

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE
Seventy-sixth Session
May 6, 2011**

The Senate Committee on Finance was called to order by Chair Steven A. Horsford at 11:45 a.m. on Friday, May 6, 2011, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 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:

Rex Goodman, Principal Deputy Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
Cynthia Clampitt, Committee Secretary

OTHERS PRESENT:

Stacy Woodbury, Chief, Administration Division, Gaming Control Board
David K. Morrow, Administrator, Division of State Parks, Department of Conservation and Natural Resources
Jennifer McEntee, Administrative Services Officer, Office of the Military
Andrew Clinger, Director, Department of Administration
Steve G. George, Chief of Staff, Office of the Treasurer
James R. Wells, Executive Officer, Public Employees' Benefits Program

CHAIR HORSFORD:

We will open the hearing on Senate Bill (S.B.) 428.

SENATE BILL 428: Makes an appropriation to the State Gaming Control Board to replace computer and technology hardware. (BDR S-1243)

STACY WOODBURY (Chief, Administration Division, Gaming Control Board):
This bill is a one-shot appropriation request for the Gaming Control Board to replace technology equipment, most of which is aging to the point of not being usable. I have provided the Committee with a document that details the necessary technology replacements ([Exhibit C](#)).

The first item requests replacement of desktop and laptop computers. There are 327 desktop units in need of replacement. The average age of these units is roughly six and one-half years. Sixty percent of the desktop units were purchased in fiscal year (FY) 2005-2006. An additional 20 percent of units were purchased in FY 2006-2007, and 20 percent were purchased in FY 2007-2008.

Replacements are also requested for 152 laptops. Many of those are pool laptops. They are not assigned to specific persons. These units are checked out and used in the field.

We are also requesting replacement of 24 printers. Many of those are group unit printers. Some of them are specialized units such as fingerprint printers or plotters. There are also a few mobile printers for use in the field.

Other requests include videoconference equipment that is shared between different facilities. The last component is a request for \$426,740 which relates to the Agency computer network infrastructure. That system is also aging and in need of replacement.

The total requested for all technology categories is \$1,256,104.

SENATOR KIECKHEFER:

Why is this request proposed through a one-shot bill rather than a request in the *Executive Budget*?

MS. WOODBURY:

Following the budget drafting instructions, we placed this request in items for special consideration. A portion of this request was brought forward in the 2009 Legislative Session and it was not funded. The Governor's Office chose to make the request as a one-shot appropriation bill.

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CHAIR HORSFORD:
Have the items listed in [Exhibit C](#) been prioritized?

MS. WOODBURY:
If a choice has to be made, we would want to replace the oldest of the desktops and laptop computers followed by the network server replacement item.

CHAIR HORSFORD:
Please review and prioritize the list. You may provide the information to our Fiscal Division Staff.

SENATOR DENIS:
Are the 152 laptops in the request all in the pool of equipment?

MS. WOODBURY:
I believe approximately one-third of the 152 laptops are pool laptops.

SENATOR DENIS:
In [Exhibit C](#), I see 327 desktops requested for replacement and 152 laptops.

MS. WOODBURY:
That is correct.

SENATOR DENIS:
The exhibit states the "average" age, which tells me some of the units are older and some are newer. Is the request to replace all aging units, even though some of them may not be within the recommended five-year replacement schedule?

MS. WOODBURY:
There is nothing on this list in [Exhibit C](#) that will be younger than five years by the end of the next biennium.

SENATOR DENIS:
[Exhibit C](#) lists seven Catalyst 6506 switches and one Catalyst 6509 switch in the Carson City office. Are those the primary switches for the Gaming Control Board?

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MS. WOODBURY:

I do not have that information today, but I will provide it to your Staff.

SENATOR DENIS:

The seven switches at \$252,000 constitute a large request. I would like more information on that request, including how they are used and the reason for the request.

Is the Board replacing existing videoconference equipment or is this request for a new installation?

MS. WOODBURY:

We are upgrading the current videoconference equipment. This is not the equipment in the Board Room. This is the small equipment used when visiting industry locations.

SENATOR DENIS:

I want to see more information on that request. [Exhibit C](#) shows three units, or is that actually six units to accommodate both sides of the conferences? The request of \$15,000 appears high to me because prices have been decreasing. That is especially true for portable units.

