MINUTES OF THE
SENATE COMMITTEE ON FINANCE

Seventy-sixth Session
May 31, 2011

The Senate Committee on Finance was called to order by Chair Steven A. Horsford at 9:39 a.m. on Tuesday, May 31, 2011, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412E, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

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

GUEST LEGISLATORS PRESENT:

Senator Shirley A. Breeden, Clark County Senatorial District No. 5
Senator John J. Lee, Clark County Senatorial District No. 1

STAFF MEMBERS PRESENT:

Rex Goodman, Principal Deputy Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
Madison Piazza, Committee Secretary

OTHERS PRESENT:

Joseph Greenway, Director, Center for Health Information Analysis, University of Nevada, Las Vegas
Rocky Finseth, Nevada Association of Realtors
Carol Sala, Administrator, Aging and Disability Services Division, Department of Health and Human Services

Michael J. Willden, Director, Department of Health and Human Services

Sally Ramm, Elder Rights Attorney, Aging and Disability Services Division, Department of Health and Human Services

Marla McDade Williams, B.A., M.P.A, Deputy Administrator, Health Division, Department of Health and Human Services

Renny Ashleman, Nevada Health Care Association

Norton Roitman, M.D.

Daniel J. Klaich, J.D., Chancellor, System Administration Office, Nevada System of Higher Education

Mark Stevens, Vice Chancellor, Finance, System Administration Office, Nevada System of Higher Education

Gail J. Anderson, Administrator, Real Estate Division, Department of Business and Industry

Diane J. Comeaux, Administrator, Division of Child and Family Services, Department of Health and Human Services

Mary Walker, City of Carson City, Douglas County, Lyon County, Storey County

James R. Wells, Executive Director, Board of the Public Employees' Benefits Program

Alex Ortiz, Clark County

Lisa Gianoli, Washoe County

Jeffrey Mohlenkamp, Deputy Director, Support Services, Carson City, Department of Corrections

Bart Mangino, Clark County School District

CHAIR HORSFORD:
We will start with Senate Bill (S.B.) 340.

SENATE BILL 340 (1st Reprint): Revises provisions relating to programs to increase public awareness of health care information. (BDR 40-663)

SENATOR SHIRLEY A. BREEDEN (Clark Senatorial District No. 5):
This bill requires hospital and ambulatory surgical centers to report, expand and post information on the Center for Health Information Analysis (CHIA) Website. The fiscal note of approximately $33,000 still exists and that is for one-fifth of a person's time.

JOSEPH GREENWAY (Director, Center for Health Information Analysis, University of Nevada, Las Vegas):
We have been working with health data for about 25 years and producing various reports for the State and others. For this size project, our best estimate is that it will take approximately one-fifth of a person's time to determine how to get this on the Website and how to produce the reports.

CHAIR HORSFORD:
Have you provided that information to our Staff?

MR. GREENWAY:
Yes.

CHAIR HORSFORD:
Was there anything from the policy standpoint that you would like to highlight?

SENATOR BREEDEN:
The information that we are asking to be posted, which is already being collected, is the name of the physician, the number of surgical procedures performed in each hospital and ambulatory surgical center. The CHIA already receives this information through the claim form, but when consumers are shopping for health care they need to have the opportunity to find a physician who has the abilities to meet their needs. We are requesting this information so that consumers can make an informed decision, depending on their insurance, regarding the physician and hospital they want to use. It provides greater transparency.

CHAIR HORSFORD:
You indicated that the information is collected, but it is not posted?

SENATOR BREEDEN:
Correct. They were unsure if they could actually post the information and that is why we are here.

SENATOR LESLIE:
This is an important piece of the five transparency bills that we have this Session. Mr. Greenway has worked with us very closely to stretch his resources as far as possible, but he needs a little more money. We should do our best, as

we reconcile the final budget, to see if we can find this $33,000 for him. It is something that the consumers need in order to make better health care choices.

SENATOR BREEDEN:
I agree.

CHAIR HORSFORD:
We will close the hearing on S.B. 340.

We will open the hearing on S.B. 227.

SENATE BILL 227 (1st Reprint): Revises provisions governing the financial administration of the Real Estate Division of the Department of Business and Industry. (BDR 54-982)

SENATOR JOHN J. LEE (Clark Senatorial District No. 1):
I have submitted proposed Amendment 6771 (Exhibit C). The Real Estate Division, in the Department of Business and Industry (B&I), is one of the few licensing and regulatory agencies that is State General Fund based. Of the 14 agencies that make up B&I, only 3 are General Fund agencies: the Labor Commission, the Athletic Commission and the Real Estate Division. For a number of years, the policy of this body has been to make existing and new licensing and regulatory agencies fee-based budgets supported by the industry and licenses they regulate. The Real Estate Division should not be treated any differently. The Real Estate Division is a net surplus to the General Fund and would continue to be a net surplus even in this economy. We continue to cut the Division's budget making it more and more difficult to continue to protect the public. In this housing market, we need more oversight of the licensees, not less.

Based on the current budget proposals, the Real Estate Division staff will be reduced from 36 positions in 2008 to 16 positions in 2012. The Division will close the licensing section in northern Nevada, reduce the number of Real Estate Commission meetings which will lead to longer delays in compliance hearings, reduce continuing education classes and reduce the number of investigators. This legislation will allow the Real Estate Division to continue to operate in a manner that will provide protection to the public and make sure licensees are in compliance with *Nevada Revised Statutes* (NRS) 645.

I have provided you with an amendment. This amendment ensures that the money is still deposited in the General Fund if there is ever a surplus, while ensuring consumer protection and licensees are adhering to their obligations and good practices.

We are trying to make the Real Estate Commission self-funded. We will sweep the additional funds that are not needed by staff to pay for their current obligations. Rather than having these dramatic shifts, in this multi-billion dollar industry, we want to make sure we can continue operating efficiently in the Nevada real estate area.

ROCKY FINSETH (Nevada Association of Realtors):
We are in full support of this measure.

CHAIR HORSFORD:
We will process the bill once the other members of the Committee arrive. We will close the hearing on S.B. 227 and open the hearing on S.B. 347.

SENATE BILL 347 (1st Reprint): Confers the powers of a peace officer upon certain employees of the Aging and Disability Services Division of the Department of Health and Human Services for certain purposes. (BDR 23-1075)

SENATOR MOISES (MO) DENIS (Clark County Senatorial District No. 2):
I am sponsoring S.B. 347 because of a phone call I received from individuals who work with elder abuse issues. Currently, if a person has reasonable cause to believe an elderly person has been abused, neglected, exploited and/or isolated, they can report that to the Aging and Disability Services Division, in the Department of Health and Human Services (DHHS). They can also go to the police.

In the past if a person decided to report it to the Aging and Disability Services Division they had to have probable cause, especially when it came to bank accounts. That person does not have the ability to go into the bank account and get that information, they have to rely on police and others. Many times, the police and others will not complete the investigation because they want probable cause. It is a Catch-22: in order to investigate they need probable cause, but to get probable cause, they need access to the bank account.

The original bill gave subpoena power to the Aging and Disability Services Division; however, there were some constitutional issues. We had a meeting and discussed it with law enforcement and others. The result was giving power to an individual within the Division, so when they need to do this they are able. It would not be a full-time position because there is not a constant need. When the Division did research, they came to the conclusion that they would not be able to tack on those additional duties to a current position, but would need to hire someone. That does not appear to be a good alternative. Some people from the Division are here to offer some other solutions.

CAROL SALA (Administrator, Aging and Disability Services Division, Department of Health and Human Services):
As Senator Denis mentioned, the original bill gave subpoena power to the Division to obtain bankruptcy records. Current statute gives our Elder Rights Attorney, Ms. Sally Ramm, subpoena powers and she is able to obtain bank records. When the bill was amended, the Division had concerns with it due to research which revealed that we would not be able to confer the powers of a peace officer II on existing staff.

