides that for agencies or accounts funded with General Fund appropriations, the appropriations must be decreased to the extent that the receipt of money from other sources is exceeded. However, Section 18 of the Act currently allows the Secretary of State to carry forward enforcement revenues notwithstanding the provisions of Section 7. Senate Bill 431 would also expand NRS 90.851 to provide that enforcement and settlement revenues would supplement any amount appropriated to the Secretary of State. Further, the bill provides that no appropriation from the State General Fund may be decreased as a result of money being deposited or used, regardless of the amount deposited or used.

After making all noted balance forward and revenue adjustments, and accounting for the potential additional expenditures, the FY 2012-2013 budgeted ending reserve balance would total \$488,169. The reserve includes a \$100,000 educational earmark required to satisfy a 2009 auction rate securities settlement requirement and \$50,000 to maintain a 60-day cash flow for investigations and enforcement operating costs. After accounting for the obligated reserves, there would be \$338,169 remaining in reserve at the end of FY 2012-2013 without a specified purpose. Closing adjustments to assessments and cost allocations may affect this balance.

Does the Committee wish to approve the use of settlement reserves to fund the new business portal administrator position, the customer service process analysis, and the securities data management system analysis consistent with

the actions of IFC on April 18, 2011, which reserved funding for these purposes? If so, it would be necessary to expand the allowable use of revenues generated from the enforcement of securities actions to other purposes related to the Office as proposed in S.B. 431. As an alternative, back language could be added to the Authorized Expenditures Act to accomplish this task.

CHAIR HORSFORD:

I would prefer that we go with the alternative. I do think we need to do this, but I think it is better that we do it as an added provision to the Authorized Expenditures Act.

SENATOR KIECKHEFER MOVED TO APPROVE BACK LANGUAGE TO BE ADDED TO THE AUTHORIZED EXPENDITURES ACT TO ACCOMPLISH THE TASK OF FUNDING THE NEW BUSINESS PORTAL ADMINISTRATOR POSITION, THE CUSTOMER SERVICE PROCESS ANALYSIS AND THE SECURITIES DATA MANAGEMENT SYSTEM ANALYSIS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

MR. BURKE:

Does the Committee wish to allow the Office of the Secretary of State to retain an unobligated reserve balance for unspecified purposes or does the Committee wish to redirect the unobligated funding for other purposes during the 2011-2013 biennium?

SENATOR KIECKHEFER:

Is \$338,169 left over from the settlement after using it for the other three positions?

MR. BURKE:

That is correct. After making all the other adjustments that were noted previously, there would be approximately \$338,169. This balance would depend on potential adjustments to assessments and other technical adjustments at the end of the year. This number could change slightly.

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SENATOR KIECKHEFER:

We also just approved revised downward revenue and reserve estimates. Would this have an affect?

MR. BURKE:

The balance of \$338,169 nets to all of the adjustments.

SENATOR KIECKHEFER:

Do we need to backfill the adjustments again or did we do that through the reserve?

MR. BURKE:

We already did that through the reserve.

CHAIR HORSFORD:

We should retain the unobligated reserve balance for unspecified purposes and if there is an issue that comes up, the Office can bring it to IFC.

SENATOR LESLIE MOVED TO ALLOW THE OFFICE TO RETAIN AN UNOBLIGATED RESERVE BALANCE FOR UNSPECIFIED PURPOSES; AND APPROVAL TO APPEAR BEFORE IFC IF REQUIRED.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

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MR. BURKE:

The next closing item is the State Business Portal build out. In 2009, the Legislature appropriated \$6.52 million to the IFC for allocation to the Office to design, develop and implement the State Business Portal. According to the Office, the Portal is slated for public launch in early May 2011.

In decision unit E-280, the Governor recommends General Fund appropriations of \$250,00 per year for contract services to build out the Business Portal to allow interfaces with other agencies.

E-280 Best Use of Technology — Page ELECTED-124

Staff asked the Office to identify the other agencies and functions that would be added to the Portal during the 2011-2013 biennium, including timeframes and rationale for the order of selection. The Office indicated that Clark County, Las Vegas and Carson City would be the next partners to offer expanded Portal services related to business licenses.