MS. WOODBURY:

For the record, "That would be one in Carson, one in Las Vegas and one at our Pilot Road facility, because we have two locations in Vegas." I can get more information for you.

CHAIR HORSFORD:

Please get the requested information to our Staff.

We will now close the hearing on [S.B. 428](#) and open the hearing on [S.B. 442](#).

[SENATE BILL 442](#): Establishes the Fund for State Park Interpretative and Educational Programs and Operation of Concessions. (BDR 35-1210)

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DAVID K. MORROW (Administrator, Division of State Parks, Department of Conservation and Natural Resources):

We are here to present S.B. 442 which is being proposed in conjunction with decision units E-682, E-683 and Budget Amendment No. A00279 to the *Executive Budget*.

INFRASTRUCTURE

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DCNR – State Parks — Budget Page DCNR-54 (Volume III)
Budget Account 101-4162

E-682 New Revenue or Expenditure Offsets — Page DCNR-60

E-683 New Revenue or Expenditure Offsets — Page DCNR-60

Budget Account 101-4162 and the budget amendment were reviewed by the Senate Committee on Finance and the Assembly Committee on Ways and Means on May 3, 2011. It recommends the creation of an enterprise fund to cover the operation of sales outlets at various state parks including:

- Valley of Fire.
- Old Las Vegas Mormon Fort.
- Spring Mountain Ranch.
- Lake Tahoe.
- Cathedral Gorge.

The fund is intended to replace \$47,500 in General Fund money in each year of the 2011-2013 biennium with revenue derived from the sales outlets and installation of vending machines. If there are funds remaining after payment of operating costs and deposit of the amount set forth in the Division of State Parks (State Parks) budget to the General Fund, these remaining funds may be used to fund interpretive and education programs or deposited in an interest-bearing, nonlapsing account.

The location of the sales outlets will initially be the same as they were prior to the termination of an agreement with the Nevada State Parks Cooperative Association (NSPCA), a non-profit organization that formerly operated the

State Parks sales program. The vending machines will be located where they are already in demand and where no other services are available. The sales facilities, equipment and start-up inventory were transferred to State Parks upon the termination of the lease with NSPCA.

With approximately \$285,000 in cash, an inventory of sales items and the equipment necessary to operate these facilities, no additional financial support is being requested. If approved, and once in full operation, the enterprise fund will be a self-sustaining source of funding for the purposes described and authorized by the Legislature and the Interim Finance Committee (IFC).

Senate Bill 442 represents one of several budget recommendations made to reduce the amount of General Funds sustaining the State Parks account and yet keep state parks open.

The Committee has been provided a position statement regarding S.B. 442 ([Exhibit D](#)). You have also been provided a copy of a proposed amendment that is being offered to correct an oversight made during the bill drafting process ([Exhibit E](#)). The proposed amendment allows an amount set forth in the Division of State Parks' approved budget to be deposited into the General Fund. This is a key element of the proposal.

SENATOR DENIS

Is one of the proposals to provide concessions in the parks?

MR. MORROW:

That is correct.

SENATOR DENIS:

Would you be contracting with the Bureau of Services to the Blind and Visually Impaired, Rehabilitation Division, Department of Employment, Training and Rehabilitation, otherwise known as Bureau of Blind Services, to run the concessions?

MR. MORROW:

We have talked to them and also to other groups that may assist in operation of the concessions. The budget request we have made is based on seasonal employees who were interested in providing those services.

SENATOR DENIS:

Is there a mandate in statute that the Bureau of Blind Services must be contracted to provide such services in State facilities?

MR. MORROW:

State Parks has an exemption within the *Nevada Revised Statutes* (NRS) to allow others to contract for such services, although we desire to utilize the services of the Division if possible.

CHAIR HORSFORD:

What is your position on that provision? Why does State Parks have an exemption from utilizing the Bureau of Blind Services for those functions?

MR. MORROW:

It is important for State Parks to have some latitude to generate funding for the operational costs of State Parks. That was initiated some time ago. It is a critical provision.

CHAIR HORSFORD:

Why are you exempt from use of the Bureau of Blind Services functions?

MR. MORROW:

That is what I was referring to.