Elder Protection Services is a social service program. Our social workers' focus is on the victim, whereas law enforcement duties focus on the perpetrator. In speaking with our deputy attorney general, we realized that to have someone considered a peace officer II, for liability and miscellaneous reasons, they would need to have the complete training. We ended up attaching a fiscal note in case we were going to be required to have people trained for the peace officer II position.

CHAIR HORSFORD:
There are no fiscal notes in Nevada Electronic Legislative Information System (NELIS).

MS. SALA:
I have a proposed fiscal note, Executive Agency Fiscal Note (Exhibit D).

MICHAEL J. WILLDEN (Director, Department of Health and Human Services):
An alternative to the law enforcement designation might be in S.B 477. Welfare has had subpoena power for quite some time. Welfare fraud investigators will go out and subpoena bank records. Through S.B. 477, we expanded those subpoena powers for the Medicaid Estate Recovery Program, where we identify

assets, bank accounts and other items. The language in that bill, which has been approved by both houses, states that the administrator or a designated representative may administer oaths, take testimony and issue subpoenas for production of books, records, papers, etc. In speaking with Senator Denis this morning, that could be the alternative language that is being requested. It could allow the Division administrator or myself to designate people with those powers.

SENATE BILL 477: Authorizes the Administrator of the Division of Health Care Financing and Policy of the Department of Health and Human Services to administer oaths, take testimony and issue subpoenas for the purposes of recovering Medicaid benefits paid on behalf of certain recipients. (BDR 38-1195)

SALLY RAMM (Elder Rights Attorney, Aging and Disability Services Division, Department of Health and Human Services):
At the last hearing, I testified that my position is created by NRS 427A.123. Under that statute, I am authorized to do administrative subpoenas. It is difficult to get those records. It cannot be a law enforcement subpoena, so therefore the difficulty comes in the fact that it is an administrative subpoena. In the long run, we do have some problems getting records from certain organizations. There are three laws in NRS: one is in the banking section stating that the bankers may provide information to us; the second is in chapter 200 which states that people who are investigating elder abuse have the right to see the records; and the third is in my section of NRS 427A. Mr. William Uffelman, of the Nevada Bankers Association, suggested that we call him when we have problems.

CHAIR HORSFORD:
Going to a trade association to get things fixed is not a good regulatory policy.

MS. RAMM:
We occasionally have some problems with them honoring our subpoenas on a timely basis.

CHAIR HORSFORD:
Senator Denis, what I understand is that we have to look at some language that may clarify Director Willden's suggestion that he have authority to designate power to certain individuals.

SENATOR DENIS:
We were looking at this new legislation and perhaps there are some things in here that have changed which might compel the banks to provide the records.

MR. WILLDEN:
Section 2 of the new statute that we are adding for Medicaid Estate Recovery indicates that if a witness fails to comply with the subpoena from the Division or DHHS, we can go to the district court. The district court can then require whoever we are subpoenaing records from to provide the books, papers and records. The first step is to deliver a subpoena. If our staff has difficulty obtaining the information, then the second step is to go to the district court.

SENATOR LESLIE:
Is the language that we have already passed sufficient?

MR. WILLDEN:
I am not sure about when you are dealing with abuse, neglect and exploitation investigations, but, from my experience in welfare fraud investigations, we generally do not have to go to district court. Most of the time someone needs to see the statute and a call from our attorney general will provide the subpoenaed party the information they need.

SENATOR LESLIE:
Will what we passed cover this?

MR. WILLDEN:
No, what you have passed only covers the Division of Welfare and Supportive Services and Medicaid. The Aging and Disability Services Division would need to be designated if it is beyond Ms. Ramm’s powers.

SENATOR LESLIE:
Please work with Senator Denis to accomplish that goal.

CHAIR HORSFORD:
Senator Denis, we will wait for you to get that language ready and then we will bring back the bill. We will close the hearing on S.B. 347.

We will open the hearing on S.B. 129.

SENATE BILL 129 (1st Reprint): Requires training of certain persons who operate or work in certain facilities. (BDR 40-155)

SENATOR BREEDEN:
Senate Bill 129 was one of the recommendations submitted on behalf of the Legislative Commission on Senior Citizens, Veterans and Adults with Special Needs. Former Assemblywoman Kathy McClain was the chair of that commission. The people at the table with me worked diligently with the chair on this bill. The bill would require operators and employees who work in the intermediate care and skilled nursing facilities to have training to recognize the abuse of older persons. We have amended the bill and the fiscal note has been removed.

SENATOR LESLIE:
I see two fiscal notes in NELIS. One is from the Division of Mental Health and Development Services which states zero. The second is from the Health Division which would have a fiscal impact of over $100,000 over the biennium. Please clear that up first.

MARLA MCDADE WILLIAMS, B.A., M.P.A (Deputy Administrator, Health Division, Department of Health and Human Services):
With the amendments that were approved in the Senate Committee on Health and Human Services, the Health Division has withdrawn the fiscal note.

RENNY ASHLEMAN (Nevada Health Care Association):
The original draft requires that the board adopt regulations, prescribe the number of hours of training and the procedures and requirements for the approval of the program. Since we already outlined the topics, it was not necessary for them to do that which was the cause for the fiscal note. The nursing homes and others will bear the cost.

SENATOR LESLIE:
We will close the hearing on S.B. 129.

CHAIR HORSFORD:
Once the other members of the Committee arrive, it is my intent to take a motion on the bill.

There is a witness in Las Vegas for Senator Cegavske's bill, S.B. 371, but she is still in a meeting. I understand you may be under a time constraint, so if you would like to testify we will take your testimony now.

SENATE BILL 371: Makes various changes concerning the protection of children. (BDR 38-3)

NORTON ROITMAN, M.D.
I am in favor of S.B. 371. Senator Cegavske and I have been working on this bill in an attempt to address some of the diligence and safety concerns for foster children. As a prescriber for these children, oftentimes they come in without a decent medical record or a history of their previous problems. That becomes difficult as I will be prescribing blindly. There is quite a bit of urgency to help them and provide a continuation of care. As a private practitioner, I am not covered by any type of immunity. There is malpractice exposure to recklessly prescribing and that has to be balanced against the needs of the children.

This legislation was born out of an actual need. I have devised a medication and informed consent sheet (Exhibit E) which could be used to record all the information that would lead to safe prescribing and also allow for the person responsible for the child to sign off on it. This is to ensure the information is transferred from the medical record to the party that is responsible for giving out the medication and the responsible guardian. This would mimic the safety and security of information necessary to get the foster children the same type of health care that children in a normal living environment receive.

I am one to juxtapose the State Committee that put together an informed consent policy, Psychotropic Medication Consent (Exhibit F). It is several pages long and most of it is not useful. At the bottom it only attests that an informed consent was given which distinguishes itself from the information sheet that could be right there in their chart or next to the medication bottles.

I have implemented my sheet where I work, at the Caliente Youth Center, Boys Town of Nevada and in my private practice. I find that it does not cost any more to use this than to not use it. The cost to the county agencies and State agencies is zero and I am unsure why there would be a fiscal note associated with the bill. I am not asking for extra nurses or doctors. We fill this out and fax it to the case manager. They will get a chance to read it and they can waive their willingness to attend the meeting and the information they need in order to make sure this is the right treatment.

