

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

**Seventy-sixth Session
May 18, 2011**

The joint meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Steven A. Horsford at 7:00 a.m. on Wednesday, May 18, 2011, in Room 4100 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.

SENATE 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

ASSEMBLY COMMITTEE MEMBERS PRESENT:

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

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Assemblyman John Ocegüera

STAFF MEMBERS PRESENT:

Michael J. Chapman, Principal Deputy Fiscal Analyst
Rick Combs, Assembly Fiscal Analyst
Jeffrey A. Ferguson, Senior Program Analyst
Rex Goodman, Principal Deputy Fiscal Analyst
Alexander Haartz, Program Analyst
Mark Krmpotic, Senate Fiscal Analyst
Patricia O'Flinn, Committee Secretary

OTHERS PRESENT:

Stephanie Day, Deputy Director, Budget Division, Department of Administration
Daniel J. Klaich, J.D., Chancellor, Nevada System of Higher Education
Nathaniel Phillipps
Beatriz Aguirre
Leliana Deleon
Kyle George
J.T. Creedon
Michael Flores

CHAIR HORSFORD:

We will open the joint meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means.

ALEXANDER HAARTZ (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The first item, the Department of Taxation, budget account (B/A) 101-2361, begins on page 35 of "Closing List #24," ([Exhibit C](#)).

FINANCE AND ADMINISTRATION

TAXATION

Department of Taxation — Budget Page TAXATION-1 (Volume I)
Budget Account 101-2361

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The first major closing issue in this budget is position eliminations. The *Executive Budget* recommends the elimination of a combined 14 full-time equivalent (FTE) positions and 15 intermittent positions through decision units M-160 and E-600.

M-160 Position Reductions Approved During Biennium — Page TAXATION-3

E-600 Budget Reductions — Page TAXATION-5

Decision unit M-160 eliminates eight vacant positions for which funding was eliminated in the Twenty-sixth Special Session.

SENATOR LESLIE MOVED TO APPROVE THE ELIMINATION OF EIGHT VACANT POSITIONS AS RECOMMENDED IN DECISION UNIT M-160 OF B/A 101-2361.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

CHAIR HORSFORD:

On the record, it was indicated in previous testimony by the Department that the functions of these positions will be handled by others within the Department.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN OCEGUERA WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATORS DENIS AND RHOADS WERE ABSENT FOR THE VOTE.)

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MR. HAARTZ:

Decision unit E-600 proposes the elimination of 6 vacant FTEs and 15 intermittent positions of 0.49 FTE each. The table on page 37 of [Exhibit C](#) lists the offices where the positions have been located: Carson City, Las Vegas, Reno and one out-of-state office.

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CHAIR HORSFORD:
What is the out-of-state auditor position?

MR. HAARTZ:
The Department has several auditor II positions located out-of-state for sales and use tax auditing.

CHAIR HORSFORD:
The employees do not live here in Nevada?

MR. HAARTZ:
One of the individuals lives in Mesquite, but serves the southern out-of-state region.

CHAIR HORSFORD:
The region they cover is out-of-state.

SENATOR LESLIE MOVED TO APPROVE THE ELIMINATION OF 6 FTE POSITIONS AND 15 INTERMITTENT POSITIONS AS RECOMMENDED IN DECISION UNIT E-600 OF B/A 101-2361 IN THE *EXECUTIVE BUDGET*.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN ATKINSON, CONKLIN AND OCEGUERA WERE ABSENT FOR THE VOTE.)

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

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MR. HAARTZ:
The second major closing issue in B/A 101-2361 is the addition of new positions to the Department of Taxation in decision unit E-254.

E-254 Economic Working Environment — Page TAXATION-4

Specifically, the *Executive Budget* recommends the addition of General Fund appropriations of \$415,187 in FY 2011-2012 and \$516,258 in FY 2012-2013 to fund 9 FTEs to reduce the caseload of delinquent and noncompliant taxpayer accounts. Staff notes that not all of the delinquent accounts owe money; it may be they have not filed a tax return. The Department indicated that as of December 31, 2010, there were approximately 85,000 delinquent taxpayer accounts. The addition of seven full-time revenue officer positions would decrease the delinquent account caseload to approximately 2,000 noncompliant accounts per revenue officer. The nine positions include one supervising position and one tax examiner position which provides direct customer service to be based in the Henderson office.

The Department testified that the General Fund appropriations recommended by the Governor in FY 2011-2012 for the purchase of office furniture and computer equipment could be reduced. This is due to the position eliminations in decision units M-160 and E-600. Additionally, the Department has indicated that the annual non-state building rent costs for the decision unit could be reduced in both FY 2011-2012 and FY 2012-2013. Staff has made technical adjustments as outlined on page 35 of [Exhibit C](#). If the technical adjustments are approved, General Fund savings of \$15,665 in FY 2011-2012 and \$14,581 in FY 2012-2013 would be realized.

CHAIR HORSFORD:

In FY 2009-2010, the revenue officers were bringing in approximately \$1.1 million each year, but the Department indicates no projected revenue for these positions. Do we know why?

MR. HAARTZ:

During testimony, the Department indicated they were providing information about revenue for context to the effect of the revenue officers. They were uncomfortable projecting that type of information because it depends on the actual delinquent accounts.

CHAIR HORSFORD:

Will they continue to monitor collections and report that information?

MR. HAARTZ:

Yes.

ASSEMBLYMAN HOGAN MOVED TO APPROVE DECISION UNIT E-254 IN B/A 101-2361 TO REDUCE NONCOMPLIANT AND DELINQUENT ACCOUNTS AS RECOMMENDED BY THE GOVERNOR AND TO APPROVE THE TECHNICAL ADJUSTMENTS PROPOSED BY STAFF.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN OCEGUERA WAS ABSENT FOR THE VOTE.)

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

MR. HAARTZ:

The third major closing item in B/A 101-2361 is the addition of three new accounting assistant positions and the reclassification of an existing accountant technician position to supervise the new positions in decision units E-260 and E-805.

E-260 Economic Working Environment — Page TAXATION-5

E-805 Classified Position Reclassifications — Page TAXATION-8

The *Executive Budget* recommends the three new positions to assist the Department with reconciliation of online payments either through the On-Line Tax System or the Unified Tax System, as well as the projected increase in online payments through the State Business Portal. The Department projects the three new positions will be necessary to complete these functions in a timely manner. As with the prior decision units, Staff has made adjustments to the furniture and computer equipment recommended as shown in the table on page 35 of [Exhibit C](#). As a result of the technical adjustments, there will be a General Fund savings of \$21,309 in FY 2011-2012 and \$11,083 in FY 2012-2013.

SENATOR LESLIE MOVED TO APPROVE THE THREE NEW POSITIONS FOR TAX PAYMENT RECONCILIATION IN DECISION UNIT E-260 AND

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THE POSITION RECLASSIFICATION IN DECISION UNIT E-805 IN B/A 101-2361 AS RECOMMENDED BY THE GOVERNOR AND TO APPROVE THE TECHNICAL ADJUSTMENTS MADE BY STAFF.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN OCEGUERA WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. HAARTZ:

The fourth major closing issue is the transfer of 2 FTEs from the Department to the proposed Division of Human Resources Management effective November 2011 in decision unit E-912.

E-912 Transfer from Dept of Tax to Human Resources Div — Page TAXATION-8

In related decision unit E-800, the *Executive Budget* recommends adding General Fund appropriations of \$60,815 in FY 2011-2012 and \$102,743 in FY 2012-2013 to fund cost allocation charges for personnel services provided by the new Division. Combined, these two decision units result in net General Fund appropriation reductions of \$33,777 in FY 2011-2012 and \$38,591 in FY 2012-2013.

E-800 Cost Allocation — Page TAXATION-7

Staff notes that the centralization of personnel functions was approved by the Senate Committee on Finance and the Assembly Committee on Ways and Means on April 22, 2011.

CHAIR HORSFORD:

Is the new Division of Human Resources Management within the Department of Administration?

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MR. HAARTZ:
That is correct.

CHAIR HORSFORD:
Do we know yet if Mr. Andrew Clinger has decided to accept the position of City Manager in Reno? I am concerned about continuing to make decisions when I do not know who the new Director of Administration will be.

SENATOR CEGAVSKE:
Mr. Clinger will be staying through the end of the Legislative Session.

CHAIR HORSFORD:
I know, but the comfort level we had regarding these consolidations into the Department of Administration was based on the Director of Administration and his understanding of State government. Now we know he has accepted a position elsewhere, we will have a new Director with more responsibility.

STEPHANIE DAY (Deputy Director, Budget Division, Department of Administration):
No decisions have been made by the Governor's Office. It is a Governor's Office appointment. I have worked in the Department of Administration for 25 years. There are many individuals in the Department who can help with both the transition and the merger.