CHAIR HORSFORD:

Please explain what special circumstances exist that makes State Parks different from every other State agency.

MR. MORROW:

State Parks operates facilities that have capabilities of generating revenue. Revenue that is generated by State Parks has represented a greater and greater portion of the total budget. Without the capability to generate revenue from these different processes, it would not be possible to operate State parks.

SENATOR DENIS:

There are exemptions. State Parks is one that is not required to utilize services of the Bureau. I am not sure of the nexus for that exemption. I have studied the history of exemptions for another piece of legislation I am working on. It seems, if that is not the wish of the Legislature, the NRS would have to be changed.

It appears that the Bureau of Blind Services would have the preference and if they could not assume the operations, the Agency would have the ability to contract with other entities.

When the Bureau of Blind Services are utilized, federal funding is also available. Therefore, it costs the State money when their services are not used.

CHAIR HORSFORD:

Is it your understanding that any revenues generated under these contracts are allocated to the Bureau of Blind Services? Do they share any of the revenue with the Agency that allows them that concession?

SENATOR DENIS:

I am not sure.

MR. MORROW:

That is the nexus of the problem. Without that exemption, the revenues go to the Bureau of Blind Services. We have met with that Agency in positive circumstances regarding use of their services where we can.

CHAIR HORSFORD:

Senator Denis, I suggest that you include a provision in the legislation you are developing to require revenue sharing. It seems to me we should be consistent. I understand the position of the Agency regarding the need for the concession to generate revenue for the parks. However, we want there to be an additional benefit to the Bureau of Blind Services for these concessions and that is why we give them preference in concession services at State facilities. Perhaps this can be reviewed in the policy committee.

MR. MORROW:

Our budget has been reduced by approximately 60 percent. Our General Fund allocation is approximately \$3 million. We have worked diligently to establish non-General Fund revenue-generating capabilities. We are not opposed to working with the Department of Employment, Training and Rehabilitation and others to provide greater benefits. However, we need the revenue to operate State Parks.

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SENATOR DENIS:

Because of the exemption as it stands, what is the current procedure for concessions operating in conjunction with the Bureau of Blind Services? Is there shared revenue?

MR. MORROW:

In conversations we have held with them, it was discussed that they would supply labor at some of the facilities where they have labor available. We would simply provide a training opportunity for visually-impaired clients. That Agency would initially apply for federal funds with the idea that we would hire these individuals as seasonal employees afterward.

SENATOR LESLIE:

Are there currently new vending machines and established concessions already in operation? Why is an additional fund needed as requested in S.B. 442?

MR. MORROW:

Currently, there are no vending machines or concessions in operation. At one point in time, there were five sales outlets in State Parks operated by a nonprofit organization.

SENATOR LESLIE:

Is that what is in the photographs that are a part of [Exhibit D](#)?

MR. MORROW:

There are no concessions or vending machines at this time. Without S.B. 442, we would have no mechanism to operate these.

SENATOR LESLIE:

I have not been to all Nevada State Parks, but I do not remember seeing anything of the complexity shown in the photographs in [Exhibit D](#). How long has it been since the concessions in the photographs were in operation?

MR. MORROW:

It has been a long time. The Valley of Fire concession is the largest, but others are located at Spring Mountain Ranch and at other parks. The problem with utilizing nonprofit organizations includes issues of accountability, unwillingness to allocate revenues to the General Fund and other internal issues.

Our reason for assuming responsibility was to have a broader availability of funding to offset our operating costs.

CHAIR HORSFORD:

We will now close the hearing on S.B. 442 and open the hearing on S.B. 445.

SENATE BILL 445: Allows the Office of the Military to collect rent for the use of its facilities. (BDR 36-1205)

JENNIFER MCENTEE (Administrative Services Officer, Office of the Military):
I have provided my written testimony for the Committee ([Exhibit F](#)). I am present to testify on behalf of the Adjutant General, Brigadier General William Burks. I am accompanied by Captain Daniel Thielen, Construction and Facilities Management Office.

Currently, NRS 412.108 provides authority for rental of the armories and the associated guidelines. Senate Bill 445 will expand the authority for renting of the other facilities. In 2009, the Authorized Expenditures Act established the account for the Emergency Operations Center. It is a building within the Carson City Complex that houses other departments of the State including:

- Division of Emergency Management.
- Division of Forestry.
- Department of Public Safety.
- Office of the Military.