Does the Committee wish to approve \$250,000 per year for contract services to build out the business Portal to allow interfaces with other agencies as requested by the Office and recommended by the Governor.

SENATOR DENIS MOVED TO APPROVE \$250,000 PER YEAR FOR CONTRACT SERVICES TO BUILD OUT THE BUSINESS PORTAL TO ALLOW INTERFACES WITH OTHER AGENCIES.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

MR. BURKE:

The next closing item creates the new Business Portal Account, found in decision units E-900 and E-903.

E-900 Trans Base Bus Portal From SOS to State Bus Portal — Page ELECTED-127

E-903 Trans Contract Svcs from the SOS to State Bus Portal — Page ELECTED-128

As requested by the Office, the Governor recommends establishing a new Business Portal budget account, B/A 101-1058, independent from the Office's main operating account to separately track all costs related to the Business Portal. The Office indicates that creating the new account will facilitate a more accurate picture of expenses related to the operation of the Business Portal.

SOS – State Business Portal — Budget Page ELECTED-136 (Volume I)
Budget Account 101-1058

Decision unit E-900 transfers General Fund appropriations of \$1.99 million in FY 2011-201 and \$1.95 million in FY 2012-2013. The three previously approved IT positions would be transferred. It would also transfer credit card fees and software maintenance costs.

The recommendation to establish a new account to independently track Business Portal costs appears reasonable to Staff. Does the Committee wish to approve the new Business Portal account?

SENATOR LESLIE MOVED TO APPROVE THE NEW BUSINESS PORTAL ACCOUNT.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

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MR. BURKE:

The final issue is the transfer of the notary position to a non-*Executive Budget* account. As requested by the Office, the Governor proposed to transfer one administrative assistant II position and associated costs to the Notary Public Training budget account. This is an account that is not included in the *Executive Budget*. The position provides direct support for mandatory training of notaries public and is funded with the 25 percent share of training fees directed to the account pursuant to NRS 240.018. The position is currently funded with General Fund appropriations in the main operating account, B/A 101-1050. As reflected in the *Executive Budget*, the transfer would result in a General Fund savings of \$49,829 in FY 2011-2012 and \$50,746 in FY 2012-2013.

The funding source change appears reasonable. However, Staff is not supportive of the proposal to move the administrative assistant position to an account outside the *Executive Budget*. There have only been limited instances where positions were placed outside the *Executive Budget*. Locating positions outside of the *Executive Budget* complicates position control and increases the

difficulty of accurately reporting statewide position counts. Staff would prefer the position remain in the Office's main operating account. The position could still be funded as proposed with transfers from the Notary Public Training account, resulting in the General Fund savings envisioned in the Governor's recommended budget. The Office does not object to Staff's recommendations.

Instead of transferring the administrative assistant position to the non-*Executive Budget* Notary Public Training Account as recommended by the Governor, Staff suggests the position remain in the main operating account and be supported with funding transfers from the non-*Executive Budget* Notary Public Training account. The closing sheet [Exhibit L](#) reflects the changes that would be necessary in the office's main operating account to implement Staff's recommendation. Does the Committee wish to make the change proposed by staff?

SENATOR LESLIE MOVED TO FOLLOW STAFF'S RECOMMENDATION TO MAINTAIN THE ADMINISTRATIVE ASSISTANT POSITION IN THE MAIN OPERATING ACCOUNT AND SUPPORT THE POSITION WITH TRANSFER FUNDS.

SENATOR PARKS SECONDED THE MOTION

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

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MR. BURKE:

Budget Amendment A00298 proposed to change the imaging costs. The *Executive Budget* proposed to eliminate the State Micrographics and Imaging Program. The Budget Division subsequently submitted a series of amendments that would restore a downsized version of the program within Archives and Records. The Budget Division submitted a companion amendment, A00298, for the Office of the Secretary of State to remove General Fund appropriations and expenditures associated with Imaging and Preservation services. Agencies will not be charged directly for services during the upcoming biennium. Imaging and Preservation services will be allocated during the 2013-2015 biennium as part of the Statewide Cost Allocation Plan.