CHAIR HORSFORD:
I would like to hear from the Governor's Office what the process will be.

SENATOR PARKS MOVED TO APPROVE THE POSITION TRANSFERS TO THE NEW DIVISION OF HUMAN RESOURCES MANAGEMENT IN DECISION UNIT E-912 CONSISTENT WITH THE CENTRALIZATION ACTION APPROVED ON APRIL 22, 2011, AND TO APPROVE THE COST ALLOCATIONS IN DECISION UNIT E-800 IN B/A 101-2361.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN BOBZIEN WAS ABSENT FOR THE VOTE.)

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SENATE: THE MOTION CARRIED. (SENATOR DENIS WAS ABSENT FOR THE VOTE.)

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MR. HAARTZ:

There are four other closing items in B/A 101-2361. Items one, three and four appear reasonable to Staff. They are decision unit M-101, agency specific inflation; decision unit E-710, replacement computer equipment; and decision unit E-808, position reclassification.

M-101 Agency Specific Inflation — Page TAXATION-3

E-710 Equipment Replacement — Page TAXATION-7

E-808 Position Upgrades — Page TAXATION-8

Item number two is Budget Amendment A00296 submitted by the Budget Division. The amendment reduces the recommended General Fund appropriations by \$12,405 in each year of the biennium to reflect the intended change of the Micrographics and Imaging Section from an Enterprise/Internal Services Fund to being funded through the Statewide Cost Allocation Plan. The Budget Division has indicated the reason the General Fund appropriations will be removed is because the Department of Taxation will not be charged a cost for the imaging services it will receive in the upcoming biennium. On Thursday, May 12, 2011, the Committees closed the Department of Cultural Affairs budget for Micrographics and Imaging with the proposed change. Staff has included a technical adjustment for the budget amendment as noted on page 35 of [Exhibit C](#). There is an additional technical adjustment based on a new lease agreement with reduced costs. The General Fund savings are \$19,251 in FY 2011-2012 and \$17,294 in FY 2012-2013. These technical adjustments are also on page 35 of [Exhibit C](#).

SENATOR LESLIE MOVED TO APPROVE DECISION UNITS M-101, E-710 AND E-808 AS WELL AS BUDGET AMENDMENT A00296 TO B/A 101-2361; TO GRANT STAFF AUTHORITY TO MAKE RELATED TECHNICAL ADJUSTMENTS AS NOTED ON PAGE 35 OF [EXHIBIT C](#);

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AND TO MAKE ANY OTHER TECHNICAL ADJUSTMENTS THAT MAY BE
NECESSARY.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR HORSFORD:

We will move to the Department of Conservation and Natural Resources.

JEFFREY A. FERGUSON (Senior Program Analyst, Fiscal Analysis Division,
Legislative Counsel Bureau):

The first item is B/A 101-4151, the Division of Conservation Districts on
page 31 of [Exhibit C](#).

INFRASTRUCTURE

CONSERVATION AND NATURAL RESOURCES

DCNR – Division of Conservation Districts — Budget Page DCNR-90 (Volume III)
Budget Account 101-4151

This budget has been held a couple of times. The Governor recommends eliminating the Division of Conservation Districts and the associated State Conservation Commission as well as the annual grants transferred to the 28 conservation districts. At the April 21 closing hearing, public testimony was heard requesting consideration of a minimum budget to retain the Division of Conservation Districts and the Commission. Accordingly, Ms. Pam Wilcox submitted a revised budget for consideration. That budget is on page 33 of [Exhibit C](#). The annual grants to each district would be \$2,500 instead of \$4,000. Commission salaries, travel, teleconference costs, one staff position costs and operating costs are also included in the proposal. The General Fund

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appropriations would be \$170,122 in FY 2011-2012 and \$171,254 in FY 2012-2013.

There are several options the Committees can consider. The first option is to approve the Governor's recommendation to eliminate the Division of Conservation Districts and the State Conservation Commission, including 2.51 FTEs, as well as the annual \$4,200 grant and funding for workers' compensation, liability insurance and vehicle insurance for each district. This option would allow the individual conservation districts to function as they have historically, utilizing local district attorneys for legal support regarding the Open Meeting Law, but without monetary assistance from the State and oversight from the State Environmental Commission.

The second option, if the Committees wish to provide some monetary assistance from the State to conservation districts, is to approve the continuation of annual grants at a reduced level, and without oversight and assistance from the State. The conservation districts could use the grant funds as best fit their needs, whether for leveraging other funds, operating costs or insurance. Two different amounts were discussed: \$2,000 per conservation district each year; and \$1,000 per conservation district each year in Budget Amendment A00300.

The third option is to implement the proposed minimum budget to maintain the Division of Conservation Districts and the State Conservation Commission as outlined on page 33 of [Exhibit C](#).

Senate Bill (S.B.) 446 eliminates the Division of Conservation Districts and the Conservation Commission. If the third option is passed by the Committees, S.B. 446 would have to be passed retaining the districts and the Commission.

SENATE BILL 446: Revises provisions governing the composition of the State Department of Conservation and Natural Resources. (BDR 18-1209)

SENATOR RHOADS:

The 28 Conservation Districts in the State do a lot of good. They are vital in the efforts at weed control and flood control, as well as many other necessary services.

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SENATOR RHOADS MOVED TO SUPPORT OPTION THREE, THE IMPLEMENTATION OF THE PROPOSED MINIMUM BUDGET OF \$170,122 IN FY 2011-2012 AND \$171,254 IN FY 2012-2013 TO MAINTAIN THE DIVISION OF CONSERVATION DISTRICTS, THE STATE CONSERVATION COMMISSION AND PROVIDE ANNUAL GRANTS OF \$2,500 IN EACH YEAR OF THE BIENNIUM TO EACH OF THE 28 CONSERVATION DISTRICTS.

MR. FERGUSON:

Senate Bill 446 eliminates the Commission and the Districts. Those sections of the bill would need to be removed.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

SENATOR LESLIE:

I will support the motion. The districts provide a valuable service and they get citizens involved in caring for the environment. We cannot afford to let this structure go.

ASSEMBLYMAN BOBZIEN:

I echo my colleagues' comments. We are facing significant species of concerns issues. The Conservation Districts are the front line of the work keeping species off the endangered list. The partnerships benefit not only the rural communities, but Clark and Washoe Counties as well.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN HARDY VOTED NO. ASSEMBLYMAN GOICOECHEA WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATORS CEGAVSKE AND KIECKHEFER VOTED NO.)

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CHAIR HORSFORD:

The next item for consideration is B/A 101-4204, Tahoe Regional Planning Agency.

Tahoe Regional Planning Agency — Budget Page DCNR-171 (Volume III)
Budget Account 101-4204

WAYNE THORLEY (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The closing documents for the Tahoe Regional Planning Agency (TRPA) begin on page 25 of [Exhibit C](#). There are four interrelated major closing issues for B/A 101-4204. The first issue is the funding split between California and Nevada. According to the Tahoe Regional Planning Compact, TRPA's requests for funds must be apportioned two-thirds to California and one-third to Nevada. However, the states are not required to approve funding in accordance with the split. The 2009 Legislature approved funding for Nevada's share of TRPA funding, relative to California's share, at a level equivalent to 30 percent. The *Executive Budget* for the 2011-2013 biennium recommends further reducing Nevada's share to a level that is approximately 24 percent in each year of the biennium.

The *Executive Budget* recommends funding at \$2.6 million for the 2011-2013 biennium. This includes General Fund appropriations and Department of Motor Vehicle (DMV) Pollution Control funds. California's recommended funding level is \$8.2 million over the upcoming biennium. Given these funding levels, Nevada's total biennial shortfall from the one-third match is approximately \$1.6 million for the upcoming biennium. If the DMV Pollution Control transfer as well as increased litigation funding the Agency is requesting is not continued, Nevada's total biennial shortfall would be approximately \$2.3 million. This would make Nevada's apportioned share approximately 18 percent relative to California's share.

California funds its contribution to TRPA primarily from registration fees for environmental license plates and an allocation from the State's Harbors and Watercraft Revolving Fund. No general fund monies from California are apportioned to TRPA. In the *Executive Budget*, California's contribution to TRPA in each year of the biennium is recommended at \$4.25 million. However, the Agency has indicated to Staff, and testified during the Joint Subcommittee budget hearing, that California's share for the 2011-2013 biennium is projected at \$4.12 million each year. Fiscal Staff has worked with the Budget Division and TRPA to ensure California's projected funding level is accurately reflected in the *Executive Budget*.

According to TRPA, a reduction in Nevada's appropriations will reduce the number of restoration projects the Agency can undertake. They have also indicated that reduced funding will limit the amount of time the Agency can spend on monitoring and reporting environmental progress. If the Legislature approved an increase in funding to the historic one-third level, which would require approximately \$776,000 in additional funds in each year of the 2011-2013 biennium, the Agency would implement additional environmental improvement programs and restoration projects, increase monitoring and reporting, and increase staffing levels.