This legislation will formalize the existing authorization for the Office of the Military to charge rent for its facilities. The rental income would be used for cleaning, maintaining and operating the facilities. It has a small reserve that the Agency is in the process of building to a point of a 60-day reserve.

Senate Bill 445 will also enable rent collection from the Nevada System of Higher Education (NSHE) for the Fire Science Academy at Carlin in accordance with the lease agreement. We are contracted with NSHE for operating and maintenance services in the current biennium. These funds should be applied to the reserve. It may require a technical adjustment to the budget which is tentatively scheduled for closing on May 16, 2011.

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SENATOR CEGAVSKE:

Are there other entities besides the NSHE that are being contemplated as tenants?

MS. MCENTEE:

We currently rent to the Emergency Operations Center as established in the 2009-2011 biennium. This legislation will formalize that action.

SENATOR CEGAVSKE:

Does S.B. 445 have any other provisions?

MS. MCENTEE:

The bill simply formalizes what is already being done.

CHAIR HORSFORD:

Do you know why passage of the legislation requires a two-thirds vote?

MS. MCENTEE:

I do not know why.

ANDREW CLINGER (Director, Department of Administration):

I assume the two-thirds vote is required because the bill gives the Division the authority to collect the revenue.

CHAIR HORSFORD:

We will ask Staff to verify the reason for that requirement.

We will close the hearing on S.B. 445 and open the hearing on S.B. 450 and S.B. 481.

SENATE BILL 450: Makes an appropriation to the Interim Finance Committee for allocation to the State Treasurer for a consultant to assist with the development of a request for proposals for the E-payment and Merchant Services contracts. (BDR S-1249)

SENATE BILL 481: Makes an appropriation to the Interim Finance Committee for allocation to the State Treasurer. (BDR S-1237)

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MR. CLINGER:

The two bills, S.B. 450 and S.B. 481, appropriate funds to the IFC for allocation to the Office of the State Treasurer. The purpose of this funding is to assist with the development of a request for proposal (RFP) for "E-payment merchant services" otherwise known as credit card processors. We have set aside \$100,000 for this project. Of that, \$75,000 is appropriated from the General Fund and \$25,000 from the Highway Fund.

The funding is intended to allow the Office of the Treasurer to hire a consultant to assist them with the RFP process. We used a consultant the last time we went through this process. They assisted with the creation of the previous RFP, the financial analysis of the evaluated vendors, the creation of implementation plans and the E-payment implementation.

CHAIR HORSFORD:

Are there two separate bills because one appropriation is from the General Fund and the other is from the Highway Fund?

MR. CLINGER:

At the time these bills were drafted, it was close to the deadline and they were in a rush. The bills could be combined if that is easier.

CHAIR HORSFORD:

It may be easier to allow them to go through as they are written.

STEVE G. GEORGE (Chief of Staff, Office of the Treasurer):

Our Office is in favor of S.B. 450 and S.B. 481. This is a program we were asked to perform by the Department of Administration.

There was some miscommunication. We were holding a management analyst II position vacant in case we needed it later. That position was removed from our budget when it was finalized. We may need to come back to IFC at a later time and make a request for the position.

CHAIR HORSFORD:

We will close the hearing on S.B. 450 and S.B. 481 and open the hearing on Assembly Bill (A.B.) 556.

ASSEMBLY BILL 556: Changes the fund into which certain subsidies paid for coverage under the Public Employees' Benefits Program are deposited. (BDR 23-1186)

JAMES R. WELLS (Executive Officer, Public Employees' Benefits Program):

I have provided a memorandum dated May 6, 2011, ([Exhibit G](#)). Assembly Bill 556 requests a technical change to properly account for Public Employees' Benefits Program (PEBP) funds versus State funds for active employees' health insurance subsidies.

The Active Employee Group Insurance Subsidies (AEGIS) assessment is an estimated average of the cost to subsidize health insurance for all active State employees and their dependents for each fiscal year. It is established each biennium by the Legislature.

Prior to 2004, the per-employee, per-month assessment was transferred directly into PEBP's operational B/A 625-1338, and covered 100 percent of the employee-only premium.