This is an extension of an effort we made two years ago, in which agencies were given the responsibility to devise their own policies for psychotropic prescribing. I am afraid that it is getting bogged down. This is a tool I need in order to practice in a safe and responsible manner. It is typical that a parent is not psychopharmacologically knowledgeable. It is common for the parent to ask me enough questions to make sure the medication is well suited for the child. They know the length of time to expect before they see effects in their child. They are aware and assume responsibility for health care. The idea that case managers have to be sophisticated and regulate doctors does not hold up. In the case of foster children, they do not have parents and someone needs to step in and occupy that space.

CHAIR HORSFORD:
The vice chair, other members and I have worked with Senator Cegavske on this issue for some time. The placement of children in foster care, in particular, and the overprescribing of medication is definitely a concern and a problem. For those children who need it, it should be provided and for those on multiple medications it needs to be tracked better. We value your perspective on that and appreciate your being here this morning. We are going to hold off on the hearing on S.B. 371 until Senator Cegavske arrives.

We will hear the higher education bills, S.B. 434, S.B. 449, and S.B. 451. Two were previously heard in the Senate Committee on Education and one was previously heard here.

SENATE BILL 434: Makes various changes regarding funding and autonomy of Nevada System of Higher Education. (BDR 31-1175)

SENATE BILL 449 (1st Reprint): 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 (1st Reprint): 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)

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

We have submitted a proposed amendment to S.B. 434 (Exhibit G) and a proposed amendment to S.B. 449 (Exhibit H). This reflects the testimony we gave at the last hearing which also reflects the work of this Committee and the Legislature in regard to other items that were originally in S.B. 434. We have recommended the deletion of section 2 which deals with a stabilization account, and is dealt with in Assembly Bill (A.B.) 241.

ASSEMBLY BILL 241: Creates stabilization accounts for public education funding. (BDR 31-147)

Section 3 is deleted because the provisions are similar to the intent in S.B. 451. Section 4 is deleted in whole and is technical language. Section 5, which is a carryforward of General Fund dollars, should be retained. Section 6 provided for the transfer of money between the Nevada System of Higher Education (NSHE) budget accounts. This issue has been dealt with in the budget closing so it will be deleted. Section 7 is technical language and can be deleted. Section 8, which deals with property tax transfers from Washoe and Clark Counties, was also dealt with in the budget closing and can be deleted in its entirety.

Sections 15 and 16 can both be deleted as they were also dealt with in other statutes. Section 16 will be addressed in S.B. 449. Section 17 transfers the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education (HECC/SHECC). I will discuss that in the portion dealing with State Public Works Board (SPWB) which should be retained and the remainder of the bill can be deleted.

The bill will ultimately discuss the carryforward and the SPWB. When we last testified on this bill there was a question regarding general standards which we have tried to address in the proposed amendment. Mr. Mark Stevens will work with Mr. Mark Krmpotic and Ms. Brenda Erdoes to come up with language acceptable to you. Rather than pulling the system entirely out of SPWB, we would like to allow the system to opt in or opt out. If they opted in they would be subject to all the provisions you indicated you wanted to see, specifically fees. With respect to the testimony you heard about standards, the SPWB would continue as the building official to supervise code matters and accept buildings on behalf of the State. We think it would take care of the standards issue we heard about.

CHAIR HORSFORD:
Senate Bill 434 would essentially become the bill that allows for the carryforward of the General Fund dollars and the provisions relating to the opting in or out of the SPWB.

MR. KLAICH:
Correct. Section 17 also allows the system to manage their own HECC/SHECC projects which are the minor construction projects. Those can be handled separately. Those three items are all that is left of this bill.

We have nothing further to add on S.B. 449. The last time we testified, we suggested an amendment which we believed provided greater detailed data by substituting data from Department of Employment, Training and Rehabilitation (DETR) as opposed to student surveys. We have been working with DETR to get this data for quite some time. We think this would be a great addition to the statute. We would urge amend and do pass.

CHAIR HORSFORD:
Please explain the process with DETR.

MR. KLAICH:
The proposed amendment, Exhibit H, provides that we are required to exchange information. Up to this point it has been a voluntary exchange which sometimes works and sometimes does not. This body has indicated its desire that we work together and that we provide you with the best longitudinal data we have. Since "agreeing" has not always worked, we put in the word "required."

CHAIR HORSFORD:
Is the data going to match up the graduates of NSHE institutions and their placement in the workforce?

MR. KLAICH:
Ideally, we would be able to track from kindergarten-12 through NSHE through job placement. This would allow us to provide you with information of placement of graduates with job and wage data. Over time, you would have longitudinal data that goes from the time students enter our system to the time they enter the workforce.

CHAIR HORSFORD:
If, for example, a student is in the engineering academic program, they graduate and enter the workforce in the engineering sector, will this allow you to track their placement better?

MR. KLAICH:
Yes, that is our goal. We would be tracking it whether it is a baccalaureate, certificate, associate, etc. They will all be tracked longitudinally throughout the system and provide the Legislature, Governor and Board of Regents with better management data.

CHAIR HORSFORD:
We will move to S.B. 451.

MR. KLAICH:
We have no additional discussion on S.B. 451. We would urge its passage as submitted in the previous hearing. I would like to reiterate that S.B. 449 and S.B 451 are an integral part of the package with what is now S.B. 374 which provides for the formula funding.

SENATE BILL 374: Creates the Committee to Study the Funding of Higher Education. (BDR S-992)

MARK STEVENS (Vice Chancellor, Finance, System Administration Office, Nevada System of Higher Education):
Subsection 1 of S.B. 449 indicates the amount of any tuition charged, registration fees and miscellaneous student fees assessed against a resident or nonresident, in excess of the amount that would have been assessed as of January 2011, must be retained by the institution. If I understand the budget closing correctly, there is a letter of intent that would indicate additional student fees that are assessed in this next biennium would be placed in the State support operating budget. There may be a conflict between what is said here and how the Full Joint Committee of the Assembly Committee on Ways and Means and the Senate Committee on Finance wanted a letter of intent indicating that we should place those dollars into our State support operating budget. I am not sure how that should be resolved, but, if this passes, it would conflict with the letter of intent that was approved by the Committees.

CHAIR HORSFORD:
Please explain that in further detail. If you collect it, should it be returned and not retained?

MR. STEVENS:
The language here is that it would be retained and not put into the State support operating budget. It would be retained by the institutions outside of the operating budget.

CHAIR HORSFORD:
We do not want to do that for this biennium. It needs to be booked and then applied to the institution from which it came.

MR. STEVENS.
Correct.

CHAIR HORSFORD:
What language is needed to say that?

MR. STEVENS:
I can get together with Mr. Krmpotic and we could get that language put together quickly. We have S.B. 374 and that is one of the areas the Committee will probably want to delve into as far as retention of fees. That will ultimately be decided after the interim study is completed and this will be answered completely next Session. I believe the way the Committees closed our budget was to keep those fees inside the State-supported operating budget for this biennium.

CHAIR HORSFORD:
We will want language for this biennium that says how we are going to treat it and language for how the policy should be carried forward after it sunsets.

MR. STEVENS:
We would be happy to get together with Staff.

MR. KLAICH:
We agree with that treatment for this biennium.

CHAIR HORSFORD:
It is my intent to move on these bills when the other members get back.

We will open the hearing on S.B. 413.

SENATE BILL 413: Repeals certain provisions governing licenses issued by the Real Estate Division of the Department of Business and Industry. (BDR 54-1132)

MR. FINSETH:
We are in support of S.B. 413. Ms. Gail J. Anderson has placed an unsolicited fiscal note on the measure.

GAIL J. ANDERSON (Administrator, Real Estate Division, Department of Business and Industry):
The Real Estate Division placed a fiscal note on S.B. 413 because it affects the revenue flow projections that we prepared for this biennium's budget. The B&I prepared our General Fund revenue projections where our real estate licensing fees go. Based upon the implementation of S.B. No. 230 of the 75th Session, which is scheduled to take effect July 1, 2011, real estate licenses would go from two years to four years for renewals and from one year to two years for the original licensing period. We have prepared our revenue projections on that basis.

