

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

**Seventy-sixth Session
June 1, 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 7:26 p.m. on Wednesday, June 1, 2011, in Room 4100 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4401, 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 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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COMMITTEE MEMBERS ABSENT:

Assemblyman Marcus L. Conklin, Vice Chair (Excused)
Assemblyman John Ocegüera (Excused)

STAFF MEMBERS PRESENT:

Michael J. Chapman, Principal Deputy Fiscal Analyst
Rick Combs, Assembly Fiscal Analyst
Rex Goodman, Principal Deputy Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
Marian Williams, Committee Secretary

CHAIR HORSFORD:

Today we will be reviewing budget reconsiderations.

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

The budgets we will be reconsidering this evening can be found in your budget reconsideration document ([Exhibit C](#)). These accounts had been previously closed. The first account is budget account (B/A) 101-2891 of the Nevada State Library and Archives (NSLA), regarding Bookmobile program services.

FINANCE AND ADMINISTRATION

ADMINISTRATION

Administration – NSLA – Nevada State Library — Budget Page ADMIN-188
(Volume I)

Budget Account 101-2891

Originally, the *Executive Budget* proposed to decrease the pass-through General Fund appropriation by \$40,000 in each year of the upcoming biennium for the Bookmobile. The Governor submitted a budget amendment which proposed to restore General Fund appropriations of \$30,000 per year, plus an additional \$10,000 per year in transfer funding from the NSLA Gift Fund. In closing the accounts, the Senate Committee on Finance and the Assembly Committee on Ways and Means, also known as the money

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committees, did not approve the Governor's revised recommendation in its entirety. Instead, the Committees only approved the \$10,000 per year restoration from the NSLA Gift Fund to offset some of the General Fund reductions. The result of this action was a \$30,000 per year reduction in funding and a \$40,000 savings to the General Fund.

Staff has been asked to examine a decision to restore approximately 38 percent of the original General Fund reduction for Bookmobile services. This would require an additional \$15,000 in each year of the upcoming biennium, or approximately \$30,000 over the biennium. This restoration would provide total Bookmobile funding of \$102,953 per year, a 13 percent reduction from fiscal year (FY) 2009-2010 actual and funding levels in the upcoming biennium.

Do the Committees wish to reopen B/A 101-2891 and restore 38 percent of the original General Fund reductions for Bookmobile services?

ASSEMBLYWOMAN SMITH MOVED TO REOPEN B/A 101-2891.

SENATOR RHOADS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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ASSEMBLYWOMAN SMITH MOVED TO RESTORE 38 PERCENT OF THE ORIGINAL GENERAL FUND REDUCTIONS FOR BOOKMOBILE SERVICES.

SENATOR RHOADS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. COMBS:

There are several items regarding the Wells Conservation Camp (WCC),
B/A 101-3739.

PUBLIC SAFETY

CORRECTIONS

NDOC – Wells Conservation Camp — Budget Page CORRECTIONS-143
(Volume III)
Budget Account 101-3739

The Governor's recommended budget, as originally submitted, recommended the closure of WCC effective August 1, 2011. This would result in the elimination of 150 minimum-custody beds and 12 positions. According to the *Executive Budget*, this recommendation was proposed as a budget reduction measure, and would result in General Fund savings of \$994,952 in FY 2011-2012 and \$1.08 million in FY 2012-2013.

At the May 14, 2011, budget closing for the Department of Corrections, the Committees did not approve the Governor's recommendation to close WCC effective August 1, 2011. Instead, the Committees approved the delay of the facility closure by six months, until February 1, 2012, in order to provide a transition period for staff to relocate. As a result, the Committees provided additional General Fund appropriations of \$473,648 over the 2011-2013 biennium to fund salary and operating costs for an additional six months of operation.

A decision to restore WCC over the 2011-2013 biennium would require additional General Fund appropriations of \$499,041 in FY 2011-2012 and \$1.19 million in FY 2012-2013 to provide for staffing, inmate-driven expenses, replacement equipment and deferred maintenance expenditures. Furthermore, the 13 budget accounts listed on page 2 of [Exhibit C](#) would need to be reopened in order to make corresponding caseload adjustments to transfer back to WCC approximately 130 inmates and their associated inmate-driven expenses.

The required adjustments to the 13 noted accounts would result in net General Fund reductions of \$58,736 in FY 2011-2012 and \$59,985 in FY 2012-2013. In total, restoring WCC would require additional General Fund appropriations of \$440,305 in FY 2011-2012 and \$1.13 million in FY 2012-2013.

There is another side of this relating to the Division of Forestry and B/A 101-4198, the Forestry Conservation Camps account.