SPECIAL PURPOSE AGENCIES

PUBLIC EMPLOYEES' BENEFITS PROGRAM

PEBP – Public Employees Benefits Program — Budget Page PEBP-1 (Volume III)
Budget Account 625-1338

Participants who covered dependents paid the entire cost of the additional premium for coverage of dependents. Beginning in July 2003, the PEBP Board elected to require a single employee participant to contribute a monthly premium and provided a subsidy for participants who covered dependents.

In response to that, the AEGIS budget account was created by the Legislature in 2005, to provide PEBP with a more accurate way to track the surpluses and deficits attributable to the per-employee, per-month assessment. Funds are transferred from each State agency budget account that contains personnel costs into the AEGIS account on a fixed-dollar, per-employee, per-month basis. Funds flow from the AEGIS account into the PEBP operating account based on the plan coverage and tier selected by the employees.

Amounts in the AEGIS account belong to the agencies that deposited the funds into that account. It is only revenue to PEBP once it is drawn from the AEGIS account and transferred to the PEBP operating account. When AEGIS was created in 2005, it was placed into the self-insurance trust fund.

The financial audit required by statute is an audit of the entire self-insurance trust fund, including the AEGIS budget account, despite the fact the funds in that account do not belong to PEBP. The result is that deficits in the AEGIS account are recorded as receivables on the self-insurance trust fund financials and surpluses are recorded as unearned revenue. While PEBP staff believes this provides the most accurate picture of the operating fund, the Office of the Controller has expressed concern over this method of recording deficits and surpluses. The PEBP's financial statement auditor has allowed this method of accounting, but has indicated in management letters to the PEBP Board that PEBP should consider revising this practice.

Assembly Bill 556 corrects the accounting of revenues for the self-insurance trust fund and recognizes that the funds in the AEGIS account do not belong to the self-insurance trust fund or to PEBP. They are funds from the agency that deposited them into that budget account until they are earned by PEBP.

If A.B. 556 passes, PEBP's staff will continue to manage and account for all funds in that account and will provide the Office of the Controller with any necessary year-end entries for financial reporting purposes. The PEBP staff will also prepare the biennial budget and the estimate for the per-employee, per-month assessment for this account.

Section 2 of the bill officially creates the AEGIS account in the agency fund for the payroll of the State. That is unofficially known as the payroll clearing fund. That account is used to collect payroll expenditures from all agency budgets and disperses funds for those employees' contributions to the Internal Revenue Service and other payees associated with the biweekly State payroll system. This bill also provides that interest will be credited to each agency's budget account. Any investment or interest earnings would decrease future biennial assessments for all agencies that pay into the AEGIS account.

Section 1 of A.B. 556 provides the legal authority for the AEGIS account since it would no longer reside in the self-insurance trust fund.

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SENATOR CEGAVSKE:

Will this legislation create an additional accounting procedure?

MR. WELLS:

Assembly Bill 556 changes nothing. It simply changes where one of the budget accounts resides. The process will stay exactly the same.

CHAIR HORSFORD:

We will close the hearing on A.B. 556 and consider Committee action for certain legislation.

SENATOR KIECKHEFER MOVED TO DO PASS A.B. 556.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:

I will entertain a motion on S.B. 442.

SENATOR LESLIE MOVED TO AMEND AND DO PASS S.B. 442.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:

I will now entertain a motion on S.B. 450.

SENATOR RHOADS MOVED TO DO PASS S.B. 450.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:
I will entertain a motion on S.B. 481.

SENATOR LESLIE MOVED TO DO PASS S.B. 481.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:
I will entertain a motion for S.B. 445.

SENATOR LESLIE MOVED TO DO PASS S.B. 445.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:
We will now meet in Work Session on bills previously heard by the Committee.

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

The Committee previously heard supplemental appropriation bills from the Department of Corrections (DOC) and the Department of Motor Vehicles (DMV). Staff has had an opportunity to review these bills. I have provided the Committee members with a copy of an e-mail from our Fiscal Staff ([Exhibit H](#)).