Should S.B. 413 repeal the action taken by S.B. No. 230 of the 75th Session, the fiscal note does make an adjustment. It would affect the revenue flow and, by our projection, it would result in revenue of approximately $3.6 million for the 2011-2013 biennium that would not come in. In the 2013-2015 biennium, it would be an increase in revenue projections. It does not show in this budget, but it is a revenue flow of going from a two-year to four-year licensing, resulting in two very low years in the 2013-2015 biennium.

MR. FINSETH:
The real estate market was in a different place when the policy was passed in the last Session. The industry is concerned about the economic impact of moving from two-year licensing to four-year licensing. That is why we requested to move back to the previous policy.

CHAIR HORSFORD:
Mr. Krmpotic will explain the impact of this proposal to the current budget.

MR. KRMPOTIC:
The Economic Forum projected real estate revenues based on current law which was based on S.B. No. 230 of the 75th Session. The unsolicited fiscal note for S.B. 413 would remove General Fund revenues of about $2.3 million in fiscal year (FY) 2011-2012 and $2.2 million in FY 2012-2013 which would have otherwise been included in the projection by the Economic Forum. That would add revenues after the next biennium in the amount of $3.4 million based on the unsolicited fiscal note. The budgets and revenues that the Committees have been working from, are based on current law which would leave those revenues in the projection for the upcoming biennium. Is that correct?

MS. ANDERSON:
When you say current law, do you mean today, or what is scheduled to take effect July 1, 2011?

MR. KRMPOTIC:
The Economic Forum is based on what is in effect right now, unless the 2009 legislation has a trigger beginning July 1, 2011. Based on the unsolicited fiscal note, it would appear that about $4.4 million to $4.5 million in General Fund revenues would come out of the estimate for the next biennium.

MS. ANDERSON:
I am not sure how the Economic Forum related to what fit into the recommended budget. We used our projections to create what our licensing rates have been and what the decline has been. Compared to the overall decline in licensing, we took a 6 percent overall decline in the FY 2010-2011 projection. We would have to compare the Economic Forum numbers and respond to you on how it might differ. We based our revenue projection, that was submitted in the budget projection, on the increase in revenue schedule for July 1, 2011.

MR. KRMPOTIC:
I would ask that Staff review this with the Real Estate Division before the Committee entertains a motion.

CHAIR HORSFORD:
Please meet with our Staff. Right now, it appears this would create a hole in the budget. If that is the case we probably will not move on it.

We will close the hearing on S.B. 413 and will open the hearing on S.B. 476.

SENATE BILL 476: Makes various changes concerning the juvenile justice system. (BDR 5-1216)

DIANE J. COMEAUX (Administrator, Division of Child and Family Services, Department of Health and Human Services):
I have a proposed Amendment 7141 to S.B. 476 (Exhibit I). In the last hearing the counties asked that they be allowed to either pass the assessment, or take over the services for youth parole. We have looked at the amendment that is proposed and we believe it does cover the intent of the Committee. I would like to note that if the counties do take over the youth parole function, there will be a fiscal impact with layoffs. The retirement buyout is estimated at about $2.9 million. The sick leave and annual leave payouts are about $291,000. The Budget Division submitted a bill to pay for all of those, these were not included in their bill, A.B. 487. That would be over and above what has already been appropriated.

ASSEMBLY BILL 487: Makes appropriations to the State Board of Examiners for employee retirement buyouts and terminal leave payments for eliminated positions. (BDR S-1242)

SENATOR LESLIE:
Have any of the counties indicated they are going to do that either now or in the near future?

MS. COMEAUX:
Yes, they have indicated it is something they will seriously consider.

SENATOR LESLIE:
Do you have a time frame for that?

MS. COMEAUX:
No. The amendment states that they would be required to submit a plan to the Governor. If the Governor approves it, then it would go to the Interim Finance Committee (IFC) for approval.

SENATOR LESLIE:
Please discuss section 4.5. It appears that we are putting a provision in where someone would have to be appointed.

MS. COMEAUX:
I indicated that I was concerned that the Division of Child and Family Services (DCFS) was statutorily required to provide those services. If the counties received an exemption to provide those services, under section 4.5 they would have to comply with those laws and regulations.

SENATOR LESLIE:
Which counties are discussing taking over these services?

MS. COMEAUX:
All the counties have said they will consider it.

SENATOR LESLIE:
Do you have any sense as to how soon and how many will actually move forward with this?

MS. COMEAUX:
No. We would have quite a bit of detail to work out.

CHAIR HORSFORD:
You indicated an additional amount, but only if they pursue another option than what is provided for.

MS. COMEAUX:
The amount I indicated would be if the counties decided to take over. The costs incurred would be due to layoffs, retirement, sick and annual leave payouts.

CHAIR HORSFORD:
It does depend on the county and how many staff, correct?

MS. COMEAUX:
Yes, that is correct.

CHAIR HORSFORD:
We will close the hearing on S.B. 476 and open the hearing on S.B. 480.

SENATE BILL 480: Provides for the collection of costs for providing child protective services in certain less populated counties. (BDR 38-1219)

MS. COMEAUX:
We have proposed Amendment 7253 for S.B. 480 (Exhibit J). This will enable DCFS to charge child protective services to the rural counties. The counties asked for language that, in the event they wanted to take over those services, there be a provision to either pay the assessment, or take over the services.

SENATOR LESLIE:
For the record, "Washoe and Clark already pay for child protective services, so this does not affect them. What this does is have all the other counties start paying for that one piece of the child welfare program."

MS. COMEAUX:
That is correct, is does not affect Washoe or Clark Counties.

SENATOR LESLIE:
On what basis are we assessing the rural counties?

MS. COMEAUX:
On the basis of the population between zero to 19 years old.

REX GOODMAN (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):
Perhaps Ms. Comeaux could comment on whether layoffs would be anticipated with this bill, if the counties decided to take over these services as well.

MS. COMEAUX:
It would be difficult for us to determine at this point. Partly because of the counties, but also because the workers who provide child protective services are also our child welfare workers.

SENATOR LESLIE:
That is true. I do not know if Ms. Comeaux has heard, but I have not heard from the counties as to whether they are seriously contemplating this. I have heard that they do not feel they have the expertise in this area to provide these services.

MS. COMEAUX:
I have not heard if they are seriously considering taking it over either.

CHAIR HORSFORD:
Please explain the language in section 4, subsection 4, of the amendment. It is very prescriptive of what will happen if this were to occur.

MS. COMEAUX:
In section 4, subsection 4, if the counties were to decide to take over this service they would have to submit a proposal to the Governor indicating how they would carry this out. If the Governor approves the proposal, it would go to IFC for approval.

SENATOR LESLIE:
It first has to go to the Governor, and if he approves it will come to IFC. Will IFC then have the choice to either approve or not approve it?

MS. COMEAUX:
Yes.

CHAIR HORSFORD:
As long as it has that understanding. The proposed language in section 4, subsection 4, states that IFC shall consider, among other things, the best interest of the State, the effective exemption and the intent of the Legislature in requiring the assessment be paid by the county. It seems overly prescriptive, but I guess we are just trying to make it clear.

MS. COMEAUX:
I am sorry, the Legal Division of the Legislative Counsel Bureau wrote that.

CHAIR HORSFORD:
I imagine they try to anticipate problems in the future.