The second major closing issue is the continuation of the DMV Pollution Control funds transfer in decision unit E-350.

E-350 Environmental Policies and Programs — Page DCNR-172

The *Executive Budget* recommends continuing annual transfers from the DMV Pollution Control account of \$256,640 in each year of the 2011-2013 biennium. This recommendation would increase the total transfers from the Pollution Control account to \$419,021 in each year. The 2009 Legislature approved the continuation of annual transfers from the DMV Pollution Control account of \$171,485 in the TRPA base budget. The 2009 Legislature also approved a one-time transfer from the Pollution Control account of \$256,640 in each year of the 2009-2011 biennium to support air quality threshold monitoring and to decrease the funding gap that was proposed by the Governor. Based on the continued decline of General Funds available to TRPA, the Agency has indicated it is necessary to continue this transfer to minimize the funding gap between California and Nevada.

The Budget Division confirmed that money is available in the DMV Pollution Control account for this transfer, and the DMV is in agreement with the recommended transfer amount. The Committees closed the DMV Pollution Control account on May 5, 2011, with the recommended transfer of \$419,021 in each year of the upcoming biennium.

The third major closing issue in this account is the increase in litigation expenditures in decision unit E-850.

E-850 Special Projects — Page DCNR-175

The Governor recommends General Fund appropriations of \$110,000 in each year of the 2011-2013 biennium to contract with outside legal counsel to provide legal defense for TRPA against ongoing litigation. With this recommendation, the total requested funding from Nevada for defensive litigation would be \$254,000 in each year of the biennium. Because TRPA is not a State agency, it does not have access to State support services, including the Attorney General's (AG) Office. As a result, TRPA must directly fund all its legal expenses.

The Agency testified that current and expected lawsuits are projected to push legal services expenditures to approximately \$1 million over the next couple of years. Current litigation includes the appeal of a court ruling that struck down the updated shorezone ordinances, as well as defense of the implementation of recent recommendations of the Blue Ribbon Fire Commission. The TRPA also expects to incur significant legal expenses due to the Regional Plan Update.

In response to questions from the Subcommittee regarding the use of outside legal counsel, TRPA indicated it utilizes its in-house legal team as much as possible, but that certain complex legal issues require the Agency to retain outside legal counsel with experience in environmental issues and specialized knowledge and skills. According to TRPA, it tries to utilize a mix of in-house and outside legal counsel that is the most cost effective but also allows the Agency to adequately respond to the increasing litigation.

The last major closing issue is the 10 percent General Fund reduction in decision units E-690, E-691, E-692 and E-693.

E-690 Budget Reductions — Page DCNR-173

E-691 Budget Reductions — Page DCNR-174

E-692 Budget Reductions — Page DCNR-174

E-693 Budget Reductions — Page DCNR-174

The Budget Division asked TRPA to reduce General Fund expenditures by 10 percent, or approximately \$180,500 in each year of the upcoming biennium.

To accomplish this budget reduction, TRPA recommends the following General Fund reductions which are included in the *Executive Budget*.

In decision unit E-690, TRPA recommends an internal policy of six unpaid furlough days for all TRPA employees. Decision unit E-691 eliminates a planning technician position. Decision unit E-692 recommends eliminating an associate environmental specialist position. These two positions are vacant as of March 3, 2011. Decision E-693 recommends reducing the Agency's information technology maintenance contracts. In total, these recommendations would reduce General Fund appropriations by \$180,500 in each year of the biennium.

Staff notes that once TRPA receives an appropriation from the General Fund, it is not obligated to expend the funding as represented in the Legislatively approved budget. As a result, given TRPA's unique status as a non-State agency that receives General Fund support, the Committees' action regarding these four decision units only affects the amount of General Fund appropriations TRPA receives, and not the budget reductions identified by TRPA. The Agency has indicated the majority of the required budget reductions will be achieved through staffing reductions and layoffs.

There are three options for the Committees to consider:

1. Approve General Fund appropriations of \$868,978 in FY 2011-2012 and \$863,859 in FY 2012-2013 as recommended in the *Executive Budget*. Together with the recommended transfer from the DMV Pollution Control account and the additional defensive litigation funding, this recommendation provides Nevada support for TRPA at 24 percent relative to California's apportionment.
2. Approve Nevada funding for TRPA at a one-third level relative to California's share. This option requires the addition of \$773,501 in FY 2011-2012 and \$778,620 in FY 2012-2013 through additional General Fund appropriations, DMV Pollution Control funding, or a combination of both.
3. Approve the Nevada funding for TRPA at a level above what is recommended in the *Executive Budget*, but below the historical one-third level. For example, the 2009 Legislature approved funding from Nevada for TRPA at 30 percent. To increase funding to a 30 percent level relative

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to California's share would require additional funds of \$479,001 in FY 2011-2012 and \$484,120 in FY 2012-2013.

ASSEMBLYMAN KIRNER MOVED TO APPROVE OPTION ONE.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLYMAN BOBZIEN:

I reluctantly support this motion due to the severity of the budget situation. We are sending the wrong message about our partnership with California. Nevada does matter in the Tahoe Basin. Nevada does matter when it comes to the actions of TRPA. I hope we can return to the one-third funding level in the future.

ASSEMBLYWOMAN CARLTON:

I, too, reluctantly support this motion. It is frustrating we have to spend so much money on litigation. Every time TRPA does something, someone who knows a lawyer takes them to court. So much more could have been accomplished if people could understand it is about Lake Tahoe and not themselves. I hope we will be able to restore funding levels.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. THORLEY:

There are two other closing items for B/A 101-4204. The first concerns S.B. 271. As introduced, this bill provides for the withdrawal of the State of Nevada from the Tahoe Regional Planning Compact, an interstate agreement between Nevada and California that creates the TRPA and grants the Agency certain land-use and environmental and regulatory authority. Pursuant to *Nevada Revised Statutes* 278.826, the Nevada Tahoe Regional Planning Agency would assume the duties and powers of regulating land-use and environmental matters on the Nevada side of the Lake Tahoe Basin if the Compact were dissolved. No fiscal note has been prepared for this bill; however, Staff would note that legal responsibility regarding current lawsuits against TRPA would fall

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on the Nevada AG if Nevada withdraws from the Tahoe Regional Planning Compact. If S.B. 271 is passed, Staff will seek authority to adjust the budget and report back the budgetary changes to the Committees. This item is provided for informational purposes only. No action is required at this time.

SENATE BILL 271: Provides for withdrawal of the State of Nevada from the Tahoe Regional Planning Compact. (BDR 22-988)

The last closing item for consideration is Base Budget issues discovered during the Joint Subcommittee hearing that need to be resolved prior to the budget closing. Significant issues included no funding for travel, training or utilities expenditures; negative expenditures in the air quality threshold monitoring category; and revenue sources not being correctly tied to expenditures. Fiscal Staff worked with the Budget Division and TRPA to correct these issues. These changes are reflected on page 25 of [Exhibit C](#).

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE BASE BUDGET CHANGES MADE BY STAFF, WHICH INCLUDE BUDGETING FOR TRAVEL, TRAINING AND UTILITIES EXPENDITURES IN THE CORRECT CATEGORIES; TO ELIMINATE THE NEGATIVE EXPENDITURE IN THE AIR QUALITY THRESHOLD MONITORING CATEGORY BY PROPERLY ACCOUNTING FOR THE ADDITIONAL REQUESTED DMV POLLUTION CONTROL FUNDING IN A DECISION UNIT INSTEAD OF BASE BUDGET; AND MAPPING REVENUES TO EXPENDITURES.

SENATOR RHOADS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:

I have asked Chancellor Klaich to give a status presentation on a draft study the Nevada System of Higher Education (NSHE) has been working on related to the funding formula.

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DANIEL J. KLAICH, J.D. (Chancellor, Nevada System of Higher Education):

The funding formula is an issue that needs to be reviewed. A review happens about every ten years. We need to examine how funding of higher education has changed nationally in the last ten years. Typically, the process is a compact among the Legislature, the Governor and NSHE. What is NSHE doing currently to address the funding formula?

During the 2009 Legislative Session, I requested an interim study to revise the formula. That request was not passed. I determined that the process could not wait. The NSHE issued a request for proposal and hired a consultant, MGT of America, Inc., to study the trends and issues regarding funding throughout the country and to suggest ways to improve the formula in Nevada. That work product will be in my office within a few days and I will submit it to the Legislature.

CHAIR HORSFORD:

Are there any general conclusions of the draft study to date?