Senate Bill 470 is a supplemental request from the Department of Administration for DOC to provide for increased outside medical costs. The appropriation, as recommended in the *Executive Budget*, totaled \$2,514,081. Staff has reviewed the supplemental appropriation request thoroughly and consulted with the Agency. Staff has developed an agreed upon revision of \$1,768,407 which is a decrease in the appropriation request of \$745,674. Therefore, Staff suggests that S.B. 470 be amended to reflect the reduced amount of the appropriation. In addition, the bill identified the purposes for the appropriation which were included in the original bill for increased outside medical costs and payment of a stale claim for FY 2009-2010.

SENATE BILL 470: Makes a supplemental appropriation to the Department of Corrections for an unanticipated shortfall in Fiscal Year 2010-2011 for increased outside medical costs and payment of a stale claim. (BDR S-1227)

Upon further review by Staff, the language which states, "and payment for a stale claim for FY 2009-2010," is no longer applicable. Staff suggests that language be removed from the bill and that the revised amount of the appropriation be added.

CHAIR HORSFORD:

We will entertain a motion on S.B. 470 to amend and do pass the bill with the revised supplemental request.

MR. KRMPOTIC:

The revised language should also be included in the amendment. Currently, the bill reads, "There is hereby appropriated from the State General Fund to the Department of Corrections, the sum of \$2,514,081 for increased outside medical costs and payment of a stale claim for FY 2009-2010." The amendment would remove the language, "...and payment of a stale claim for FY 2009-2010."

SENATOR LESLIE MOVED TO AMEND AND DO PASS
S.B. 470.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

The next bill for consideration is S.B. 472. This is a bill to pay for prior year stale claims for the DOC medical account. It requests a supplemental appropriation of \$9,579 to pay a stale claim from FY 2007-2008. Staff has no suggested changes to this bill.

SENATE BILL 472: Makes a supplemental appropriation to the Department of Corrections to cover stale claims for prison medical care. (BDR S-1228)

SENATOR LESLIE MOVED TO DO PASS S.B. 472.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:

We will now consider S.B. 474.

SENATE BILL 474: Makes a supplemental appropriation to the Department of Corrections to offset a reduction in funds for the State Criminal Alien Assistance Program. (BDR S-1229)

MR. KRMPOTIC:

Senate Bill 474 provides for a General Fund supplemental appropriation of \$1,420,522 to cover a shortfall within the State Criminal Alien Assistance Program. The Program is partially federally funded to offset a portion of the cost to DOC for housing prisoners who are nonresident aliens, who are not citizens of the United States.

In this case, the Legislature approved an amount that was higher than was actually received. Staff has reviewed this further, in concert with other potential budgetary savings in the DOC Director's Office budget. Staff has suggested a

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revision in the amount of the appropriation from \$1,420,522 to \$996,105, resulting in a reduction of \$424,417.

SENATOR LESLIE MOVED TO AMEND AND DO PASS S.B. 474 WITH THE ADJUSTED APPROPRIATION REQUEST.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:
We will now consider S.B. 482.

SENATE BILL 482: Makes a supplemental appropriation to the Department of Corrections for an unanticipated shortfall in revenue at the Casa Grande Transitional Housing Center for Fiscal Year 2010-2011. (BDR S-1232)

MR. KRMPOTIC:
Senate Bill 482 calls for a supplemental appropriation of \$897,312 for an unanticipated revenue shortfall at the Casa Grande Transitional Housing Center (CGTHC). The CGTHC is structured much like a restitution center. Inmates housed at that facility are allowed to leave the facility for work purposes and return to CGTHC for the remainder of the time. Based on the work model for CGTHC, it assumes a significant portion of the budget is supported with room and board payments from the inmates. Due to the economic conditions in Las Vegas, the anticipated work levels for inmates is much lower than what was anticipated. Therefore, the revenue shortfall causes a shortfall in the overall budget. Staff has reviewed this budget account and suggests a reduction in the supplemental request from \$897,312 to \$562,626 for a savings of \$334,686 in General Funds.

SENATOR RHOADS MOVED TO AMEND AND DO PASS S.B. 482 WITH THE ADJUSTED APPROPRIATION REQUEST.

SENATOR PARKS SECONDED THE MOTION.

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THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

The next two supplemental requests are for DMV and would involve appropriations of Highway Fund revenue.

The first request is in S.B. 478 which would provide a supplemental appropriation of \$630,036 for an unanticipated shortfall in kiosk vendor payments.