INFRASTRUCTURE

CONSERVATION AND NATURAL RESOURCES

DCNR – Forestry Conservation Camps — Budget Page DCNR-33 (Volume III) Budget Account 101-4198

The *Executive Budget*, as originally submitted by the Governor, recommended eliminating the Division of Forestry's conservation camp crews and associated costs at WCC, effective June 30, 2011, resulting in the elimination of seven positions. This recommendation provides General Fund savings of \$358,089 in FY 2011-2012 and \$361,382 in FY 2012-2013. The original recommendation also transferred one conservation crew supervisor position from WCC to the Three Lakes Valley Conservation Camp which was projected to house an increased number of inmates due to the closure of WCC.

The Agency indicates the original recommendation to close WCC was in response to required budget reductions, as well as a reduction in the number of inmates eligible for work on conservation crews. The closure of WCC would result in the elimination of five type II inmate fire crews and approximately 60 inmate firefighters who serve the northern Nevada area, leading to slower response times. The closure would also eliminate services provided to the local school district, local government, the community and senior citizens.

At the budget closing on May 14, 2011, the Committees approved delaying the closure of WCC by six months, until December 31, 2011. This action required the addition of \$182,157 in General Funds in FY 2011-2012. A decision to restore the Division of Forestry's portion of the WCC for the 2011-2013 biennium would require additional General Funds of \$175,899 in FY 2011-2012

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and \$361,345 in FY 2012-2013, in addition to the \$182,157 in FY 2011-2012 already approved by the Committees. With this additional funding, the seven positions originally recommended for elimination would be maintained and the recommended transfer of one conservation crew supervisor position to the Three Lakes Valley Conservation Camp would not occur.

Do the Committees wish to reopen budget accounts 101-3739, 101-3722, 101-3723, 101-3724, 101-3725, 101-3738, 101-3741, 101-3747, 101-3752, 101-3751, 101-3754, 101-3759, 101-3760, 101-3762 and 101-4198?

NDOC – Stewart Conservation Camp — Budget Page CORRECTIONS-122
(Volume III)
Budget Account 101-3722

NDOC – Pioche Conservation Camp — Budget Page CORRECTIONS-129
(Volume III)
Budget Account 101-3723

NDOC – Northern Nevada Restitution Center — Budget
Page CORRECTIONS- 115 (Volume III)
Budget Account 101-3724

NDOC – Three Lakes Valley Conservation Camp — Budget Page CORRECTIONS
136 (Volume III)
Budget Account 101-3725

NDOC – Southern Desert Correctional Center — Budget Page CORRECTIONS-71
(Volume III)
Budget Account 101-3738

NDOC – Humboldt Conservation Camp — Budget Page CORRECTIONS-152
(Volume III)
Budget Account 101-3741

NDOC – Ely Conservation Camp — Budget Page CORRECTIONS-159
(Volume III)
Budget Account 101-3747

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NDOC – Carlin Conservation Camp — Budget Page CORRECTIONS-175
(Volume III)
Budget Account 101-3752

NDOC – Ely State Prison — Budget Page CORRECTIONS-31 (Volume III)
Budget Account 101-3751

NDOC – Tonopah Conservation Camp — Budget Page CORRECTIONS-182
(Volume III)
Budget Account 101-3754

NDOC – Lovelock Correctional Center — Budget Page CORRECTIONS-80
(Volume III)
Budget Account 101-3759

NDOC – Casa Grande Transitional Housing — Budget Page CORRECTIONS-108
(Volume III)
Budget Account 101-3760

NDOC – High Desert State Prison — Budget Page CORRECTIONS-39
(Volume III)
Budget Account 101-3762

ASSEMBLYWOMAN SMITH MOVED TO REOPEN BUDGET ACCOUNTS
101-3739, 101-3722, 101-3723, 101-3724, 101-3725, 101-3738,
101-3741, 101-3747, 101-3752, 101-3751, 101-3754, 101-3759,
101-3760, 101-3762 AND 101-4198.

SENATOR RHOADS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

ASSEMBLYWOMAN SMITH MOVED TO ADJUST BUDGET ACCOUNTS 101-3739, 101-3722, 101-3723, 101-3724, 101-3725, 101-3738, 101-3741, 101-3747, 101-3752, 101-3751, 101-3754, 101-3759, 101-3760, 101-3762 AND 101-4198 FOR TECHNICAL ADJUSTMENTS AS NEEDED BY STAFF; TO RESTORE FUNDING TO WCC; AND TO RESTORE THE DIVISION OF FORESTRY'S PORTION OF WCC.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN CARLTON VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. COMBS:

The final accounts for reconsideration are B/A 201-4735, the Field Services Division of the Department of Motor Vehicles (DMV), and B/A 201-4717, the Motor Carrier Division of DMV.