MR. KLAICH:

The study was specifically done in terms of recommendations so as to not handicap the interim study committee. There are recommendations with respect to mission funding, which is to recognize the different missions of the community colleges, the State college, the research institute and to specifically fund for those, rather than the body count funding currently in place. There are recommendations for performance funding and completion. There are recommendations with respect to the funding of faculty at community colleges, specifically what is referred to as the 60:40 ratio. There is a recommendation with respect to recognizing and funding research.

CHAIR HORSFORD:

Can you discuss the timing and the process for the study going forward?

MR. KLAICH:

We need an interim study that not only commits the State to study the issue, but also commits the State to immediate implementation. We cannot wait for another two or four years to reform the funding system for higher education. In my perfect world, we would meet during the interim to improve the funding formula to take into account the issues brought forward in S.B. 449 and

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S.B. 451, and we would all agree that the next biennial budget would be submitted with these changes already made.

[SENATE BILL 449](#): Revises provisions governing tuition charges, registration fees and other fees assessed against students in the Nevada System of Higher Education. (BDR 34-932)

[SENATE BILL 451](#): Revises provisions governing tuition charges, registration fees and other fees assessed against students enrolled in institutions of the Nevada System of Higher Education. (BDR 34-933)

CHAIR HORSFORD:

Does the Board of Regents have a timeline or process for the completion of your own internal review?

MR. KLAICH:

No, they do not. Their direction was for me to come here, understanding that we must partner with the Legislature and the Governor to accomplish anything. When we discuss the funding formula, we forget it is not the Regents' formula; it is the government's formula. The Regents have as one of its highest priorities to give you the report from the study that is now concluding to add to an interim study and a process in which all stakeholders work together to make a decision about how to proceed.

CHAIR HORSFORD:

That is not the level of detail I had hoped to hear. How much money was paid to MGT of America for this study?

MR. KLAICH:

The NSHE paid them approximately \$100,000.

CHAIR HORSFORD:

Do you have a formal report showing what they have done?

MR. KLAICH:

I do not yet have a final document. I can get the draft to your Staff immediately.

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CHAIR HORSFORD:

Provide that to our Staff. We need information. We do not want to duplicate work that has already been done.

ASSEMBLYMAN KIRNER:

I am hopeful that you are interested in taking some of the results and acting now, rather than in two or four years. Is that a correct assessment of your position?

CHAIR HORSFORD:

The action now is contingent upon the report. I would like to get it and share it because we have legislation that ensures an interim study is done. However, we have studied this before. A study with no action is a waste of time. To the extent that there are decisions that can be made during this Session, that is the direction we should take.

MR. KLAICH:

This body can be proud of the studies it has done with NSHE. Every one of them has recommended changes that have been immediately implemented.

CHAIR HORSFORD:

I have not seen improvements. I reviewed a Legislative study from the early 1990s that includes recommendations that still have not been implemented. I would like to understand what has been done.

ASSEMBLYMAN KIRNER:

I have experience in the funding formula in the New York system of higher education. I appreciate this work. To the extent that we can move quickly in support of NSHE, I am in full agreement. I understand there are issues pending, but I am supportive of that idea.

CHAIR HORSFORD:

We will now take limited public comment.

NATHANIEL PHILLIPPS:

I am a student at the University of Nevada, Las Vegas (UNLV), and a constituent of Senator Horsford's. I am exceptionally glad to be able to give these remarks today and have them etched in the Legislative record. In these

past two days, we have experienced things we all thought would not be likely. While those who support cuts to health and human services and to education and to jobs and salaries across the State were sleeping comfortably in their warm beds, we the people were outside in tents, on the grass, in the cold and shrill wind. We witnessed our American democracy in action. As an aspiring foreign service agent or diplomat, it was beautiful to see the power of that democracy. We literally sat on the floor with people who may be ideologically opposed to us, but who engaged in a lively and civil discussion about the future of our State.

CHAIR HORSFORD:

Out of respect for the students who have asked in every hearing that we do this, I ask the members of the Committees to please close their laptops and listen.

MR. PHILLIPPS:

We accomplished what we came here to do, which was to have a seat at the table, to make people uncomfortable and make them talk to us and each other. In a perfect world we would not have to make people uncomfortable by sitting in the hallways outside their offices or relentlessly trying to meet with me, because the voice of progress would be heard louder than the voice of inaction. I urge the Legislature to heed the call of the people who are gathered here today.

Yesterday, Senate Minority Floor Leader McGinness, in what I am sure was a historic encounter, told us that one reason he supports the Governor's dangerous plan is that, as spokesperson for his caucus, none of his colleagues has expressed dissent from the plan. He went on to say that if in the next ten minutes one of his colleagues wanted to offer an alternative proposal, he would acknowledge and affirm that. In response to those comments, a student said, "So basically, you are telling us that you are silent, that you have no voice?" This question was so striking to me, it seemed an unnatural question to ask a person with the word "leader" in his title, it encouraged me to write these remarks.

For all the Republicans who say they sincerely care about education, and we know that you do because of the zeal of your arguments, you are silencing your own voices by acquiescing to the Governor's plan. Either through obvious

support, or tacit consent, you are shortchanging yourselves and diminishing your important voice. There are hundreds of thousands of students across the State who are losing their supplies, their teachers and their classes. There are thousands of students who are already in higher education in Nevada, or considering it, who are considering out-of-state institutions. We are already under the heavy burden of increased tuition and we are disheartened by the elimination of our programs. We feel Nevada does not care about us.

We beseech you all, Republicans and Democrats, to find the power of your voice. Instead of resisting, disagreeing, preventing and blocking, use your voice to build up, strengthen, to innovate and create. If the current proposals are not agreeable, then you must draft new terms of an agreement. Your responsibility is not only to object, but you have a mandate to suggest solutions. Each of you was elected because you have an important voice that needs to be heard. Democracy is not about tearing down, it is about building up. Bring your voices together to craft a new vision for this State, for our home, that will ensure a verdant and equitable future for Nevada.

BEATRIZ AGUIRRE:

I am a social work student at UNLV. The Governor says his budget will create jobs and that he has education in mind. I have a year left in my course of study. Today it seems as though my program will be safe, but the status of my program, as many others, changes frequently. I fear that when I graduate, I will not be able to get a job in Nevada because the Department of Health and Human Services is so severely affected by this budget.

We have been camping out these last two days because we know the budget calls for sacrifices. We have been sacrificing our comfort in the cold and the rain to be part of this process. I personally support the margin tax. I understand that small business is a big part of the State's economy, but the \$1 million threshold will protect small businesses. I also believe we should implement the service tax. I support these ideas as a taxpayer and as a voter. I also support a reasonable increase in tuition and as long as the money remains on campus and is not lost in the General Fund.

We are tired of the sound bites and the talking points. We want to have open conversations as we have been able to have in the last couple of days with some of you. The future of Nevada cannot lie with crossing our fingers and

hoping we will find money to fund education. We will have to live with the decisions you make in this hearing room today. Keep Nevadans and the future of Nevada in mind when you close this budget.

LELIANA DELEON:

I am a biology major at the College of Southern Nevada (CSN). The CSN opens its doors to everyone regardless of race or age, providing the affordable door to one's future. With the ongoing cuts, a 26 percent increase in tuition has been proposed. Last semester, CSN turned away 5,300 students. Those are students who wanted to further their education, to become doctors, lawyers or engineers. It is baffling to me that cutting education funding is even viewed as an option. Without education, you would not be sitting on these Committees. What about the future of our children? I am your future doctor. Do not take away my ability to heal you or your children. Let us provide successes to society, not failures. The future is in your hands.

KYLE GEORGE:

Our State Constitution is beautifully designed. The Governor proposes a budget, but it is the Legislature that decides the terms and details of the budget. While I respectfully understand the Governor's position on what the funding amount should be, in the end, it is up to the Legislators to determine what is right. How you vote impacts the people in this State. I understand the need for reform, but do not hold our budget hostage while you determine the course of the reform and how to implement it. I have been here to Carson City several times over the last two Sessions. I am tired of talking about this. I do not know how to convince you how important this is. Yesterday was the first time I believed we were being listened to. I ask you to set aside political ideology and meet us halfway.

J.T. CREEDON:

I am a student at CSN. Eleven years ago I graduated from high school in another state. I had no interest in going to school or going to college. I spent several years in the workforce. I came to Nevada because there were good jobs that did not require a lot of education. But, things changed. Luckily, CSN was available and I started taking classes. It has changed my life; changed my view of myself as a person and my role in society. I should not have graduated from high school. I had to take several remedial math classes at CSN. I was able to correct the deficiencies from my past. I will graduate this year with two degrees

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with high honors. I am a member of the Phi Beta Kappa honor society. I am the outgoing student body president. I work as a peer ambassador telling high school students how important it is to go to college.