MARY WALKER (City of Carson City, Douglas County, Lyon County, Storey County):

Thank you for including language that allows the rural counties to take over that service. This is something we would have to think hard about because we do not have the expertise in that area. The thing that worries me the most is in the shifts down to the counties. We are discussing payment of the first month of each quarter, and early in that first month, which means July 1, 2011. The shifts to the counties and rurals consist of:

§ Part of the 50-50 match program.
§ Consumer health protection.
§ Rural developmental services.
§ 50 percent of youth parole services.
§ Rural child protective services.
§ Medical care related to the tuberculosis program.
§ Medical care related to the sexually transmitted disease program.
§ Community juvenile justice program.
§ 70 percent of the presentence investigation.

When all of these are added together, particularly when you include rural child protective services, I do not know how the smaller counties are going to come up with the money by July 1, 2011. They closed their budgets two weeks ago. Coming up with potentially several hundreds of thousands of dollars in a few weeks time does not seem feasible.

CHAIR HORSFORD:

We are in recess at 10:43 a.m.

We are reconvened at 2:11 p.m. We will take action on A.B. 531.

ASSEMBLY BILL 531: Revises provisions governing the Fund for Manufactured Housing. (BDR 43-1191)

MR. KRMPOTIC:

Assembly Bill 531 is a Department of Administration (DOA) bill. It provides that all interest and income earned on money in the fund for manufactured housing and any account in the fund must be credited to the fund. The manufactured housing fund contains the account for regulated manufactured home parks and the account for education and recovery related to manufactured housing. The bill becomes effective July 1, 2011. It is not necessarily a budget implementation, as the interest that would be earned in the fund is not built into the budget. It was a DOA bill that was passed out of the Assembly Committee on Ways and Means.

SENATOR RHOADS MOVED TO DO PASS A.B. 531.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS LESLIE AND KIECKHEFER WERE ABSENT FOR THE VOTE.)

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CHAIR HORSFORD:
We will open the hearing on A.B. 562.

ASSEMBLY BILL 562: Revises provisions relating to the subsidy for coverage of certain retired persons under the Public Employees' Benefits Program. (BDR 23-1187)

JAMES R. WELLS (Executive Director, Board of the Public Employees' Benefits Program):
Assembly Bill 562 implements a portion of the Public Employees' Benefits Program (PEBP) budget. It amends NRS 287.046 to provide for a differential subsidy for Medicare retirees that result from the transitioning of those retirees to the individual market exchange. Subsection 1 provides that the Department of Administration establish an assessment to subsidize retiree health care. Subsection 2 places that assessment into the retirees' fund based upon the legislatively approved amount to pay for retiree health care subsidies. Subsection 3 provides for the payment from the retirees' fund to the PEBP operating budget. Subsection 4 sets the subsidy level adjustments for non-Medicare retirees, or early retirees, based on the existing law for post-1994 retirees. Pre-1994 retirees receive the unadjusted amount.

Subsection 5 sets the subsidy levels for the Medicare retirees who are transitioned to the individual market, using a base dollar amount per year of service that would be set biennially by the Legislature. For the 2011-2013 biennium, the amount would be $10 per month, per year of service.

Under subsection 5a, for those who retired before 1994, it would be $150, and under subsection 5b, it would range from $50 to $200. If that dollar amount were to be changed by future Legislatures, it would simply use the numbers multiplied by that dollar amount, per year of service.

Subsection 6 eliminates the duplicative language for post-January 2010 hires who are only eligible for subsidized retiree health care if they work for more than 15 years, or more than 5 years if they have retired as a result of a disability.

Subsection 8 currently reads "for the purposes for subsection 1," but should actually read "for the purposes of subsections 4 and 5" that credit must be calculated in a matter provided by NRS 286.

SENATOR LESLIE MOVED TO DO PASS A.B. 562.

SENATOR DENIS SECONDED THE MOTION.

SENATOR KIECKHEFER:
Mr. Wells indicated that on the bottom of page 3, subsection 8 should state "for the purposes of subsections 4 and 5." Is that part of the motion?

MR. WELLS:
Early in the Session that subsection had gotten out of line historically from what it was supposed to be referencing. The revised version of A.B. 562 references back to the calculations of the year of service that they receive for each subsidy. The two places that use that calculation are in subsection 4, for non-Medicare, or early retirees, and subsection 5, for Medicare aged retirees. In subsection 8, it should be changed from subsection 1 to subsections 4 and 5.

SENATOR LESLIE MOVED TO AMEND AND DO PASS A.B. 562.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:
Earlier in the day we heard several bills and there were many members who were out of the room at the time. We will go back through and take action on those bills without fiscal notes or where we took testimony.

We will begin with S.B. 129 which deals with training of persons who operate or work in certain facilities. It was noted on the record that there is no longer a fiscal note.

MR. KRMPOTIC:
The DHHS indicated there was no fiscal impact associated with S.B. 129 and Fiscal Staff has confirmed that.

SENATOR LESLIE MOVED TO DO PASS AS AMENDED S.B. 129.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

*****

CHAIR HORSFORD:
We will move on to S.B. 227 which is Senator Lee's bill.

MR. KRMPOTIC:
This bill was referred to the Senate Committee on Finance because of the potential fiscal impact. Senator Lee presented proposed Amendment 6771 to S.B. 227. This would provide for the Real Estate Division Administration account to be supported by its fees that are currently deposited into the General Fund as opposed to being funded by the General Funds in the account now. It is partially supported by the General Fund, but not entirely.

Based on the closing actions taken by the Committees, the General Fund amounts included in the Real Estate Division Administration account total about $800,000 in the first year of the biennium and about $600,000 to $700,000 in the second year of the biennium. The fees that are proposed to be deposited in this account, which is established under section 1, are fees that are currently deposited in the General Fund. The amendment would call for the fees to be deposited into the account and for the Agency to be able to retain about $500,000 in the account for cash flow purposes.

Staff would like to note that this provision does not take effect until July 1, 2013, as provided by under section 11 of the mock up; therefore, would not have any fiscal impact on the next biennium. Beginning with the 2013-2015 biennium, once this provision goes into effect, the Division would receive fees in this account that would be subject to authorization by the Legislature. There would no longer be any General Fund appropriations going into the Real Estate Administration account and it would make them fully fee supported.

One of the items driving this bill is the desire of the Division to add resources to assist in regulation and policing of this industry. There were a number of positions that were reduced from the Division's budget based on the actions of the money committees over the last month or so. Based on the delayed implementation dates, Staff does not see a fiscal impact over the next biennium, but it would change the funding structure for the Division subsequent to the next biennium.

SENATOR PARKS:
There are many different functions under the Real Estate Division. Would they all be placed under this separate fund or would certain sections of the Division remain solely under the General Fund? I know we have the Common Interest Community element and some other functions that deal with training and a reserve fund that the Division maintains for education training.

MR. KRMPOTIC:
Based on Staff's involvement on this bill, it is my understanding that this would strictly involve the Division's administration account and not the Common Interest Community or the education account. I am not intimately familiar with these accounts, but I believe those accounts are fully fee funded now and do not receive General Fund appropriations.

SENATOR PARKS:
I would like to disclose that I am a real estate licensee. This bill will not affect me any differently than anyone else.

SENATOR CEGAVSKE:
Do you know the estimated number of employees that would need to be hired to take care of this new administrative account?

MR. KRMPOTIC:
Staff did not get into discussions regarding what resources the Division would need. Based on the information that we have received from the Agency and other parties interested in this bill, there was information that indicated reductions to the budget did not provide adequate resources for the Agency to police and regulate the industry. The interest in this bill has to do with the fact that it would provide authorized revenues to the Agency to enable it to add the number of resources necessary in the future to regulate and police the industry. I do not know how many positions that would be. Based on this bill right now, that decision would be based on the 2013 Legislature.

SENATOR CEGAVSKE:
Have the future costs or ramifications of passing the bill at this time been identified?