MOTOR VEHICLES

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

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

With only minor variations, the money committees approved the Governor's recommendations for the Field Services and Motor Carrier budget accounts. As approved, funding for the Field Services Division primarily consists of Highway Fund dollars in the amount of \$16.1 million in FY 2011-2012 and \$17.1 million in FY 2012-2013, as well as \$19.9 million in Governmental Services Tax (GST) commissions and \$4.7 million in Penalties revenue for each year of the biennium. Funding for the Motor Carrier Division consists of Highway Fund money in the amount of \$2.2 million and GST commissions of \$971,298 in each year of the biennium.

Combined, GST commissions and Penalties revenue represent \$25.6 million in each year of the 2011-2013 biennium for the Field Services and Motor Carrier accounts which may be redirected to the General Fund with corresponding increases in Highway Fund appropriations. Increasing the Department's Highway Fund appropriations by \$25.6 million in each year of the biennium would require a temporary increase in the Agency's 22 percent cap limitation. A decision to replace \$25.6 million in combined GST commissions and Penalties revenue in the Field Services and Motor Carrier accounts, with corresponding increase in Highway Fund appropriations, would allow \$25.6 million in each year of the biennium to be redirected to the General Fund. This decision would necessitate increasing the 22 percent cap on administration to 33 percent for the 2011-2013 biennium only. Increasing the cap on administration from 22 percent to 33 percent would result in remaining authority of approximately \$4.3 million in FY 2011-2012 and \$3 million in FY 2012-2013 which is consistent with the amounts previously approved by the Committees.

Based upon the \$110 million unrestricted Highway Fund balance previously projected by the Department of Transportation, increasing Highway Fund appropriations for DMV by \$25.6 million in each year of the biennium would reduce the unrestricted Highway fund balance at the end of FY 2012-2013 to approximately \$59 million.

This afternoon, Staff spoke with DMV and they believe, at least at a cursory level, that the Highway Fund balance will be slightly higher than \$59 million and will be somewhere in the neighborhood of \$75 million to \$80 million. This is based on more updated projections on the fund balance.

ASSEMBLYWOMAN SMITH MOVED TO REOPEN BUDGET ACCOUNTS
201-4735 AND 201-4717.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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SENATOR DENIS MOVED TO REPLACE THE GST AND PENALTIES
REVENUE WITH HIGHWAY FUND APPROPRIATIONS.

ASSEMBLYMAN ATKINSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. COMBS:

The increase in the 22 percent cap will require legislation and Staff is examining the most appropriate vehicle for that change. This legislation will be coming forward for your consideration in the next few days.

ASSEMBLYWOMAN SMITH:

I would like to bring forward one more item for the Committees' consideration. In previous meetings, we have discussed the Nevada Arts Council subgrant funding and I would like to restore some of their funding.

MR. COMBS:

The Arts Council is B/A 101-2979.

COMMERCE AND INDUSTRY

ECONOMIC DEVELOPMENT AND TOURISM

Tourism – Nevada Arts Council — Budget Page ECON DEV & TOURISM-81
(Volume II)

Budget Account 101-2979

ASSEMBLYWOMAN SMITH MOVED TO REOPEN B/A 101-2979.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN BOBZIEN
ABSTAINED FROM THE VOTE.)

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SENATE: THE MOTION CARRIED UNANIMOUSLY.

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ASSEMBLYWOMAN SMITH MOVED TO RESTORE \$25,000 IN EACH YEAR OF THE BIENNIUM FOR NEVADA ARTS COUNCIL SUBGRANTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

SENATOR KIECKHEFER:

This is consistent with the motion I made in the original budget closing that failed. I appreciate the process we are going through and I am happy to support this motion. I think this is money well spent.

ASSEMBLYWOMAN SMITH:

I appreciate the Committees' consideration of this motion. This is money that is leveraged throughout the State and it is the one area where we consistently hear from the people who benefit from very small grants. We hear about how those individuals are able to use these grants in their communities. The Arts Council budget has been cut exponentially over the last three years and I would like to restore a small amount of money that they will be able to leverage.

MR. COMBS:

There are six different subgrant categories in the budget. Unless Assemblywoman Smith has a different intent, I would suggest that the \$25,000 a year be spread out proportionately among those six categories.

ASSEMBLYWOMAN SMITH:

Yes, I would like it to be proportionate. Whatever process we have used in the past is fine with me.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN BOBZIEN ABSTAINED FROM THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR CEGAVSKE VOTED NO.)

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CHAIR HORSFORD:

With no further business before the Committees, this meeting is adjourned at
7:47 p.m.

RESPECTFULLY SUBMITTED:

Marian Williams,
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	Rick Combs	Budget Reconsideration Document