Today at CSN there is one advisor for every 2,000 students. How can the students who are hoping to revitalize or change careers with continuing education or retraining be adequately counseled? This is the status quo, but the proposed budget will eliminate \$26 million from CSN. I cannot understand increasing cuts to an institution that is already underfunded. There are certainly reforms and efficiencies that can be accomplished. But, CSN does not have the resources to accomplish its mission right now. Consider the compromises being proposed to reduce the level of these cuts.

I, like many other students, have trouble understanding the fairness of these cuts. In talks with the Governor and his staff, we have brought up the sunsets. The Governor said that the taxes passed in 2009 would sunset in 2011 and that promise must be kept. However, the increase in tuition and fees in 2009 is also supposed to sunset in 2011. Why can promises to students be broken but not those made to anyone else?

MICHAEL FLORES:

I would like the people who have been fighting for education this Session to stand up. These people who are standing behind me may not all speak today, but this is Nevada. I am sure these Committees will pass a great budget that will probably be vetoed by the Governor. What will happen when the budget comes back for you to reconsider? When we leave here, will we remain in your hearts and on your consciences? We cannot wait to have education adequately funded. The previous speaker, J.T. Creedon, is homeless. He cannot wait. This week, I have felt connections I did not expect to feel. Young people do not always have a seat at the table and we have to push to have our voices considered. I appreciated being able to sit with Republicans and Democrats this week. I am neglecting my summer school classes to be here because the future of my education is here right now. I ask you to put everything aside and work this out.

CHAIR HORSFORD:

The Committees will recess at 8:48 a.m. until the Call of the Chair.

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The Committees will reconvene at 10:20 a.m. We will begin the NSHE budget closings. Pages 2 through 9 of [Exhibit C](#) have supporting information and data to help frame the decisions we must make today.

MR. HAARTZ:

Pages 2 through 8 of [Exhibit C](#) contain information already given in Subcommittee as well as Joint Committee hearings. The table on page 4 of [Exhibit C](#) reflects the budget reduction scenario template information NSHE presented previously. Pages 5 through 7 contain tables detailing the impact of the reductions in the *Executive Budget*. Page 7 also has information regarding administrative constraints faced by NSHE with respect to implementing budget reductions quickly. Page 8 includes information concerning additional fee revenue that might be used to offset the operating reductions. There is also information regarding the effect of a 13 percent surcharge in each year of the biennium on the Regents-approved registration fees.

Table 5 on page 9 of [Exhibit C](#) has been updated based upon NSHE's 4-Point Plan. The top half of the table reflects FY 2011-2012 and contains information about the projected \$27 million surcharge revenues, the 15 percent financial aid set-aside, the likely enrollment-driven losses and other identified registration fee revenues. What is not shown in the top half of the table is the \$22.1 million in additional revenue NSHE has identified as part of the 4-Point Plan for FY 2011-2012. The second half of the table for FY 2012-2013 reflects the projected revenues if the full 13 percent plus 13 percent surcharge is imposed, or a total of \$43.34 million.

Regarding the potential registration fee surcharges, which are not included in the *Executive Budget*, final action by the Regents will likely occur after the 2011 Legislature has adjourned. The Committees may wish to consider a letter of intent to communicate its expectations on the budgeting of surcharge revenues. The 2009 Committees issued a Letter of Intent which directed NSHE to budget any 2009-2011 biennium surcharge revenues approved after the Legislative Session in the State-supported operating budgets through the IFC's work program revision process.

ASSEMBLYMAN AIZLEY:

What does "additional" mean?

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MR. HAARTZ:

Additional means surcharge revenues above and beyond what is included in the *Executive Budget*.

ASSEMBLYMAN AIZLEY MOVED TO REISSUE A LETTER OF INTENT TO NSHE DIRECTING THAT 100 PERCENT OF ANY ADDITIONAL REGISTRATION FEE AND TUITION REVENUES GENERATED THROUGH 2011-2013 BIENNIUM SURCHARGES BE RECORDED IN NSHE'S STATE-SUPPORTED OPERATING BUDGETS THROUGH THE IFC WORK PROGRAM REVISION PROCESS.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ATKINSON WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

MR. HAARTZ:

The next decision for the Committees deals with enrollment projection methodology. At the May 7, 2011, Work Session, the Committees considered enrollment projection methodologies and expressed a preference for projecting enrollments as flat to FY 2010-2011, as opposed to the traditional three-year weighted average methodology. The table on page 10 of [Exhibit C](#) provides information about NSHE enrollments projected as flat to FY 2010-2011.

ASSEMBLYWOMAN SMITH MOVED TO APPROVE THE FLAT TO FY 2010-2011 APPROACH FOR PROJECTING NSHE ENROLLMENTS FOR THE 2011-2013 BIENNIUM, AND TO GRANT STAFF AUTHORITY TO ADJUST THE REGISTRATION FEE REVENUES IN THE *EXECUTIVE BUDGET* FOR THE SEVEN TEACHING INSTITUTIONS BASED ON THE ENROLLMENT PROJECTION CHANGES WHICH NET TO \$437,391 IN EACH FISCAL YEAR.

SENATOR CEGAVSKE SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. HAARTZ:

The next issue is the use of the funding formula. As noted during the Work Session on May 6, neither NSHE nor the *Executive Budget* utilized the funding formula for either the calculation or the distribution of funding for the upcoming biennium. The Committees considered the impact of using the funding formula to distribute the available General Fund appropriations. The Committees indicated a preference to not use the funding formula for either purpose. Using the formula to distribute funds would link enrollments to the distribution of funding. Not using the funding formula has the effect of uncoupling enrollments from the calculation and distribution of funding, which is consistent with budgets submitted by NSHE as well as the *Executive Budget*.

SENATOR KIECKHEFER MOVED TO APPROVE NOT USING THE FUNDING FORMULA TO DISTRIBUTE AVAILABLE FUNDING FOR THE 2011-2013 BIENNIUM.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. HAARTZ:

The table on page 12 of [Exhibit C](#) contains information received from NSHE regarding per student FTE funding at the various institutions. This is for the Committees' information; there is no decision to be made. Additionally, on page 13 of [Exhibit C](#), Staff has provided information regarding the \$20 million General Fund appropriation add-back recommended by the Governor. The table on page 14 of [Exhibit C](#) reflects Staff's understanding of how funding would be added back to NSHE budget accounts. The Budget Division has subsequently

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clarified that the Governor's recommendation is to allocate an additional \$20 million without specifying its distribution. These tables and explanations have been provided for the Committees' clarification.

The next issue is the reallocation of funding through elimination of State operating budgets. The intercollegiate athletics, the statewide program budgets, the business centers, Cooperative Extension and other stand-alone budgets are proposed for consolidation into the respective University of Nevada, Reno (UNR) and UNLV instructional budgets. The table on page 15 of [Exhibit C](#) shows the impact of this consolidation. The Regents would have authority and flexibility to prioritize how these funds are expended.

CHAIR HORSFORD:

The line item accounts for athletics, Cooperative Extension and business centers are already on the list for consolidation. What is the impact of including the Agricultural Experiment Station (AES)?

MR. HAARTZ:

Staff recommends holding the decision about AES until the Committees reach the decision point listed as item 3 on page 19 of [Exhibit C](#).

ASSEMBLYMAN BOBZIEN:

I think it would be productive to hear from NSHE about how these different accounts roll up.

MR. KLAICH:

Is the question whether AES is rolled up into the main instructional account or left separate?

CHAIR HORSFORD:

What would it mean to include AES in the roll up into the instructional accounts?

MR. KLAICH:

Generally, it is appropriate to push these decisions to the Regents and hold their feet to the fire to prioritize them within the larger budget and among all the missions of the institutions. We would support the roll up of AES.

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ASSEMBLYMAN BOBZIEN:

As we look at all the stand-alone accounts, should we roll up all of them or not?

MR. KLAICH:

I think you should roll them up and make the Regents responsible.

CHAIR HORSFORD:

These are \$22 million worth of decisions that the Legislature has made over the years for unknown reasons. With all due respect, we are cutting academic programs like social work, economics and nursing, but we are funding athletics and other extra-curricular programs. They may very well be good programs, but why are they a greater priority than other programs? Those are not decisions the Legislature should make. There is an elected Board of Regents who should prioritize programs.

MR. KLAICH:

The Regents generally see 12 line items: the 8 institutions; System Administration; and the 3 professional schools. You may want to consider whether the State Public Health Laboratory belongs with the Medical School or the Instructional Account of UNR. The University Press should be rolled up into the System Administration budget. We have day-to-day responsibility.