Does the Committee wish to approve Budget Amendment A00298 to remove General Fund appropriations and expenditures associated with Imaging and Preservation services as the Office will not be charged directly for these services in the upcoming biennium? If so, authorization should be subject to approval of the amended proposal to restore Imaging and Preservation services within Archives and Records.

SENATOR DENIS MOVED TO APPROVE BUDGET AMENDMENT A00298, SUBJECT TO APPROVAL OF THE AMENDED PROPOSAL WITHIN ARCHIVES AND RECORDS.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

MR. BURKE:

The next item is inflation. In decision unit M-100, the module includes \$84,013 in FY 2011-2012 and \$61,861 in FY 2012-2013 for the Department of Information Technology (DoIT) virtual server assessments that include infrastructure and DoIT staff support for the State Business Portal.

M-100 Statewide Inflation — Page ELECTED-123

This recommendation appears reasonable to Staff.

The next item is a budget reduction. This would be an elimination of an administrative assistant position. This was requested by the Office and recommended by the Governor. The Office indicates that refinements to certain business processes have reduced the need for the administrative assistant I and there would be minimal impact to the Office as a result of the elimination of this position. This recommendation appears reasonable to Staff.

The last item in this group deals with replacement equipment. This includes computer hardware, software and printers. All of the equipment in this request would be at least seven years old at the time of replacement. This recommendation appears reasonable to Staff.

Does the Committee wish to approve the other closing items 2 through 4 as recommended by the Governor?

SENATOR CEGAVSKE MOVED TO APPROVE DOIT VIRTUAL SERVER ASSESSMENTS; TO ELIMINATE AN ADMINISTRATIVE ASSISTANT POSITION; TO APPROVE REPLACEMENT EQUIPMENT; AND TO APPROVE ANY NECESSARY TECHNICAL ADJUSTMENTS BY STAFF.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

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MR. BURKE:

The last item is the reclassification of a public information officer. The Governor recommends General Fund appropriations of \$6,339 in FY 2011-2012 and \$6,748 in FY 2012-2013 to reclassify the public information officer to unclassified status. The proposal would establish the unclassified salary for the position at the same level currently approved for the public information officer in the Office of the Attorney General, which is \$70,894 prior to the proposed 5 percent salary reduction.

On March 9, 2011, the Senate Committee on Finance asked the Office to explain the rationale supporting the proposal to reclassify the public information officer to unclassified status. The Office responded that the public information officers in the two constitutional offices, which have such a designated role, are either non-classified or unclassified. The Office indicates that there would be a fiscal impact only if the incumbent in the position chooses to move from the classified service to unclassified status. Staff notes for the Committee's information that the Unclassified Pay Bill routinely includes language that allows an individual in a classified position who is moved to the unclassified service the option of remaining in the classified status at his or her current grade or to move into the unclassified service.

Does the Committee wish to approve the reclassification of the public information officer position from classified to unclassified status?

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CHAIR HORSFORD:
Where is the Office on this recommendation?

NICOLE LAMBOLEY (Chief Deputy, Office of the Secretary of State):
This was submitted as part of our original budget request. We support this move. We requested this move several sessions ago and the Committee determined not to pass it at that time. The Committee told us that we could seek approval again in the future and thus, we have.

SENATOR CEGAVSKE MOVED TO APPROVE THE RECLASSIFICATION OF THE PUBLIC INFORMATION OFFICER POSITION FROM CLASSIFIED TO UNCLASSIFIED STATUS; AND ANY NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

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MR. BURKE:
The next item is B/A 101-1051, the Help America Vote Act (HAVA) Election Reform account.

SOS – HAVA Election Reform — Budget Page ELECTED-131 (Volume I)
Budget Account 101-1051

Staff has provided some additional information regarding voter systems on page 10 of [Exhibit L](#). The Office provided additional estimates of what these costs would reflect. There would be about \$950,000 for equipment purchases necessary to replace worn or inoperable equipment as well as new equipment to meet the needs of a presidential election cycle. There is \$200,150 for license fees and \$514,361 for extended warranties. There is additional funding for database production and preelection logic and accuracy testing. Finally, there is funding for primary and general election day support, as well as, funding for the configuration and installation of software on servers and laptops.