SENATE BILL 478: Makes a supplemental appropriation to the Department of Motor Vehicles for an unanticipated shortfall in kiosk vendor payments. (BDR S-1235)

Based on DMV's greater-than-expected usage of kiosk transactions, the Department experienced a shortfall. Currently, kiosks are supported with Highway Fund appropriations. The Committee will note that when the DMV accounts were closed yesterday, it provided that future kiosk costs will be supported by a transaction fee paid by kiosk customers beginning in the 2011-2013 biennium. Therefore, this situation would not occur in the future.

Staff has reviewed the supplemental request and, based on the budget projections overall, recommends a reduction in the amount of the supplemental request from \$630,036 to \$583,614.

SENATOR RHOADS MOVED TO AMEND AND DO PASS S.B. 478.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

The last supplemental appropriation request is contained in S.B. 479.

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SENATE BILL 479: Makes a supplemental appropriation to the Department of Motor Vehicles for an unanticipated shortfall in the merchant services fees associated with electronic payments. (BDR S-1236)

This is another supplemental request from DMV to be appropriated from the Highway Fund. The purpose is to fund an unanticipated shortfall in merchant service fees associated with electronic payments. In other words, these are merchant fees associated with credit card transactions.

The recommended amount of the supplemental request is \$948,453. Based on Staff's review with the Agency, Staff recommends an adjustment to decrease the supplemental from \$948,453 to \$878,997.

SENATOR LESLIE MOVED TO AMEND AND DO PASS S.B. 479.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:
We will now consider bill draft requests (BDRs).

MR. KRMPOTIC:
The first BDR is for the National Judicial College. This BDR removes certain provisions regarding trust funds established for the College. This budget was closed a few weeks ago in the Senate Committee on Finance and the Committee approved introduction of a BDR as recommended by the Joint Subcommittee on General Government. I have provided members with a copy of BDR 1-1284 ([Exhibit I](#)).

BILL DRAFT REQUEST 1-1284: Repeals the provisions creating the Fund for the National Judicial College and the Fund for the National College of Juvenile and Family Law. (Later introduced as [Senate Bill 499](#).)

SENATOR DENIS MOVED TO INTRODUCE BDR 1-1284.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

Next is BDR 41-1285. This proposal involves the Nevada Athletic Commission. This budget was closed a few weeks ago as well. This bill request was brought by the Athletic Committee Chairman, Mr. Bill Brady. It would expand the use of the fee the Commission currently uses that is restricted for awarding of grants to organizations that promote amateur contests and exhibitions of unarmed combat in this State. I have provided a copy for the members ([Exhibit J](#)).

BILL DRAFT REQUEST 41-1285: Expands the authorized use of proceeds from the additional fee for each ticket sold for admission to a live professional contest of unarmed combat. (Later introduced as Senate Bill 498).

At the time of budget considerations, the Committee also approved the use of \$20,000 in this account to perform random drug tests for amateur and primarily for professional unarmed combatants. This BDR was requested to implement the budget decision as made by the Finance Committee. It requires Committee introduction.

SENATOR CEGAVSKE MOVED TO INTRODUCE BDR 41-1285.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

Staff has nothing further at this time.

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CHAIR HORSFORD:

Seeing no further business before the Committee, we are adjourned at
12:34 p.m.

RESPECTFULLY SUBMITTED:

Cynthia Clampitt,
Committee Secretary

APPROVED BY:

Senator Steven A. Horsford, Chair

DATE: _____

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Stacy Woodbury, Gaming Control Board	One-Shot request list
	D	David K. Morrow, Nevada Division of State Parks	Funding request for Park Concessions
	E	David K. Morrow, Nevada Division of State Parks	Proposed Amendment to <u>S.B. 442</u>
	F	Nevada Office of the Military	Written testimony of Jennifer McEntee
	G	James R. Wells, Public Employees' Benefits Program	Presentation for <u>A.B. 556</u>
	H	Mark Krmpotic, Fiscal Analysis Division	List of revised supplemental appropriation requests
	I	Mark Krmpotic, Fiscal Analysis Division	<u>BDR 1-1284</u>
	J	Mark Krmpotic, Fiscal Analysis Division	BDR 41-1285