MR. KRMPOTIC:
The fees that are collected and deposited in the General Fund exceed the General Fund appropriations that go into the Real Estate account. Staff reviewed that based on another bill, S.B. 413. Looking at the fees that are generated, those are about $4.6 million a year, the General Fund appropriations for the upcoming biennium, as recommended by the Committees, total about $800,000 in the first year of the biennium and about $600,000 to $700,000 in the second year. The level of expenditure, based on the implementation of this bill in the future, would be based on the authorized expenditures that the Legislature would approve. It does not have to be up to the full amount of fees that would be deposited in the account but would presumably be some number greater than what is authorized for the upcoming biennium.

SENATOR CEGAVSKE:
I am trying to grasp the purpose of this bill. What is the rationale?

MR. KRMPOTIC:
It is my understanding that the industry generates fees in excess of what is deposited in this account which go into the General Fund. In the past, Staff has observed agencies that are General Funded and who generate fees that go into the General Fund subsequently desire to be fee funded when those fees exceed their General Fund appropriation. It is a recognition that they generate "x amount" of fees in excess of what they get back in General Fund

appropriations. By having those fees deposited into their account they would be better enabled to request the resources they need to administer the program.

CHAIR HORSFORD:
This bill and the amendment was supported by the industry and Rocky Finseth.

SENATOR LESLIE MOVED TO AMEND AND DO PASS S.B. 227, WITH PROPOSED AMENDMENT 6771.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

*****

CHAIR HORSFORD:
We will move on to S.B. 340. This is Senator Breeden and Senator Weiner's bill.

MR. KRMPOTIC:
Testimony received this morning indicated that the amendment does not reduce or remove the fiscal note. The fiscal note totals $33,600 over the 2011-2013 biennium, representing one-fifth of a position's time to implement the provisions of this bill. The $33,600 represents General Fund appropriations required to implement the bill according to the Division of Health Care Financing and Policy.

CHAIR HORSFORD:
We should process this and keep it moving. The policy and intent is strong enough that we should move forward on this bill.

SENATOR LESLIE MOVED TO DO PASS AS AMENDED S.B. 340.

SENATOR PARKS SECONDED THE MOTION.

SENATOR CEGAVSKE:
Because I was not here for the presentation, I am going to refrain from voting, but I will vote on the floor based on the information I receive.

THE MOTION CARRIED. (SENATOR CEGAVSKE ABSTAINED FROM THE VOTE.)

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CHAIR HORSFORD:
Senator Denis, did you get the language on S.B.347?

SENATOR DENIS:
No, I did not.

CHAIR HORSFORD:
Senate Bill 413 will need to be held because Staff is working on it.

MR. KRMPOTIC:
Staff had an opportunity to meet with the Real Estate administrator during the recess. Senate Bill 413 modified the fee structure for the Real Estate Division. An unsolicited fiscal note was submitted by the Division that identified a loss to the General Fund of $2.3 million in FY 2011-2012 and almost $2.2 million in FY 2012-2013. This changes the fee structure from a two-year renewal to a one-year renewal. In the 2013-2015 biennium, the Division identified a positive effect on revenues of $3.4 million.

Staff has confirmed with the Agency that the fiscal note and the reductions identified with the Agency are valid. If the bill were passed in its current form, it would have a negative impact of approximately $2.3 million in the first year and about $2.2 million in the second year on General Funds that were projected by the Economic Forum on May 2, 2011.

CHAIR HORSFORD:
With that understanding, we cannot add that type of impact to the budget at this time, so I will hold that bill without objection.

We will take action on S.B. 434.

We have an amendment offered for S.B. 434. Essentially, the amendment deletes the bill with the exception of sections 5, 9 through 14 and 17. Section 5 is the carryforward provisions for General Fund dollars. Sections 9 through 14 allow for NSHE not to be under the SPWB if that is their choice.

Section 17 deals with the maintenance projects. This is the Governor's bill. The other provisions of the bill are in S.B. 449 and S.B. 451.

SENATOR LESLIE MOVED TO AMEND AND DO PASS S.B. 434.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

*****

CHAIR HORSFORD:
Senate Bill 449 deals with tuition and how it would be handled. We have an amendment to this bill which requires that the data for the graduates who complete an academic program be matched against DETR data instead of the survey as indicated in the bill.

SENATOR KIECKHEFER:
Can you please explain that further?

CHAIR HORSFORD:
Section 2, subsection 4 discusses a survey being conducted by the Board of Regents. Essentially, they would have that information, the student academic information, what program they completed and if they went to work in a particular career field. That would be matched against DETR information instead of another approach.

SENATOR LESLIE MOVED TO AMEND AND DO PASS S.B. 449.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

*****

CHAIR HORSFORD:
We needed language for S.B. 451.

MR. KRMPOTIC:
As indicated by NSHE, this bill implements provisions beginning in the upcoming biennium. Section 1, subsection 1 indicates the amount of any tuition charge, registration fee or miscellaneous student fee assessed against a resident or nonresident student, in excess of an amount that would have been assessed as of January 1, 2011, must be retained by the university, State college or community college in which the student is enrolled. The budget was closed having the anticipated increase in registration fees of 13 percent incorporated into the State supported budget for NSHE.

Staff would suggest that the date of January 1, 2011, be changed to January 1, 2013, on line 6, section 1. There is additional language that Staff is recommending which we worked on in conjunction with NSHE staff. Again, on line 6, Staff recommends changing the language from "must be retained" to "shall be retained," with new language that states "outside the NSHE State supported budget by the university, State college or community college."

The other change Staff recommends is the implementation date of the bill. It indicates that it is effective July 1, 2011, but we recommend it be changed to July 1, 2013.

CHAIR HORSFORD:
When you say "outside of the State support" does that mean non-General Fund support?

MR. KRMPOTIC:
That means the non-State supported budgets which are not reviewed or approved by the money Committees of the Legislature.

CHAIR HORSFORD:
I have a problem with that. That prevents future Legislatures from having the authority to book that in a different way.

SENATOR KIECKHEFER:
I agree. Part of the problem was understanding all the resources that NSHE had at its disposal. Putting more money outside the State budgeting process before we do a review of how we are going to fund NSHE in the interim may not be appropriate at this point.

CHAIR HORSFORD:
We will have to keep working on that language. As the sponsor of this bill, it is not the intent I wanted to end up with.

We will take up S.B. 447 which is a budget implementation bill. Assemblywoman Mastroluca worked on this with DHHS.

SENATE BILL 447: Makes various changes concerning the administration of child welfare services. (BDR 38-1218)

MR. GOODMAN:
Senate Bill 447 is the budget implementation bill for Clark and Washoe Counties' DCFS child welfare integration accounts. Proposed Amendment 6788 to Senate Bill No. 447 (Exhibit K) has not changed from the previous hearing on this bill. The bill includes language in section 2 regarding corrective actions that are required by DHHS. It puts language in statute to identify the process of how corrective actions would be handled.

Section 3 implements a performance improvement plan whereby Clark County, Washoe County and the DCFS rural child welfare program would submit, each biennium, a performance improvement plan. As this plan would be used to monitor the performance of the programs, the amendment in this mock up removes the tie to the block grant. This performance improvement plan is free standing, each program would submit a performance improvement plan. The DCFS would collect data, monitor and report to the Legislature and the Governor on the improvement of performance in each of these programs or the counties.

Section 4 begins with a fiscal incentive plan which is the other piece proposed in the Governor's budget. This would require each of the counties to submit an application for a fiscal incentive. Each year, DCFS would approve that application and the counties would work toward meeting the identified goals. The incentive payment to the counties each year would be based on their achievement of those goals as provided in sections 4 through 6.