MR. HAARTZ:

The NSHE 4-Point Plan is explained on page 15 of [Exhibit C](#) with the dollar amounts NSHE has identified. The first table on page 16 of [Exhibit C](#) shows the impact of the governmental support for the NSHE State-supported operating budgets of \$471 million in each year of the 2011-2013 biennium, a decrease from the Twenty-sixth Special Session funding of 15.54 percent. Not shown in this table is the \$43 million of additional revenues generated by surcharges, fees and other funds.

During the Work Session on May 7, 2011, the Committees heard testimony from the Chancellor that approving the 4-Point Plan as proposed by NSHE would directly mitigate the impacts to the academic infrastructure, student access and capacity, and NSHE staffing that were projected to occur at the governmental support funding levels contained in the *Executive Budget*. Tables 1A, 2A and 3A, on pages 16 through 18 in [Exhibit C](#), detail the projected mitigation impact on these 3 areas if the 4-Point Plan is implemented.

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There are a series of decisions for the Committees. At the May 7 Work Session, the Committees expressed a preference for a hybrid approach combining elements from several of the options presented, including restoring an unspecified amount of General Fund appropriation, smoothing the governmental support funding level between fiscal years and providing the Regents and NSHE the ability to transfer appropriations between operating budgets through either granting statutory authority or adding language to the General Appropriations Act allowing such transfers with IFC approval.

The first decision is whether or not to approve the elimination of the separate State operating budgets for intercollegiate athletics, statewide programs, business centers, Cooperative Extension, the Agricultural Experiment Station, the University Press and the State Public Health Laboratory and transfer the revenues and expenditures contained in the *Executive Budget* to the respective UNR and UNLV main instructional budgets.

CHAIR HORSFORD:

Would the accounts listed be transferred to the main UNR and UNLV instructional budgets?

MR. HAARTZ:

The Chancellor requested that AES go to the UNR instructional budget, the University Press go to the System Administration budget and the State Public Health Laboratory go to the Medical School budget.

ASSEMBLYWOMAN SMITH:

In this recommendation, how many budget accounts would we end up with?

RICK COMBS (Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

There are 12 institutional accounts. The System Computing Center would remain a separate account under Administration.

ASSEMBLYWOMAN SMITH:

I think it is important to leave the System Computing Center as a stand-alone budget.

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

Currently there are seven instructional budget accounts, the Desert Research Institute, the Medical, Dental and Law schools. The Special Projects account would remain a stand-alone account. Intercollegiate athletics in northern Nevada would be rolled up into the UNR instructional account, as would UNR statewide programs, AES and Cooperative Extension. Intercollegiate athletics in southern Nevada would be rolled up into the UNLV instructional account as would the UNLV statewide programs. Based on information provided by Chancellor Klaich, the University Press account would be rolled into the System Administration account and the State Public Health Laboratory would be rolled into the Medical School. The business centers north and south would be rolled into the UNR and UNLV instructional budgets, respectively. That would eliminate ten budget accounts.

MR. HAARTZ:

There are currently 25 State-supported operating budgets in the *Executive Budget*, 10 would be eliminated by moving them into other budgets.

ASSEMBLYMAN GOICOECHEA:

Cooperative Extension typically has a county tax rate appropriation. How will that be impacted by rolling that budget account into the instructional account?

MARK STEVENS (Vice Chancellor, Finance, Nevada System of Higher Education):

There should not be an impact. Those revenues would be brought into the main account but would still have to be expended for Cooperative Extension purposes.

ASSEMBLYMAN GOICOECHEA:

Will they be maintained as a separate account?

MR. STEVENS:

It would be a revenue line item within the UNR account.

ASSEMBLYMAN BOBZIEN:

Why would the System Computing Center not be rolled into the System Administration? Why would the business centers be rolled into the instructional budgets rather than administration?

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MR. KLAICH:

With respect to the System Computing Center, it could be rolled into the System Administration account. If you want the presidents to prioritize decisions, requiring them to prioritize these would be consistent. Regarding the two business centers, I think the recommendation to roll them into the instructional accounts is appropriate. They are already interwoven into the fabric of those two institutions.

ASSEMBLYMAN BOBZIEN:

As we discuss the funding formula, it is important to recognize if the business centers become part of UNR and UNLV, those two campuses will essentially be providing support for the other campuses.

CHAIR HORSFORD:

We must be careful to maintain the balance, to not put more on the system as opposed to keeping them at the institutional level. The policy decision is to roll up these accounts as indicated and to require the Regents and presidents to set priorities.

ASSEMBLYWOMAN SMITH MOVED TO APPROVE THE ELIMINATION OF THE SEPARATE STATE OPERATING BUDGETS FOR INTERCOLLEGIATE ATHLETICS, STATEWIDE PROGRAMS, BUSINESS CENTERS, SYSTEM COMPUTING AND COOPERATIVE EXTENSION AND TRANSFER THE REVENUES AND EXPENDITURES CONTAINED IN THE *EXECUTIVE BUDGET* TO THE RESPECTIVE UNR AND UNLV MAIN INSTRUCTIONAL BUDGETS, AND TO ELIMINATE THE SEPARATE STATE OPERATING BUDGETS FOR THE UNIVERSITY PRESS AND THE STATE PUBLIC HEALTH LABORATORY AND TRANSFER THEIR REVENUES TO THE SYSTEM ADMINISTRATION BUDGET AND THE MEDICAL SCHOOL BUDGET, RESPECTIVELY.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:

The next decision is the smoothing of the governmental support between FY 2011-2012 and FY 2012-2013 as recommended in the NSHE 4-Point Plan.

ASSEMBLYMAN KIRNER MOVED TO SUPPORT THE SMOOTHING OF APPROPRIATIONS BETWEEN FY 2011-2012 AND FY 2012-2013 AS RECOMMENDED IN THE NSHE 4-POINT PLAN.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. HAARTZ:

The next decision is whether the Committees wish to provide authority to the Board of Regents and NSHE to reallocate General Fund appropriations between the State-supported operating budgets by adding language to the 2011-2013 biennium Appropriations Act to allow for the transfer of General Fund appropriations between the remaining budget accounts subject to the approval of IFC.

CHAIR HORSFORD:

Is this intended to allow the Regents and NSHE to move money between accounts, upon approval of IFC, to make adjustments the Legislature did not foresee?

MR. HAARTZ:

Yes, NSHE provided testimony to the Committees they would not be able to implement budget reductions during the Legislative Session.

ASSEMBLYWOMAN SMITH MOVED TO PROVIDE AUTHORITY TO THE BOARD OF REGENTS AND NSHE TO REALLOCATE GENERAL FUND APPROPRIATIONS BETWEEN STATE-SUPPORTED OPERATING BUDGETS BY ADDING LANGUAGE TO THE 2011-2013 BIENNIUM APPROPRIATIONS ACT TO ALLOW FOR THE TRANSFER OF

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GENERAL FUND APPROPRIATIONS BETWEEN BUDGET ACCOUNTS,
SUBJECT TO APPROVAL OF IFC.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

Item number 4 on page 19 of [Exhibit C](#) identifies registration fees, surcharges, nonresident tuition, miscellaneous fees and other funds at an annual amount of \$43.34 million each year of the biennium. Included in that amount is the assumption that registration fees and surcharges would be increased by 13 percent in FY 2011-2012 and an additional 13 percent in FY 2012-2013. In effect, by 2013, this would be a 26 percent increase of fees from those paid today. The NSHE projects surcharge revenues at \$21.23 million in FY 2011-2012 and \$43.34 million in FY 2012-2013. If the Committees wish to approve only a 13 percent increase over the entire biennium, Staff would indicate the amount of the increase would remain approximately \$21.23 million in each year. Item number 2 on page 15 of [Exhibit C](#) also refers to one-time funds of \$22.12 million contributed by the institutions in FY 2011-2012 as proposed in the NSHE 4-Point Plan to reach the \$43.34 million funding level in the first year of the biennium.

CHAIR HORSFORD:

The 4-Point Plan provides \$22.12 million in the first year of the biennium from NSHE. The Committees want to know if you can continue that funding in both years of the biennium.

MR. KLAICH:

Yes, it is possible. They were one-time funds hoping the economy gets better.

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SENATOR LESLIE:

If NSHE contributed the \$22.12 million in the second year of the biennium, would the tuition increase remain 13 percent, rather than being doubled to 26 percent in FY 2012-2013?

MR. KLAICH:

Yes, that is my understanding. The NSHE would backfill for the second 13 percent increase in FY 2012-2013.

CHAIR HORSFORD:

To be clear, an additional \$43.34 million is projected in each year of the biennium, \$22.12 million of which is from NSHE funds each year. The remaining amount is based on an anticipated 13 percent increase in fees and tuitions in FY 2011-2012 which will be held flat for FY 2012-2013.

MR. KLAICH:

The System funds each year will be one-time funding for this biennium. The student fee increases, unless they are subject to a sunset or otherwise eliminated by the Legislature, will be ongoing.