Does the Committee wish to approve funding to continue the voting systems contract to provide services, warranties and equipment?

SENATOR KIECKHEFER:

Senator Leslie, Senator Parks and I are on a subcommittee to review our State contracting. If we approve this, does it have to go out to bid? Could it be renegotiated? My information says that you are currently renegotiating a contract extension with Sequoia/Dominion Voting Systems.

MS. LAMBOLEY:

The State currently owns the Sequoia machines. This would be for warranty of those machines. We cannot use those machines unless we have a warranty. They are the only vendor that authorizes the use of the software because it is proprietary.

SENATOR KIECKHEFER MOVED TO APPROVE FUNDING TO CONTINUE THE VOTING SYSTEMS CONTRACT TO PROVIDE SERVICES, WARRANTIES AND EQUIPMENT; TO APPROVE GENERAL FUND APPROPRIATIONS TO CONTINUE ACCESS TO THE IFC CONTINGENCY FUND; TO APPROVE REPLACEMENT SOFTWARE; AND TO APPROVE ANY TECHNICAL ADJUSTMENTS NECESSARY.

SENATOR LESLIE SECONDED THE MOTION.

CHAIR HORSFORD:

The difference here is that this is equipment purchased with a service component. There is an exclusion for the service, so it does not apply.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

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MR. BURKE:

The final account is B/A 101-1058, the State Business Portal.

The action you have taken on B/A 101-1050 allows Staff to make adjustments to close consistently in this account.

The first closing item is to realign expenditures. In the current biennium, Business Portal development and operating costs are reflected in the Business Portal expenditure category within the main operating budget. With the creation of the new Business Portal account, the Office requested and the Governor recommends that expenditures be segregated into traditional operating and information services categories.

Staff suggests the recommended transactions are appropriate if the new account is established. Does the Committee wish to approve the realignment of expenditures into the traditional operating and information services categories as requested by the Office and recommended by the Governor?

SENATOR LESLIE MOVED TO APPROVE THE REALIGNMENT OF EXPENDITURES INTO THE TRADITIONAL CATEGORIES.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

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MR. BURKE:

The last item is the cost recovery. At the March 9, 2011 budget hearing, the Senate Committee on Finance asked whether the Office plans to establish a structure for recovering costs from local governments and other entities benefiting from the Portal. The Office responded that the Service Oriented Architecture of the Portal allows for all participating agencies to absorb the costs associated with the credit card discount fees without placing the cost burden on the State or the Office. Until the Service Oriented Architecture governance model is completed, at the time the Portal is launched and operational, the Office indicates it will be unable to provide a cost for interface technology that will be necessary for any additional participants.

The Committee may wish to consider issuing a letter of intent requesting the Office to provide semi-annual reports to IFC regarding the Office's evaluation of potential cost recoveries from Portal participants.

SENATOR LESLIE MOVED TO ISSUE A LETTER OF INTENT REQUIRING THE OFFICE TO PROVIDE SEMI-ANNUAL REPORTS TO IFC REGARDING EVALUATION OF POTENTIAL COST RECOVERIES FROM PORTAL PARTICIPANTS AND AUTHORITY TO MAKE ANY TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

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CHAIR HORSFORD:
With no further business before the Committee, we are adjourned at 11:19 a.m.

RESPECTFULLY SUBMITTED:

Marian Williams,
Committee Secretary

APPROVED BY:

Senator Steven A. Horsford, Chair

DATE: _____

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Bruce H. Breslow	Bill Matrix
SB425	D	Jeanette Belz	NDOT 2010 Nevada Transportation Facts and Figures
SB441	E	Bruce H. Breslow	Written Testimony
SB453	F	Department of Motor Vehicles	Equipment List
SB455	G	Keith Wells	Amendment
SB457	H	Keith Wells	Amendment
SB460	I	Keith Wells	Amendment
SB483	J	Bruce H. Breslow	Written Testimony
	K		PUC Closing Document
	L		Secretary of State Closing Document