The other important part of the fiscal incentive plan is section 8.5 which outlines that the fiscal incentive plan would not take effect during this biennium. The counties would receive the entire amount that is budgeted for the fiscal incentive plan regardless of their performance. It could be the decision of the next Legislature to choose to continue, decrease or increase the fiscal incentive plan.

Section 7.5 discusses the block grant to Clark and Washoe Counties. The budgets for these two counties were closed with a block grant to each county. It is, essentially, all of the funding that has historically been provided for child welfare services, adjusted slightly downward to align those expenses with the 2009-2011 biennium. A slight amount of growth was removed from these budgets. The block grant would be provided to each county, with flexibility. There would be no line item budgeting or categorical authority. The counties would be able to use the funding in any way to provide child welfare services. They would not have to revert the funding at the end of the fiscal year but would be able to retain it. There is a provision that the counties would continue their level of support for child welfare services. If the counties decrease their funding for child welfare, the State's funding would also be decreased accordingly.

Section 8 discusses the monitoring of the block grant and the performance. Those are the essential pieces of this bill. There has been quite a bit of discussion off line about the block grant, performance improvement plan and the fiscal incentive plan. As the bill is constructed and amended, those are three free-standing items, meaning any of the three can be approved. As a reminder to the Committee, the block grant concept and the fiscal incentive concept were approved in the budget closings. The amounts are in the budgets for those programs and, if the Committee decides to take a different action today, we would need to discuss how that might affect the budget.

CHAIR HORSFORD:
I initially had some objections, but Assemblywoman Mastroluca and I had a discussion in which I conceded.

> SENATOR LESLIE MOVED TO AMEND AND DO PASS S.B. 447, WITH AMENDMENT 6788.
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> SENATOR RHOADS SECONDED THE MOTION.
>
> THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:
We will hear S.B. 469.

SENATE BILL 469: Revises provisions relating to programs for the treatment of mental illness or mental retardation. (BDR 14-1201)

SENATOR LESLIE:
This bill came from the Budget Office and relates to defunding the mental health courts and pushing the responsibility for that funding down to the counties. We did not close the budget that way. We closed the budget with the State continuing to fund the treatment and service coordinator funding. My suggestion would be to indefinitely postpone this bill.

SENATOR LESLIE MOVED TO INDEFINITELY POSTPONE S.B. 469.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HORSFORD:
We will take action on S.B. 476.

MR. GOODMAN:
Senate Bill 476 contains the juvenile justice changes. It implements the budgets of DCFS. This contains the distribution methodology for distributing youth parole service costs to the counties. The Committee will recall the budgets were closed with approximately one-half of the costs each year for youth parole services to be allocated to the counties.

This bill also makes it optional for DCFS to pay for detention costs of youth whose youth parole status has been revoked. That cost is being passed to the counties as well. Staff worked with DCFS and the Legal Division to add language to allow the counties to take over the services if they feel they are able. They can submit an application to DCFS which will go to the Governor and ultimately to IFC for approval of the counties taking over these services. The DCFS testified this morning that this addition adds a fiscal impact to this bill. If the counties choose to take over these services, DCFS would potentially have to lay off its workers who currently provide those services. Those layoffs would have implications to PERS, and annual and sick leave payouts that could total $2.9 million.

SENATOR RHOADS:
What if the counties are broke and do not have the money to pay for these services?

MR. GOODMAN:
This bill does not specifically speak to that. The DCFS and DHHS have testified previously that they would pursue withholding tax funds through the Controller's Office and the collection and operations that the Controller's Office performs.

SENATOR LESLIE MOVED TO AMEND AND DO PASS S.B. 476, WITH AMENDMENT 7141.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

*****

CHAIR HORSFORD:
We will move to S.B. 480.

MR. GOODMAN:
This is the other budget implementation bill for DCFS. This bill provides that the rural counties, smaller than 100,000 in population, will pay for child protective services. This is allocating the cost. The DCFS would continue to perform the service, but the counties would be billed for the costs of those services. This bill also contains new language to allow the counties to take over this service if they are able and the Governor and IFC approve their request. The DCFS testified this morning that they have not received word from any of the counties that they were anticipating taking over these services; therefore, there is no anticipated fiscal impact to adding this language.

SENATOR LESLIE MOVED TO AMEND AND DO PASS S.B. 480, WITH AMENDMENT 7253.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

*****

CHAIR HORSFORD:
We will move to S.B. 371. Senator Cegavske, we had testimony from your witness in Las Vegas.

SENATOR CEGAVSKE:
Dr. Roitman was able to express the concerns I had. I have comments that I would like to submit (Exhibit L).

CHAIR HORSFORD:
Is there anyone who would like to speak on S.B. 371 who would be impacted by the fiscal notes indicated in the bill?

ALEX ORTIZ (Clark County):
We had submitted a fiscal note of approximately $12 million over the biennium. Based on the explanation of our fiscal note, we believe DCFS has approximately 400 to 500 children with a higher level of care who fall under this bill. Approval of this bill will potentially require us to hire about 40 additional staff to handle this caseload. Psychiatric nurses will need to be hired as well to handle the caseload at a ratio of 1:10 which will cost approximately $150,000. I am not the best to respond to some of these items, but our director of Family Services can directly respond to some of the questions you have related to this.

LISA GIANOLI (Washoe County):
I am in a similar situation as Clark County, but the numbers are smaller. It is the number of people in care that we are looking at. I am trying to get someone to give you some specific information.

SENATOR LESLIE:
We heard this bill in the Joint Committee on Health and Human Services/CIP. There was support for the concept and understanding that we cannot hire 40 staffers just to implement this bill. I thought Mr. Kevin Schiller was going to be working on some alternative ideas.

MS. GIANOLI:
Mr. Schiller was travelling today and could not be here. I know that he saw the merits to the program. He was just trying to work through what the costs would be to the county. I think ours was about $300,000 each year in the biennium.

SENATOR LESLIE:
The discussion in the Joint Committee was to not talk about the reasons we cannot do it, but to figure out a way we can make some progress. I was hoping for more than a study. I know we cannot go this far because we do not have the money.

I would like to see some concrete alternatives. We should delay this until Mr. Schiller is available. I would be willing to meet with the sponsor of the bill and Mr. Schiller to see if we can come up with something.

MS GIANOLI:
He will be here tomorrow morning.

SENATOR LESLIE:
That would be great.

MR. ORTIZ:
We would like to be part of the conversation.

SENATOR LESLIE:
You are welcome to attend if you feel your presence will be productive to the conversation.

CHAIR HORSFORD:
It is my intent to process something. We have worked too hard and too long on these issues to postpone it for two years. There are children who are being impacted by these circumstances and it needs to be addressed. I suggest working with the sponsor and Senator Leslie, to give us something you are comfortable with, otherwise we will pass what we have.

Mr. Klaich would like to discuss S.B. 451.

MR. KLAICH:
Senator Kieckhefer, to respond to your concern about putting more money outside the State budgeting process before the Legislature does a review of how to fund NSHE, there is absolutely no intent to not report to the Legislature. Reporting on all the fees is going to be transparent and will come back to you. The point of this was to shift the fees from one part of the budget to the other with the tuition and fees being retained at the institutional level. We are not trying to get out of any reporting requirements, but rather we are trying to strengthen our reporting measures.

With the effective dates that Staff indicated and in conjunction with this being part of the whole review of fees and funding that would be done by IFC, nothing would go into effect until 2013. If, for any reason, the interim study committee on formula funding did not reset these to the satisfaction of the Legislature, they would not go into effect.

CHAIR HORSFORD:
My concern is with booking the tuition in policy as a non-State General Fund source. This means off of our books and on to yours. That is the language you provided to Staff and I am not comfortable with that policy. I know we are doing it again this biennium, but I would object to this being a permanent policy that binds future Legislatures.