SENATOR LESLIE MOVED TO APPROVE THE \$43.34 MILLION IN ADDITIONAL REVENUE WHICH INCLUDES A 13 PERCENT INCREASE IN SURCHARGES, REGISTRATION FEES, NONRESIDENT TUITION AND ADDITIONAL MISCELLANEOUS FEES IN FY 2011-2012 WHICH WILL BE HELD FLAT IN FY 2012-2013; THE NSHE WILL IDENTIFY \$22.12 MILLION OF FUNDING IN EACH YEAR OF THE BIENNIUM.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

MR. KLAICH:

We would appreciate the opportunity to work with Fiscal Staff regarding technical language necessary in the General Appropriations Act that would assist us in funding this.

ASSEMBLYMAN CONKLIN:

The proposal in the current budget and the 4-Point Plan imposed a 27.7 percent increase in student fees and tuition in the second year of the biennium. That is an imposition of a tax on those who are least likely to afford it while they are

trying to advance themselves to be able to afford more. The students and NSHE have done their part. It is now time for the Legislature to do our part.

ASSEMBLYMAN AIZLEY:

I am confused about what flat means in this respect. If a student pays \$100 a credit this year, a 13 percent increase would mean \$113 a credit next year. If it is flat, why would it be \$128 in the following year rather than \$113? Which are we talking about?

ASSEMBLYMAN CONKLIN:

It is only \$113 in each year to use your example. I was articulating that it is not merely adding 13 percent and 13 percent in the original proposed budget, it is 13 percent compounded. The motion on the table is a 13 percent increase in the first year with no additional increase in the second year.

SENATOR KIECKHEFER:

I am frustrated and surprised. When Chancellor Klaich came to the Committee of the Whole to propose his 4-Point Plan, he stated the four points as follows: give NSHE the flexibility to move money around; to smooth out the annual appropriation; to ask more of our students; and to ask the State to make an equal contribution. It appears that was not actually the case since \$22.12 million of the \$43.34 million they were attributing to the students is in the form of one-shot funding they have found in their budget. If that is the case, it seems NSHE would be asking for \$60 million from the General Fund, not \$80 million. It took two minutes to commit to finding another \$22 million somewhere. Where is it coming from? What effect will it have? I cannot support the motion.

ASSEMBLYWOMAN SMITH:

What I understood the Chancellor to say is that it will come from the various campuses. The alternative would be for the students to pay the additional tuition. I would rather see NSHE work it out rather than see a compounded tuition increase.

CHAIR HORSFORD:

I request we change the motion to take these as separate items.

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SENATOR LESLIE MOVED TO AMEND THE MOTION SO THAT THE INTENT OF THE BUDGET PROVIDED TO NSHE IS THAT STUDENTS PAY A ONE-TIME INCREASE OF 13 PERCENT IN FEES AND TUITION THAT WILL BE HELD FLAT IN THE SECOND YEAR OF THE BIENNIUM.

ASSEMBLYMAN CONKLIN CONCURRED WITH THE AMENDMENT TO THE MOTION.

ASSEMBLYMAN GRADY:

If the motions are separated, what happens if the 13 percent tuition increase stays flat and the second motion, the one-time NSHE funding does not pass, will there be another budget hole?

CHAIR HORSFORD:

Hopefully, both motions will be carried.

ASSEMBLYMAN KIRNER:

Would there be an advantage to a 6.5 percent increase the first year and 6.5 percent the second year? We have been looking for money throughout the Session and all of a sudden there is \$20 million available. I am curious about that.

CHAIR HORSFORD:

This is an accounting part of our budget closing. The Regents ultimately make the decision about percentages raised and when. We are telling them they can raise it no more than 13 percent from the students over the biennium.

ASSEMBLYMAN BOBZIEN:

I agree we should find the smoothest way possible to do this so the impact to the students is as light as possible.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN GRADY, HAMBRICK, HARDY AND HICKEY VOTED NO.)

SENATE: THE MOTION CARRIED. (SENATORS CEGAVSKE, KIECKHEFER AND RHOADS VOTED NO.)

ASSEMBLYMAN CONKLIN MOVED TO ADD \$22.12 MILLION EACH YEAR OF THE BIENNIUM IN ONE-SHOT FUNDS FROM NSHE.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN GRADY, HAMBRICK, HARDY AND HICKEY VOTED NO.)

SENATE: THE MOTION CARRIED. (SENATORS CEGAVSKE, KIECKHEFER AND RHOADS VOTED NO.)

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MR. HAARTZ:

The next item under consideration is whether the Committees wish to restore General Fund appropriations to the NSHE operating budgets and, if so, how it wishes to distribute the funding. If the funds are restored, the Chancellor's Office recommends the funding be distributed based upon the proportionate allocations recommended in the *Executive Budget* as shown in the table on page 19 of [Exhibit C](#). Alternatively, the Committees could consider allocating restored funding to particular accounts rather than all budget accounts.

ASSEMBLYMAN CONKLIN:

Advancing our society, strengthening and diversifying our economy, growing our population not only in numbers, but in wealth, relies on the lifeblood of the State of Nevada: education, especially higher education. We cannot cut our university system more than \$160 million this biennium on top of the more than \$80 million that has been cut over the last two years. In the spirit of shared sacrifice, we have asked the students to give 13 percent. We have asked NSHE to find an additional 13 percent. It is incumbent upon us to cover the remainder, which would make the State's funding cut to the NSHE budgets 13 percent.

ASSEMBLYMAN CONKLIN MOVED TO RESTORE \$100 MILLION IN GENERAL FUND APPROPRIATIONS TO THE NSHE BUDGETS.

SENATOR LESLIE SECONDED THE MOTION.

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CHAIR HORSFORD:

This is reflective of the \$20 million the Governor has recommended in his budget amendment and would be allocated as required in the earlier budget decisions based on enrollment and other program-related impacts.

SENATOR KIECKHEFER:

When we were originally presented with the proposal by NSHE to try to make this work, I was more than happy to try to find that money. Through higher than anticipated Economic Forum projections we found \$18.5 million. These Committees discussed the proposal to reallocate 9 cents in property tax money in Washoe and Clark Counties which was rejected. There was the beginning of a discussion to make that statewide. The reallocation of the property tax monies did not occur and that creates another \$120 million hole for the budget. This is not a \$100 million decision, but a \$220 million decision. I cannot support the motion.

CHAIR HORSFORD:

To be clear, General Fund appropriation decisions are broad-based decisions. Today, we are focused on higher education. The 9-cent property tax reallocation from the counties has nothing to do with the State's basic support of higher education. That would not have been General Fund sources.

ASSEMBLYMAN KIRNER:

We all care about education. I do not know where we are getting the money to pay for this. State employees are taking a 5 percent cut, plus an additional 1.125 percent for PERS. We do not have the funds to support this motion. I will oppose the motion, not because I want to, but because we do not have the money.

ASSEMBLYMAN CONKLIN:

We are representatives of our State and our communities. As far as I can tell, we choose not to have the money for this. The State has too long worked within the paradigm that cheap is good. Cheap is not good. Valuable is good. The only way we can place value on our system of education is to choose to fund it. I urge my colleagues to support this funding.

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CHAIR HORSFORD:

The Senate Committee on Revenue and the Assembly Committee on Taxation continue to explore those options. There are taxes being paid today that, if continued, would pay for this add back. In our current tax system, I will get a \$232 tax cut. I do not want it. I want to pay my fair share. Even with this restoration, there will still be a cut of \$60 million. There will still be program cuts, reductions in available classes; this is the best we can do with the options available to us.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN GOICOECHEA, GRADY, HAMBRICK, HARDY, HICKEY AND KIRNER VOTED NO.)

SENATE: THE MOTION CARRIED. (SENATORS CEGAVSKE, KIECKHEFER AND RHOADS VOTED NO.)

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CHAIR HORSFORD:

The work is not done. Although we have voted to restore the funding, we must still get the votes to pay for it.

MR. HAARTZ:

The next decision is the NSHE budget policy changes and reform plan on page 20 of [Exhibit C](#). As noted by Staff, this budget policy change would be generally consistent with how State agencies are permitted to operate. Do the Committees wish to direct Staff to revise the Authorized Expenditures Act language to provide that NSHE fee and tuition revenues budgeted in each operating budget are to be considered cumulatively for purposes of work program revisions and end-of-year reversions?

SENATOR RHOADS MOVED TO DIRECT STAFF TO REVISE THE AUTHORIZED EXPENDITURES ACT LANGUAGE TO PROVIDE THAT NSHE FEE AND TUITION REVENUES BUDGETED IN EACH OPERATING BUDGET ARE TO BE CONSIDERED CUMULATIVELY FOR THE PURPOSES OF WORK PROGRAM REVISIONS AND END-OF-YEAR REVERSIONS.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. HAARTZ:

The Governor recommends General Fund appropriations of \$1.6 million in FY 2011-2012 and \$1.5 million in FY 2012-2013 for operations and maintenance costs related to formula-driven new space added or anticipated to be added during the biennium. There are six M-201 decision units in the *Executive Budget* for NSHE.

EDUCATION

NEVADA SYSTEM OF HIGHER EDUCATION

NSHE – University of Nevada – Reno — Budget Page NSHE-18 (Volume I)
Budget Account 101-2980

M-201 Demographics/Caseload Changes — Page NSHE-19

NSHE – School of Medical Sciences — Budget Page NSHE-31 (Volume I)
Budget Account 101-2982

M-201 Demographics/Caseload Changes — Page NSHE-32

NSHE – University of Nevada – Las Vegas — Budget Page NSHE-53 (Volume I)
Budget Account 101-2987

M-201 Demographics/Caseload Changes – Page NSHE-53

NSHE – Desert Research Institute — Budget Page NSHE-78 (Volume I)
Budget Account 101-3010

M-201 Demographics/Caseload Changes — Page NSHE-79

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NSHE – Great Basin College — Budget Page NSHE-83 (Volume I)
Budget Account 101-2994

M-201 Demographics/Caseload Changes — Page NSHE-84

NSHE – College of Southern Nevada — Budget Page NSHE-93 (Volume I)
Budget Account 101-3011

M-201 Demographics/Caseload Changes — Page NSHE-94

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE M-201 DECISION
UNITS FOR BUDGET ACCOUNTS 101-2980, 101-2982, 101-2987,
101-3010, 101-2994 AND 101-3011 AS RECOMMENDED BY THE
GOVERNOR.

SENATOR RHOADS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. HAARTZ:

The next issue is the two series of budget amendments submitted by the Budget Division. The first is the E-673 FY 2012-2013 budget amendment. Staff notes that the Committees closed the Public Employees Benefit Program budget on May 9, 2011, including the rejection of the recommended E-673 decision unit. As a result, no action is needed by the Committees regarding that budget amendment. The previous action had the effect of restoring \$1,029,756 to the NSHE budgets shown in the table on page 22 of [Exhibit C](#)

Regarding the second series of amendments, as the Committees are aware, employees who work part-time receive a subsidy for their health insurance. Positions that are less than half-time are typically ineligible unless the incumbent occupies more than one position that is less than 0.5 FTE, and the cumulative FTE exceeds 0.5. During the course of reviewing the E-673 decision units and preparing the budget amendment, the Budget Division determined there were a

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number of positions otherwise ineligible for funding. The budget amendment removes approximately \$1 million in FY 2011-2012 and \$1.16 million in FY 2012-2013. Do the Committees wish to concur or not concur with the budget amendment? If the Committees do not concur and the appropriations are left in the budget, the Committees may wish to issue a letter of intent to NSHE indicating that if a position is otherwise ineligible, the funding left in the budget should not be used for that purpose.

ASSEMBLYWOMAN SMITH MOVED TO CONCUR WITH THE BUDGET AMENDMENT.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLYMAN KIRNER:
What is the motion?

ASSEMBLYWOMAN SMITH:
The motion is to approve the budget amendment restoring the money to the General Fund.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR KIECKHEFER WAS ABSENT FOR THE VOTE.)

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CHAIR HORSFORD:
The next issue is to determine how to use those funds now that they will not be used as originally intended.

ASSEMBLYMAN CONKLIN:
The \$2.16 million should remain with NSHE. Because of the funding inequities at the community colleges, the Legislature partitioned a portion of the General Fund contribution to NSHE during the last biennium for an equity allocation. These funds should be used to continue equity allocations.

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ASSEMBLYMAN CONKLIN MOVED TO APPROPRIATE THE \$2.16 MILLION TO NSHE, EARMARKING \$1.5 MILLION FOR CSN AND THE REMAINDER TO TRUCKEE MEADOWS COMMUNITY COLLEGE.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

MR. COMBS:

Regarding equity allocations, is it your intent to allocate the \$2.16 million in the same percentages as recommended in the *Executive Budget* as outlined on page 19 of [Exhibit C](#), and as you did for the \$100 million added back in your earlier vote? Or, will the \$2.16 million be allocated outside of those percentages?

ASSEMBLYMAN CONKLIN:

The \$100 million add back will be allocated using the current *Executive Budget* allocation formula. The \$2.16 million will not be part of this formula and will not affect it in any way.

CHAIR HORSFORD:

That is consistent with the action taken by the Legislature during the 2009 Session.

ASSEMBLYMAN BOBZIEN:

I appreciate the concern with equity issues relating to community colleges. I will be supporting the motion.

ASSEMBLYMAN GOICOECHEA:

Why are we earmarking this \$2.16 million? With so many holes in the NSHE budget, why not allow them to determine the best use of the funds?

CHAIR HORSFORD:

In recognition that these two institutions are so involved with workforce development and retraining, and that so many students have been turned away, we want to give them additional support.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN GRADY, GOICOECHEA, HARDY AND HICKEY VOTED NO.)

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SENATE: THE MOTION CARRIED. (SENATOR CEGAVSKE VOTED NO.
SENATOR KIECKHEFER WAS ABSENT FOR THE VOTE.)

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MR. HAARTZ:

The next issue is the transfer of the UNR Fire Science Academy to the Office of the Military. As the Committees are aware, the federal approval has been delayed. In response, NSHE has recommended the transfer be contingently approved, but not implemented until such time as the federal approval occurs. In addition, the Committees contingently approved the transfer when they closed the Carlin Armory Budget, B/A 101-3651.

SPECIAL PURPOSE AGENCIES

MILITARY

Military Carlin Armory — Budget Page MILITARY-13 (Volume III)
Budget Account 101-3651

Do the Committees wish to contingently approve the proposed transfer of operations and maintenance funding for the Fire Science Academy from UNR to the Office of the Military while also authorizing Staff to include language in the Appropriations Act to provide for the budgeted General Fund appropriations once the federal approvals are received and subject to IFC approval?

Staff would also note that two decision units are required to effectuate this transfer, E-250 and E-901.

E-250 Economic Working Environment — Page NSHE-20

E-901 Transfer From UNR (BA 2980) to Military (BA 3651) — Page NSHE-22

ASSEMBLYMAN HAMBRICK:

If this is contingently approved until approval is received from the federal government, is there a deadline for receipt of that approval?

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CHAIR HORSFORD:

It could take awhile, but it could also occur at any time. We should be ready to effect the transfer. The Committees should take action consistent with the decisions made in the Office of the Military budget.

ASSEMBLYMAN BOBZIEN:

We did hear from the Adjutant General, and an Act of Congress is required. However, it is being worked on and there is confidence it would occur next Session if not this biennium.

SENATOR RHOADS MOVED TO NOT APPROVE THE E-250 AND E-901 DECISION UNITS CONTAINED IN THE *EXECUTIVE BUDGET* FOR B/A 101-2980, BUT TO AUTHORIZE THE ADDITION OF LANGUAGE TO THE 2011-2013 BIENNIUM APPROPRIATIONS ACT PROVIDING FOR TRANSFER OF GENERAL FUND APPROPRIATIONS, SUBJECT TO IFC APPROVAL, ONCE CONGRESS ACTS.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLYMAN GRADY:

Why will students still pay the \$6 per credit to operate a facility NSHE will turn over to the Military? If the Office of the Military takes this over, NSHE should pay off the debt and return the \$6 per unit to the students.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR KIECKHEFER WAS ABSENT FOR THE VOTE.)

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CHAIR HORSFORD:

The final item is the 9-cent property tax redirection. The Committees decided this issue at the Work Session on May 7, 2011. The action needed today is to confirm our action to not concur with the Governor's recommendation to divert money from Clark and Washoe Counties.

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ASSEMBLYMAN AIZLEY MOVED TO NOT CONCUR WITH THE GOVERNOR'S RECOMMENDATION TO REDIRECT PROPERTY TAX REVENUES FROM CLARK AND WASHOE COUNTIES.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN GOICOECHEA, GRADY, HAMBRICK, HARDY, HICKEY AND KIRNER VOTED NO.)

SENATE: THE MOTION CARRIED. (SENATORS CEGAVSKE AND RHOADS VOTED NO. SENATOR KIECKHEFER WAS ABSENT FOR THE VOTE.)

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CHAIR HORSFORD:

As there is no further action to come before these Committees, this meeting is adjourned at 12:01 p.m.

RESPECTFULLY SUBMITTED:

Patricia O'Flinn,
Committee Secretary

APPROVED BY:

Senator Steven A. Horsford, Chair

DATE: _____

Assemblywoman Debbie Smith, Chair

DATE: _____

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<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Fiscal Analysis Division	Closing List #24