SENATOR KIECKHEFER:
If the date were to change, as Mr. Krmpotic indicated, to any increase above a baseline of January 1, 2013, would that miss the 13 percent that is proposed to be booked for the upcoming school year?

MR. KLAICH:
We already agreed, per the budget closing, that those are going to be booked in the State supported operating budget. Anything that is part of the tuition and fee income picture for the upcoming biennium will not be affected by this at all.

SENATOR KIECKHEFER:
If we are trying to create a structure so that tuition and fees assessed at individual institutions remain at those institutions we are going miss the 13 percent increase by this implementation date.

MR. KLAICH:
No, we will not. That was part of your directions at the budget closing. Whatever fees or tuition we increase in the upcoming biennium will, pursuant to those actions, stay at those institutions.

SENATOR KIECKHEFER:
Will it be separate actions, but the same result?

MR. KLAICH:
Correct.

CHAIR HORSFORD:
We will move on to S.B. 370. Since this is Vice Chair Leslie's and my bill, I will relinquish the gavel to Senator Parks.

SENATE BILL 370: Makes various changes to provisions governing children who are placed with someone other than a parent. (BDR 38-909)

SENATOR PARKS:
We will open the hearing on S.B. 370 which makes various changes to provisions governing children who are placed with someone other than a parent.

SENATOR STEVEN A. HORSFORD (Clark County Senatorial District No. 4):
The primary purpose of Proposed Amendment 6657 to S.B. 370 (Exhibit M) is to make this bill consistent with a bill that passed earlier by the Assembly dealing with kinship care and the priority of a relative or someone associated with the child in that manner. I do not know the impact of the fiscal note, primarily to the Department of Corrections (DOC). The other agencies indicated there was no additional fiscal impact from the bill as amended in the policy committee.

SENATOR PARKS:
Do we have a representative from DOC?

JEFFREY MOHLENKAMP (Deputy Director, Support Services, Carson City, Department of Corrections):
I have not had a chance to review the amendment. I would be happy to do so and let you know how it modifies our fiscal note.

SENATOR HORSFORD:
In the policy committee there was some indication that there were some new devices that were being considered within DOC. It was videoconference technology that people could pay to utilize rather than them putting in new equipment for this purpose. Please provide an explanation of the technology.

MR. MOHLENKAMP:
Looking at the amendment now, it does seem that some of the language we proposed has been modified. Under section 6, paragraph 2, the proposed amendment reads "must allow…if such equipment is available" which sounds like it gives DOC flexibility to remove our fiscal note. I would like to review it for a few minutes and come back to clarify the fiscal note.

SENATOR KIECKHEFER:
Did we receive a fiscal note from the Department of Education or from the school districts?

SENATOR PARKS:
There does not appear to be a fiscal note on NELIS.

SENATOR KIECKHEFER:
If it is going to require them to do another individualized plan for another category of students, I assume it would have some sort of effect. I do not believe we received testimony in the Senate Committee on Health and Human Services as to what impact it would have on the districts.

MR. KRMPOTIC:
Based on responses from school districts to the original bill, there was a fiscal impact identified for each year of the biennium by the:

- Clark County School District of about $350,000.
- Pershing County School District of about $66,500.
- Washoe County School District of about $215,000.

Those are the most significant impacts of the school districts.

SENATOR SHEILA LESLIE (Washoe County Senatorial District No. 1):
That is because in the original bill it was an individualized plan of instruction. In the amendment it has been changed to an academic plan.

SENATOR KIECKHEFER:
I am not sure what the difference is.

SENATOR LESLIE:
Maybe the people from the school districts can clarify.

BART MANGINO (Clark County School District):
When the bill first came out, our concern was the fact that part of the fiscal note was $20,000 because Clark County currently does not track the number of students who are in foster care. The other portions of the fiscal note were based on the addition of the counselors with regard to assistance in some of the more highly impacted schools who would be servicing these students, in addition to what was referred to as an Individualized Education Program (IEP).

After reviewing the amendment, it states the division would report to the school districts those students who are in foster care. That would eliminate the necessity to modify our reporting software with regard to identifying those students, because they would be identified for us. Additionally, the amendment states that the academic plan would need to be reviewed annually, versus two times a year. That would also assist in reducing the fiscal impact. I would like to run the amendment by our Budget Office.

SENATOR KIECKHEFER:
Section 8, on page 7 of the proposed amendment, discusses the academic plan and states "an academic plan must include the consideration of the unique circumstances and educational background." Is this something new, or do you create these types of plans now?

MR. MANGINO:
Students who have IEPs are already identified because of federal law. We have some schools who have moved to the response to instruction or intervention for students who are experiencing difficulty. This is something that would align itself with some of the movements we are making in the Clark County School District. It would also align itself with our growth model that we will be implementing in the future.

SENATOR KIECKHEFER:
Is this something you already do, but you will be doing for a new universe of people? Do you have the templates and paperwork in place?

MR. MANGINO:
No, this is not something we do on a regular basis. As far as special education students, we are mandated to develop an IEP which is somewhat supplemented with federal dollars. The money from the federal government does not adequately meet the needs of our IEP students.

SENATOR CEGAVSKE:
In some of the verbiage there is a "shall" for the policy, but anything dealing with an academic plan is a "must." Is there a difference in that wording that might affect the bill's outcome?

SENATOR HORSFORD:
"Shall" or "must" is required, whereas "may" is optional.

It seems like many people just received the amendment. Once other people have an opportunity to speak, we can hold this while they review the amendment.

MR. MOHLENKAMP:
I have had a chance to review the proposed amendment and I do believe that it provides permissive language, allowing us to remove our fiscal note from this bill. It provides that "if such equipment is available" and I would like to make you aware that making equipment available may require us to subcontract with vendors which could result in charges that impact these types of services.

SENATOR PARKS:
We will hold this bill to allow interested parties to review the proposed amendment. We will close the hearing on S.B. 370.

I will relinquish the gavel to Senator Horsford.

CHAIR HORSFORD:
Seeing no further business, this meeting is adjourned at 3:20 p.m.

RESPECTFULLY SUBMITTED:

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Madison Piazza,
Committee Secretary

APPROVED BY:

____
Senator Steven A. Horsford, Chair

DATE:______________________________________

EXHIBITS			
Bill	**Exhibit**	**Witness / Agency**	**Description**
	A		Agenda
	B		Attendance Roster
S.B. 227	C	Senator John J. Lee, Clark County Senatorial District No. 1	Mock-Up Proposed Amendment 6771 to Senate Bill No. 227
S.B. 347	D	Carol Sala, Aging and Disability Services Division	Executive Agency Fiscal Note, S.B. 347
S.B. 371	E	Norton Roitman, M.D.	Medication and Informed Consent Sheet
S.B. 371	F	Norton Roitman, M.D.	Psychotropic Medication Consent
S.B. 343	G	Daniel J. Klaich, Nevada System of Higher Education	Proposed Amendment, Senate Bill 434
S.B. 449	H	Daniel J. Klaich, Nevada System of Higher Education	Proposed Amendment, Senate Bill 449(R1)
S.B. 476	I	Diane J. Comeaux, Division of Child and Family Services	Proposed Amendment 7141 to Senate Bill No. 476
S.B. 480	J	Diane J. Comeaux, Division of Child and Family Services	Proposed Amendment 7253 to Senate Bill No. 480
S.B. 447	K	Rex Goodman, Legislative Counsel Bureau	Proposed Amendment 6788 to Senate Bill No. 447
S.B. 371	L	Senator Barbara K. Cegavske	Senate Bill 371 – Remarks
S.B. 370	M	Senator Steven A. Horsford	Proposed Amendment 6657 to Senate Bill No. 370